

# Marine Technology Society

Approved April 28, 2004

## Policy 3070: Conflicts of Interest and Disclosure of Certain Interests

### 1. PURPOSE

This policy is intended to provide guidance for MTS officers, directors, committee chairs and any other individuals in a position to influence society expenditures on proper conduct in the presence of conflict of interest. Such individuals are held to the highest standards of conduct and by choosing to serve the society in any of these capacities, subordinate individual interests to those of the Marine Technology Society. Individuals who serve the society in any of the aforementioned capacities, must do so without personal gain, employer benefit, or regard to personal relationships. Their behavior must be of such caliber as to inspire the confidence of members and the public in MTS. Conflict of interest, both real and in appearance, must be recognized and avoided, even if it leads to conduct beyond that which would be deemed acceptable outside the Marine Technology Society.

The key elements of this policy are the disclosure of circumstances which may give rise to a conflict or impropriety, the physical absence and non-participation in the decision making process that might lead to a potential conflict or impropriety, and the commitment to honor the confidentiality of organizational information. Under no circumstances shall any member of the Marine Technology Society's Executive Council, Executive Committee, local section executive committee, appointed chairs, or those who are in a position to influence MTS expenditures, participate in the evaluation or approval by the Marine Technology Society of any contractual agreement if such individual, or such individual's employer, would benefit financially, either directly or indirectly, from the Marine Technology Society becoming a party to such an agreement.

### 2. Definitions.

A. Conflict of Interest: A conflict of interest exists when Outside Interests, Outside Activities, Gifts or Gratuities are transacted or exchanged between MTS and a Responsible Person or Family Member as defined below.

B. Outside Interests: (i) A Contract or Transaction between MTS and a Responsible Person or Family Member; (ii) A Contract or Transaction between MTS and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal receiver, guardian, conservator or other legal representative.

C. Outside Activities: (i) A Responsible Person competing with MTS in the rendering of services or in any other Contract or Transaction with a third party; (ii) A Responsible Person's having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative of, or consultant to; an

entity or individual that competes with MTS in the provision of services or in any other Contract or Transaction with a third party.

D. Gifts and Gratuities: A Responsible Person accepting gifts, gratuities or other favors from any individual or entity that: (i) does or is seeking to do business with, or is a competitor of MTS; or (ii) has received, is receiving or is seeking to receive a loan or grant, or to secure other financial commitments from MTS under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of MTS.

E. Responsible Person: any person serving as an employee, officer (national, regional or local), a chair of a Professional Committee, member of an organizing committee (conferences, etc), or is otherwise in a position to influence Marine Technology Society expenditures.

F. Family Member: a spouse, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister of a Responsible Person.

G. Material Financial Interest: a financial interest of any kind.

H. Contract or Transaction: any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any other type of pecuniary relationship, or review of a charitable organization by MTS. The making of a gift to MTS is not a Contract or Transaction.

### **3. Procedures.**

A. An Ethics committee, chaired by the Ex-Officio Past President of MTS (hereinafter referred to as the "Chair") and comprised by officers and members at large appointed by the Chair will accept and review any potential or perceived Conflicts of Interest, conduct reviews and make recommendations to the Executive Committee (hereinafter referred to as the "Board"). The Board will determine, by majority vote, to accept the determination of the Ethics Committee as to whether the transaction in question constitutes a Conflict of Interest. Prior to Board action on a Contract or Transaction involving a Conflict of Interest, a person having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting. In order for a Conflict of Interest to be avoided, it must first be identified. It is incumbent upon all Responsible Persons to be vigilant within their area of responsibility (Region, Local Section, Professional Committee, Conference, etc) at identifying and acting on any potential Conflict of Interest, however any MTS member, not limited to the Executive Committee, may bring forward to the attention of the Ethics Chair any potential or perceived Conflict of Interest.

B. A person who plans not to attend a meeting at which he or she has reason to believe that the Board will act on a matter in which the person has a Conflict of Interest shall disclose to the Chair all facts material to the Conflict of Interest. The Chair shall

report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

C. A person who has a Conflict of Interest shall not participate in or be permitted to hear the Board's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

D. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken. Such person's ineligibility to vote shall be reflected in the minutes of the meeting.

E. Responsible Persons who are not members of the Board of Directors or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board action, shall disclose to the Chair or the Chair's designee any Conflict of Interest that such Responsible Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that may affect MTS's participation in such Contract or Transaction.

**4. Confidentiality.** Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of MTS. Furthermore, a Responsible Person shall not disclose or use information relating to the business of MTS for the personal profit or advantage of the Responsible Person or a Family Member.

**5. Review of policy.**

A. Each Responsible Person shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so.

B. Each Responsible Person shall annually complete a disclosure form identifying any relationships, positions or circumstances in which the Responsible Person is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions or circumstances might include service as a director of or consultant to a nonprofit organization, or ownership of a business that might provide goods or services to MTS. Any such information regarding business interests of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available only to the Chair and the Executive Director, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.

C. This policy shall be reviewed annually by each member of the Executive Board. Any changes to the policy shall be communicated immediately to all Responsible Persons.

**Annual Conflict of Interest Information Form**

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

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

Please describe below any relationships, positions, or circumstances in which you are involved that you believe could contribute to a Conflict of Interest (as defined in the MTS Policy 3070, Conflict of Interest).

*I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, the Policy of Conflict of Interest of MTS that is currently in effect.*

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

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