



# **ABSA**

## **INTERNATIONAL**

*The Association for Biosafety and Biosecurity*

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## **CONFLICT OF INTEREST POLICY**

### **Purpose of Policy and Duties of Councilors and Officers**

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The Councilors, Officers, Team Leaders, and Committee Members of the American Biological Safety Association, Inc. ("ABSA") owe a duty of loyalty to ABSA, which requires that in serving ABSA they act, not in their personal interests or in the interests of others, but rather solely in the interests of ABSA. Councilors, Officers, Team Leaders, and Committee Members must have an undivided allegiance to ABSA's mission and may not use their position as Councilors, Officers, Team Leaders, and Committee Members, information they have about ABSA or ABSA's property, in a manner that allows them to secure a pecuniary or other material benefit for themselves or their relatives. Accordingly, no Councilor, Officer, Team Leader, or Committee Member may use his or her position for personal gain or benefit at the expense of ABSA, its mission, or its reputation.

A conflict of interest may arise when a person has an existing or potential financial interest or other material interest that impairs, or might appear to impair, his or her independence or objectivity in the discharge of responsibilities and duties to ABSA. In other words, a conflict of interest may arise where there is an incompatibility between the private interests of an ABSA Councilor, Officer, Team Leader, or Committee Member, whether financial or non-financial, and his or her obligations to ABSA such that an independent observer may reasonably question whether an action or decision by such Councilor, Officer, Team Leader, or Committee Member is made with considerations of personal gain, financial or otherwise. This policy is intended to protect ABSA's interests when it is contemplating entering into a contract, transaction, or arrangement that might benefit the private interests of a member of ABSA's Council, an Officer, Team Leader, or a Committee Member of ABSA. This policy is also meant to aid Councilors, Officers, Team Leaders, and Committee Members of ABSA in performing the duties imposed upon them under applicable laws with respect to their responsibilities and fiduciary obligations to ABSA. ABSA is committed to transparency and openness in its operations.

### **Duties of Good Faith and Care**

Every Councilor, Officer, Team Leader, and Committee Member must discharge his or her duties in good faith, with the degree of care that an ordinarily prudent person in a like position would exercise under similar circumstances. This requires using common sense, being diligent and attentive to ABSA's needs, and making thoughtful decisions in the best interest of ABSA.

### **Business Opportunities**

No Councilor, Officer, Team Leader, or Committee Member may take personal advantage of a business opportunity that is offered to ABSA unless ABSA first determines not to pursue such opportunity. A business opportunity is any type of activity, venture, transaction, business dealing, or idea that ABSA might have a legitimate interest in pursuing consistent with its mission and purpose.

### **Confidential Information**

Each Councilor, Officer, Team Leader, or Committee Member must protect the confidential information of ABSA and must not use confidential information or his or her position as a Councilor, Officer, Team Leader, or Committee Member to the detriment of ABSA. Confidential information of ABSA is confidential, proprietary and/or legally privileged material of ABSA and is solely for use by ABSA. Confidential information of ABSA shall not be used, disseminated, disclosed, distributed, or copied in any manner except at the direction of the

Executive Director or ABSA Council. Any unauthorized use is strictly prohibited, may be unlawful, may result in action by ABSA, and is a violation of this policy. Confidential information is information obtained through the Councilor's, Officer's, Team Leader's, or Committee Member's position that has not been released to the public.

### **Other Organizations**

A Councilor, Officer, Team Leader, or Committee Member that is a designated representative of another organization whose primary or secondary activity is related to the activities of ABSA must disclose his involvement and recuse themselves from any discussions that would affect the related organization. ABSA Councilors, Officers, Team Leaders, and Committee Members must disclose when they serve as a Councilor or officer for another organization whose primary or secondary activity is related to the activities of ABSA and recuse themselves from any discussions that would affect the related organization.

