ABIM Foundation

Conflict of Interest Policy

APPROVED BY THE ABIM FOUNDATION TRUSTEES, APRIL 2014

Members of the Board of Trustees and Committees are expected to have the mission of the Foundation as their primary interest when contributing to the Foundation's work. A conflict of interest may arise when, due to a competing outside interest, a Board Trustee or Committee member has the opportunity to influence Foundation activity in ways that could lead to, or appear to lead to, personal or institutional gain or advantage. This conflict of interest policy is intended to manage conflicts that arise from competing interests.

Interests that have the potential to be in conflict with the interests of the Foundation include employment, consultancies, and advisory positions to pharmaceutical, medical supply, and other medical or biotechnology companies; personal investments in such companies; and other affiliations (e.g., service as a trustee, officer, or director) with medical organizations. Foundation activities which could be inappropriately influenced include decisions on grant awards, programs and policy development.

Financial Conflict of Interest Policy

Given that prohibition of all financial interest in medical companies would excessively restrict eligible candidates for Trustee and working committee membership, and given the low likelihood that a conflict of interest would cause serious harm, **the Foundation's policy to manage conflicts of interest consists of disclosure and self-monitored, as well as Governance and Nominating Committee-monitored, abstention in decision-making relating to the conflict.**

Foundation Trustees, Committee members, and executive staff members will be requested on an annual basis or at the time of reappointment, to disclose to the Governance and Nominating Committee the following information:

1. Whether they, or their spouses, domestic partners, or dependent children, have any of the following interests in any company or organization (for-profit or not-for-profit) whose activities are related to the health care industry, including but not limited to pharmaceutical, biotechnologic, medical service, health IT, or medical device compan(ies) or health plan(s), or any other company or organization (for-profit or not-for-profit) whose mission or activities could give rise to the perception or appearance of a conflict with the mission or activities of the ABIM Foundation:
    - financial holdings in any such organization (excluding mutual fund holdings) and the approximate value of those holdings;
    - compensation from ongoing consultancies, governing board fees or honoraria from any such organization or any other non-profit or for-profit organization, and the approximate annual amount of compensation from each of those sources;
    - direct research support from any such organization; or
    - employment or affiliation as an officer, trustee or director with any such organization.
2. Whether they are serving, with or without payment, at other independent non-profit or profit organizations, government advisory boards or regulatory boards.
3. Significant formal relationships that could lead to a conflict of interest.

Ongoing Disclosure Requirement

In addition to completing the annual disclosure requirements, Trustees, Committee members, and executive staff members must disclose to the Governance and Nominating Committee on an ongoing basis all material facts concerning any situation that might be viewed as a conflict.

General Procedures for Addressing Conflicts

In order to ensure impartial decisionmaking, no Trustee, Committee member, or executive staff member shall participate (other than by providing information) in any deliberation or decision in which he or she has a conflict of interest. The final arbiter of whether or not a conflict exists is the Governance and Nominating Committee. Any Trustee, Committee member, or executive staff member may request a review and opinion of that Committee at any time.

Additional Procedures for Addressing Material Financial Conflicts

If the Governance and Nominating Committee of the Foundation determines that a Trustee, Committee member, or executive staff member has a material financial interest in a transaction to which the Foundation may be a party, the Governance and Nominating Committee must disclose that conflict to the Board of Trustees.

The Board of Trustees shall not approve any transaction to which the Foundation would be a party and in which any Trustee, Committee member, or executive staff member has a material financial interest unless and until the Board of Trustees has specifically and in good faith determined after reasonable investigation (including a review of the terms upon which other comparable organizations enter transactions or arrangements similar to the one under consideration) that:

1. the Board of Trustees is aware of all material facts concerning the transaction and the person's interest in the transaction;
2. the Foundation is entering into the transaction for its own benefit;
3. the transaction is fair and reasonable as to the Foundation; and
4. the Foundation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

A Trustee, Committee member, or executive staff member may have a material financial interest in any type of transaction involving the Foundation, including but not limited to a grant between the Foundation and a non-profit organization, the Foundation's purchase of real or personal property, an agreement between the Foundation and a vendor, or an investment decision involving the Foundation's assets.

Recordkeeping

With respect to any Board discussion or decision involving matters covered by this policy, the minutes of the Board meeting at which such discussion or decision takes place must reflect in detail the Board deliberations and the voting process, specifically indicating that the Trustee, Committee member, or executive staff member whose conflict of interest situation was considered was not present in the room either during the discussion or for the vote. In addition, any market data or information considered by the Board in approving or disapproving a proposed transaction covered by this policy must be attached to the minutes of the Board meeting at which such consideration took place.

Public Disclosures

This policy, as well as the information disclosed under this policy by Foundation Trustees, Committee members, and executive staff members, will be made available to the general public on the Foundation's website and may also be made available to the general public through other media.

Administration of this Policy

The Governance and Nominating Committee, acting under the supervision of the Board of Trustees, is responsible for the implementation and administration of this policy.

Representation of the Foundation by Board of Trustees and Working Committee Members

The Board of Trustees has a fiduciary responsibility and duty to the Foundation and provides oversight of the management and financial resources of the Foundation. Working Committee Members are independent contractors of the Foundation. Working Committee members should not act or make public statements that they represent the Foundation's interest on program or policy matters without the consent of the President and/or Chair.