



## Medical Technology Enterprise Consortium Conflict of Interest Policy

This conflict of interest policy (“Conflict Policy”) of the Medical Technology Enterprise Consortium (the “Organization”) has been adopted by the Board of Directors (the “BOD”) and is applicable to all current and former (within the last two years) BOD Members as well as advisors, consultants, and others who have the ability or potential to exercise substantial influence over the Organization (“Covered Persons”).

### **A. General.**

All BOD members owe a duty of loyalty to the Organization. The duty of loyalty requires that they exercise their powers in good faith and in the best interests of the Organization, rather than in their own interests or the interests of another entity or person. BOD members must recognize that the appearance of a conflict of interest, even when in fact it may not exist, can be damaging to the Organization, and therefore must be avoided.

Conflicts between the interests of the Organization and the personal or financial interests of a Covered Person may arise from time to time. Some conflicts of interest are illegal or may subject the Organization or its directors and BOD members to liability. Some conflicts of interest may be legal, but also unethical or may create an appearance of impropriety. Some conflicts of interest may be in the best interests of the Organization so long as certain procedures are followed. This Conflict Policy is designed to assist the BOD in identifying conflicts of interest, and in handling them appropriately. Neither the Organization nor any Covered Person shall enter into any transaction or arrangement that involves an actual, potential, or perceived conflict of interest except in compliance with this Conflict Policy.

### **B. Conflict of Interest.**

A conflict of interest arises whenever the interests of the Organization come into conflict with a competing financial or personal interest of a Covered Person or an affiliated party, or otherwise whenever a Covered Person’s personal or financial interest could be reasonably viewed as affecting their objectivity or independence in fulfilling their duties to the Organization. For the purposes of this document, a conflict of interest may be real, potential or perceived. However, in each case the procedures outlined in this document must be followed. It is important to recognize that it is not necessary for such influence or compromise to have occurred before a situation can be identified as a conflict of interest. It is sufficient for the situation only to appear to provide the potential for professional judgment to be compromised to prompt action. While it is not possible to anticipate all possible conflict situations, conflicts of interest typically arise whenever a Covered Person, or any affiliated party has (directly or indirectly):

1. A compensation arrangement or other interest in a transaction with the Organization;



2. A compensation arrangement or other interest in or affiliation with any entity or individual that, to the extent that a Board member has knowledge of : (a) sells goods or services to, or purchases goods or services from the Organization; (b) competes with the Organization; or (c) the Organization has, or is negotiating, or contemplating negotiating, any other transaction or arrangement;
3. Used his or her position, or confidential information, or the assets of the Organization to his or her (or an affiliated party's) personal advantage;
4. Solicited or accepted any gift, entertainment, or other favor where such gift might create the appearance of influence on the Covered Person (other than gifts of nominal value which are clearly tokens of respect and friendship unrelated to any particular transaction);
5. Not disclosed potential opportunities related to the activities of the Organization and were available to the Organization and in which the Organization had reason to believe they likely would have had an interest in pursuing;
6. Pursued opportunities discovered through the use of the Organization's proprietary information or Board position, or using the Organization's proprietary information or Board position for personal gain;
7. Been indebted to the Organization, other than for amounts due for ordinary travel and expense advances;
8. Developed an outside relationship or dual role that may deter an individual from devoting an appropriate amount of time, energy, creativity, and strategy to the Organization;
9. Developed a relationship or dual role that might influence the individual's guidance to the Organization, such as serving other organizations or working in the interest of another organization that has competing interest;
10. Any other circumstances that may, in fact or in appearance, make it difficult for the Covered Person to exercise independence, objective judgment or otherwise perform effectively.

### **C. Affiliated Party.**

"Affiliated party" means a member of the Covered Person's family, including spouses and their siblings, lineal ancestors and descendants, spouses of lineal descendants, siblings (and their spouses and children), and domestic partners, or any entity in which the Covered Person (or any affiliated party) is a director, officer, or has a beneficial interest of more than 5%.



#### **D. Disclosure of an Actual, Potential or Apparent Conflict of Interest.**

1. Conflict identification and analysis can be difficult. Therefore, Covered Persons are at all times expected to err on the side of caution and bring to the attention of the BOD all material facts of any matters that may involve conflicts of interest, or be perceived by others to raise questions about potential conflicts, even if the person does not believe that an actual conflict exists. Disclosures should be made in advance, before any action is taken on the matter.

2. In addition, each Covered Person who currently serves as a BOD Member, advisor, consultant or any person who currently has the ability to exercise substantial influence over the Organization shall complete an Annual Statement Regarding Conflict of Interest Policy (Exhibit I) each year of their affiliation with the Organization, disclosing any actual, potential or apparent conflicts, and affirming that they have read, understand, and have and will continue to adhere to this Conflict Policy. They also shall submit a new Questionnaire disclosing any relevant changes when those changes occur.