### **Direct or Indirect Financial or Other Material Interest**

1. Contracts, transactions or arrangements of ABSA in which a Councilor, Officer, Team Leader, or Committee Member has a direct or indirect financial or other material interest shall not be prohibited, but they shall be subject to the review and approval by the ABSA Council. Any such proposed contract, transaction or arrangement (collectively "arrangement") is to be reviewed to determine that it is in the best interests of ABSA.
2. For the purposes of this policy, a Councilor, Officer, Team Leader, or Committee Member has a direct or indirect "financial interest" in a proposed or existing arrangement if he or she, or one of his or her relatives, or relatives of his or her spouse, if any:
  - (a) has a substantial financial interest directly in the proposed or existing arrangement; or
  - (b) has a substantial financial interest in any other organization that i) is a party to the proposed or existing arrangement; or ii) is in any way involved in the proposed or existing arrangement, including through the provision of services in connection therewith (an "Involved Organization").

A Councilor's, Officer's, Team Leader's, or Committee Member's financial interest will be considered "substantial" if it involves:

- (a) an ownership or investment interest representing more than 1% of the outstanding shares of a publicly traded company or 5% of the outstanding shares or comparable interest of a privately-owned company with which ABSA has or is negotiating an arrangement or which is an involved organization with respect to the arrangement; or
- (b) an ownership or investment interest, which produces a significant amount of income for or constitutes a significant part of the net worth of the Councilor, Officer, Team Leader, or Committee Member, or a relative of the Councilor, Officer, Team Leader, or Committee Member, in any entity with which ABSA has or is negotiating an arrangement or which is an involved organization with respect to the arrangement; or
- (c) A relationship which produces a material amount of income (> 10% of gross annual income) for the Councilor, Officer, Team Leader, or Committee Member, or a relative of the Councilor, Officer, Team Leader, or Committee Member, with any entity with whom ABSA has or is negotiating an arrangement or which is an involved organization with respect to the arrangement; or
- (d) a compensation arrangement of any kind with any entity or individual with which ABSA has or is negotiating an arrangement or with any involved organization with respect to the arrangement.

For purposes of this policy, a Councilor, Officer, Team Leader, or Committee Member has a direct or indirect other "material interest" in a proposed or existing arrangement if he or she, or one of his or her relatives, or relatives of his or her spouse, if any:

- (a) holds a position as trustee, Councilor, officer, member, partner, or employee in any such party or Involved Organization; or
- (b) has an interest, activity, or relationship which could reasonably be expected to interfere with the exercise of a Councilor's, Officer's, Team Leader's, or Committee Member's independent or impartial judgment, recommendation, or assessment of facts in a given situation or the proper function of such person's activities in relation to ABSA.

### **Disclosure of Interest and Participation in Meeting**

- 3. Each Councilor, Officer, Team Leader, and Committee Member of ABSA shall promptly disclose any direct or indirect financial or other material interest that he or she has or reasonably expects to have in any proposed or existing arrangement with ABSA prior to the start of any negotiations with respect to such matter. A direct or indirect financial interest or other material interest required to be disclosed under this policy shall be disclosed in writing by completing and/or updating the Conflict of Interest Disclosure Statement provided by ABSA. Each Councilor, Officer, Team Leader, and Committee Member is required to complete and/or update his/her Conflict of Interest Disclosure Statement at the **end** of October each year. Disclosures with regard to a specific arrangement of interest to ABSA, shall include all material facts and supply any reasons why the arrangement might be or not be in the best interest of ABSA. Disclosures shall be submitted to the President who shall provide a copy of each completed statement to the ABSA Council for review, and if warranted, further action. The President shall make such disclosure directly to the Council.
- 4. The Councilor, Officer, Team Leader, or Committee Member who discloses a direct or indirect financial or other material interest in a proposed or existing arrangement in the context of a Council discussion or decision may make a presentation and respond to questions by the ABSA Council, but after such presentation, he or she shall leave the meeting during the discussion of, and vote on, the arrangement. As part of any such presentation, the Councilor, Officer, Team Leader, or Committee Member shall provide to the Council any reasons why the arrangement might be or not be in the best interest of ABSA. The Council shall determine whether ABSA can obtain a more advantageous arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest. The Council shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed arrangement. If a more advantageous contract, transaction or arrangement is not reasonably attainable under the circumstances that would not give rise to a conflict of interest, the Board shall determine by majority vote of the disinterested members of the Board whether the arrangement is in ABSA's best interest and whether to enter into the arrangement in conformity with such determination.