#### **E. Evaluation of an Actual, Potential or Apparent Conflict of Interest.**

The BOD will evaluate conflict disclosures and make other necessary inquiries to determine the extent and nature of any actual or potential conflict of interest and, if appropriate, investigate alternatives to the proposed transaction or arrangement. The MTEC Director of Contracts and Compliance shall report to the disinterested members of the BOD for resolution. After disclosure of the potentially conflicting interest and all material facts, and after answering any questions, the interested person shall recuse himself or herself from deliberations and voting related to the matter, and shall refrain from attempting to influence other decision makers related to the matter. However, if the Covered Person is a member of the BOD he or she may be counted in determining the establishment of the quorum at a meeting related to the matter, but may not vote on the matter.

#### **F. Resolution of an Actual, Potential or Apparent Conflict of Interest.**

The BOD may determine that the conflict is not able to be mitigated, that the transaction would be unethical, or that entering into a transaction with the Covered Person may create an appearance of impropriety that would impact the BOD and the Organization negatively.

The Organization may enter into a transaction or other arrangement in which there is an actual or potential conflict of interest only if at a duly held meeting of the BOD a majority of those members who have no interest in the transaction or arrangement approve the transaction or arrangement after determining, in good faith and after reasonable inquiry, that:

1. Entering into the transaction or arrangement is in the best interests of the Organization, while considering the Organization's mission and resources, and the possibility of creating



an appearance of impropriety that might impair the confidence in, or the reputation of, the Organization (even if there is no actual conflict or wrongdoing);

2. The transaction or arrangement in its entirety, and each of its terms, is fair and reasonable to the Organization;
3. After considering available alternatives, the Organization could not have obtained a more advantageous arrangement with reasonable effort under the circumstances;
4. The transaction or arrangement furthers the Organization's mission; and
5. The transaction or arrangement is not prohibited under law and does not result in excess benefit transaction or impermissible private benefit.

#### **G. Records of Conflict Disclosures and Proceedings.**

The minutes of the BOD or any committee meeting during which a potential or actual conflict of interest is disclosed or discussed shall reflect the name of the interested Covered Person, the nature of the conflict, and details of the deliberations of the disinterested BOD members (such as documents reviewed, alternatives considered, comparative costs or bids, market value information and other factors considered in deliberations) and the resolution of the conflict, including any ongoing procedures to manage any conflict that was approved. The interested person shall be informed only of the final decision, and not of particular directors' positions.

#### **H. Compliance.**

If the BOD has reasonable cause to believe that a Covered Person has failed to comply with this Conflict Policy, they may initiate such further investigation as may be warranted in the circumstances. Should the BOD determine that a Covered Person has, in fact, failed to comply with this Conflict Policy, they shall take appropriate action, which may include removal or termination.

#### **I. Amendment.**

This Conflict Policy may be amended by a two-thirds (2/3) vote of the Board of Directors.

#### **J. Annual Statements.**

Each director, principal officer and member of a committee with BOD-delegated powers shall sign a statement annually which affirms such person:

1. Has received a copy of the conflict of interest policy;



2. Has read and understands the policy;
3. Has agreed to comply with the policy; and
4. Understands MTEC is a charitable organization, and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

#### **K. Periodic Reviews.**

To ensure MTEC operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, the BOD will cause periodic reviews to be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining; and
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to MTEC's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further MTEC's charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

The MTEC Chief Financial Officer shall report to the BOD the results of the annual review at its regularly scheduled annual meeting.

#### **L. Use of Outside Experts.**

When conducting the periodic reviews, MTEC may, but need not, use outside advisors. If outside experts are used, such use shall not relieve the BOD of its responsibility for ensuring periodic reviews are conducted.

**Adopted by the MTEC Board June 29, 2017**

  
Secretary for the Board

Approved by MTEC Board June 29, 2017



Exhibit I: Questionnaire and Annual Statement Regarding Conflict of Interest Policy

Exhibit II: Disclosure of Significant Potential Conflict of Interest Form



**Exhibit I  
Questionnaire  
Concerning Conflicts of Interest and Affirmation**

Have you or any affiliated party (as defined in the Conflict Policy) had, or engaged in, or do you know of any other Covered Person who has, or engaged in any of the following (other than matters already fully disclosed, evaluated and resolved)? Please provide a Yes or No Answer below. **If there is a “yes” response to any of the below, please describe the relevant facts related to the potential conflict of interest on the Disclosure form attached (EXHIBIT II).**

		YES/NO
<b>1</b>	A compensation arrangement or other interest in a transaction with the Organization	
<b>2</b>	A compensation arrangement or other interest in or affiliation with any entity or individual that, to the extent that a Board member has knowledge of : (a) sells goods or services to, or purchases goods or services from, the Organization; (b) competes with the Organization; or (c) the Organization has, or is negotiating, or contemplating negotiating, any other transaction or arrangement	
<b>3</b>	Used your position, confidential information, or the assets of the Organization to your (or an affiliated party’s) personal advantage for an improper or illegal purpose	
<b>4</b>	Solicited or accepted any gift, entertainment, or other favor where such gift might create the appearance of influence (other than gifts of nominal value, which are clearly tokens of respect and friendship unrelated to any particular transaction. Nominal value is defined as no more than \$100 dollars in aggregate per year)	
<b>5</b>	Not disclosed potential opportunities related to the activities of the Organization that were available to the Organization, and in which the Organization likely would have had an interest in pursuing	
<b>6</b>	Pursued opportunities, or discovered through the use of the Organization’s proprietary information or Board position, or using Organization’s proprietary information or Board position for personal gain	
<b>7</b>	Been indebted to the Organization, other than for amounts due for ordinary travel and expense advances	
<b>8</b>	Developed an outside relationship or dual role that may deter an individual from devoting an appropriate amount of time, energy, creativity, and strategy to the Organization	
<b>9</b>	Developed a relationship or dual role that might influence the individual's guidance to the Organization, such as serving other organizations or working in the interest of another organization that has competing interest	
<b>10</b>	Any other circumstances that may, in fact or in appearance, make it difficult for the Covered Person to exercise independence, objective judgment or otherwise perform effectively	



**ANNUAL STATEMENT REGARDING  
CONFLICT OF INTEREST POLICY**

As a Director or Officer of MTEC, I hereby affirm that:

1. I have received a copy of the current Conflict of Interest Policy for MTEC;
2. I have read and understand the Policy;
3. I agree to comply with the Policy;
4. I understand that the Organization is a tax-exempt entity under the definition of Internal Revenue Code 501(c)(3); and
5. I understand that if a conflict of interest exists, I must make a full disclosure as required by the above-referenced policy by submitting the ***Disclosure of Significant Potential Conflict of Interest Form (Exhibit II)***.

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_



**Exhibit II**

**DISCLOSURE OF SIGNIFICANT POTENTIAL CONFLICT OF INTEREST FORM**

Name: \_\_\_\_\_

Date Submitted: \_\_\_\_\_

1. Have you entered into a compensation arrangement or other interest in a transaction with the Organization; or a compensation arrangement or other interest in or affiliation with any entity or individual that: (a) sells goods or services to, or purchases goods or services from the Organization; (b) competes with the Organization; or (c) the Organization has, or is negotiating, or contemplating negotiating, any other transaction or arrangement

Please identify the business enterprise, entity, partnership, or individual(s) (hereby called "Entity") involved and the nature and amount of the interaction.

a. Name: \_\_\_\_\_

b. Nature of interaction/amount of financial interest (if any- be specific):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

c. Nature of interest (stock, consulting agreement, payment for workshops/lectures, payment as a member of a scientific or advisory committee member, etc.):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Are you an officer of the Entity? \_\_\_\_\_

a. If so, what are your responsibilities, and how much time do you dedicate to this activity?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



3. Are you a member of the governing Board of Directors for the Entity? \_\_\_\_\_
  - a. If so, describe the general nature of the Board, your responsibilities, and your estimated time commitment as a board member. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
4. Are you a consultant for or otherwise compensated by the Entity for advice, lectures, workshops, etc.? \_\_\_\_\_
  - a. Describe the activities for which you receive compensation. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
  - b. Date and/or period during which the activity is/will be conducted. \_\_\_\_\_  
\_\_\_\_\_
  
5. Do you hold stock in the Entity? \_\_\_\_\_
  - a. # or percentage of issued shares: \_\_\_\_\_
  - b. Percentage of ownership: \_\_\_\_\_
  
6. Does the Entity plan to submit proposal(s) for federal funding? \_\_\_\_\_
  - a. If so, will the proposal involve an existing MTEC subcontractor, or partner?  
\_\_\_\_\_
  - b. If so, is it for research that you would supervise at the Entity? \_\_\_\_\_



7. Have you used your position, confidential information, or the assets of the Organization to your (or an affiliated party's) personal advantage? \_\_\_\_\_

\_\_\_\_\_

8. Have you solicited or accepted any gift, entertainment, or other favor where such gift might create the appearance of influence? \_\_\_\_\_

\_\_\_\_\_

9. Have you not disclosed potential opportunities related to the activities of the Organization and were available to the Organization, and in which the Organization had reason to believe they likely would have had an interest in pursuing?

\_\_\_\_\_

\_\_\_\_\_

10. Have you pursued opportunities discovered through the use of Organization information or position, or using Organization information or position for personal gain?

\_\_\_\_\_

\_\_\_\_\_

11. Have you been indebted to the Organization, other than for amounts due for ordinary travel and expense advances?

\_\_\_\_\_

\_\_\_\_\_

12. Have you developed an outside relationship or dual role that may deter an individual from devoting an appropriate amount of time, energy, creativity, and strategy to the Organization?

\_\_\_\_\_

\_\_\_\_\_

13. Have you developed a relationship or dual role that might influence the individual's guidance to the Organization, such as serving other organizations or working in the interest of another organization that has competing interest?

\_\_\_\_\_

\_\_\_\_\_



14. Are there any other circumstances that may, in fact or in appearance, make it difficult for you to exercise independence, objective judgment or otherwise perform effectively?

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**RESOLUTION**

Please attach your recommendations for managing, resolving or eliminating the potential conflict of interest described above.

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I have answered the questions above fully and accurately to the best of my ability and I agree to provide supplemental information to the MTEC Board of Directors immediately if there is a change to any of the circumstances described above.

_____	_____
Signature	Date
_____	_____
MTEC Officer	Date
_____	_____