### **Minutes of Meetings**

- 5. Any potential or existing conflicts of interest shall be disclosed at the beginning of each meeting. The names of the Councilors, Officers, Team Leaders, and Committee Members who disclosed or otherwise were found to have a direct or indirect financial or other material interest in a proposed or existing arrangement, the nature of the interest, and the extent of the Councilor's, Officer's, Team Leader's, or Committee Member's participation in the relevant Board or Committee meeting on matters related to the financial or other material interest shall be recorded in the minutes for that meeting. The minutes also shall include a record of any determination as to whether the arrangement was in the best interest of and fair and reasonable to ABSA, notwithstanding the interest, and the specific reasons supporting the determination, including any alternatives to the proposed or existing arrangement, the names of the persons who were present for discussions and votes relating to the proposed or existing arrangement, and a record of any votes taken in connection therewith.

### **Co-Investment Interest**

- 6. Each Councilor, Officer, Team Leader, and Committee Member of ABSA shall also disclose whether he or she, or one of his or her relatives, has personal funds invested with an investment manager providing, or expected to provide, investment management services to ABSA or in a professionally managed investment fund in which ABSA is invested or is considering investing (a "co-investment interest"). For the purposes of this policy a "professionally managed investment fund" shall not

include mutual funds or other similar investment vehicles generally available to the investing public on essentially the same terms. Such co-investment interest shall be disclosed in writing to the President for referral to the ABSA Council, and the President shall make such disclosure directly to the Board. Such disclosure shall include all material facts, including, but not limited to, fee arrangements and any preferential treatment received by the Councilor, Officer, Team Leader, or Committee Member, or one of his or her relatives, and not available to other investors necessary to determine whether such co-investment interest may provide a benefit to the Councilor, Officer, Team Leader, or Committee Member, or one of his or her relatives. If the ABSA Council determines that the co-investment interest may provide some advantage to the Councilor, Officer, Team Leader, or Committee Member, or one of his or her relatives, the ABSA Council shall refer the issue to legal counsel. The Councilor, Officer, Team Leader, or Committee Member who discloses a co-investment interest may make a presentation and respond to questions from legal counsel but shall not be present during the discussion of, and vote on, how to address the co-investment interest. Legal counsel shall recommend to ABSA Council what, if any, corrective action is required with respect to the co-investment interest, including, but not limited to, terminating the investment relationship or seeking an adjustment in fee structure.

### **Failure to Disclose**

7. If the Board has reasonable cause to believe that a Councilor, Officer, Team Leader, or Committee Member has failed to disclose a direct or indirect financial or other material interest or co-investment interest subject to this policy, it shall inform the Councilor, Officer, Team Leaders, or Committee Member of the basis for such belief and afford the Councilor, Officer, Team Leaders, or Committee Member an opportunity to explain the alleged failure to disclose. If, after hearing the response of such individual and making such further investigation as may be warranted in the circumstances, ABSA Council determines that the Councilor, Officer, Team Leader, or Committee Member has in fact failed to disclose a direct or indirect financial or other material interest or co-investment interest subject to this policy, it shall take appropriate disciplinary and corrective action.

### **Annual Disclosure Statement**

8. Each Councilor, Officer, Team Leader, and Committee Member has a duty to place the interest of ABSA foremost in any dealing with ABSA and has a continuing responsibility to comply with the requirements of this policy. Promptly following the adoption of this policy, and thereafter not later than the **last day of October** of each year, each Councilor, Officer, Team Leader, and Committee Member shall acknowledge his or her familiarity with this policy and shall disclose in writing any existing financial or other material interests or co-investment interest subject to this policy by completing a Conflict of Interest Disclosure Statement. The Conflict of Interest Disclosure Statements shall be submitted to the President who shall provide a copy of each completed statement to the ABSA Council for review and, if warranted, further action. The President shall provide a copy of his or her Conflict of Interest Disclosure Statement directly to the Council. The Conflict of Interest Disclosure Statements shall be retained in confidential files in ABSA's executive office.

### **Parties Covered by Policy**

9. This policy shall apply to all Councilors, Officers, Team Leaders, and Committee Members. Employees of ABSA, including, but not limited to, the Executive Director or other ABSA employees are covered by this policy.

### **Policy Supplements Applicable Laws**

10. This policy is intended to supplement, but not replace, any applicable state or federal laws governing conflicts of interest applicable to nonprofit charitable corporations.