

THE AMERICAN ASSOCIATION OF NEUROPATHOLOGISTS INC.

CONFLICT OF INTEREST POLICY

Article I: Purpose

This conflict of interest policy is designed to foster public confidence in the integrity of The American Association of Neuropathologists Inc. (the “Organization”) and to protect the Organization’s interest when it is contemplating entering a transaction (defined below) that might benefit the private interest of an insider (defined below).

Article II: Definitions

1. The following are considered *insiders* for the purposes of this policy:
 - a. Each member of the Executive Council of the Organization.
 - b. The President, President-elect, Vice-President, Vice-President-elect, Vice-President for Professional Affairs, Secretary-Treasurer, and Assistant Secretary-Treasurer, or any person with the responsibilities of any of these positions (whether or not the person is an officer of the Organization under the Organization’s Constitution and Bylaws and applicable law).
 - c. Any staff of the Organization, including employees and the Executive Director.
2. *Interest* means any commitment, investment, relationship, obligation, or involvement, financial or otherwise, direct or indirect, that may influence a person’s judgment, including receipt of compensation from the Organization, a sale, loan, or exchange transaction with the Organization.
3. A *conflict of interest* is present when, in the judgment of the Executive Council, an insider’s stake in the transaction is such that it reduces the likelihood that an insider’s influence can be exercised impartially in the best interests of the Organization.
4. *Transaction* means any transaction, agreement, or arrangement between an insider and the Organization, or between the Organization and any third party where an insider has an interest in the transaction or any party to it.

Article III: Procedures

1. *Duty to Disclose*

Each insider shall disclose to the Executive Council all material facts regarding his or her interest in the transaction, promptly upon learning of the proposed transaction.

2. *Determining Whether a Conflict of Interest Exists*

With regard to an insider, the Executive Council shall determine if a conflict of interest exists. The insider(s) and any other interested person(s) involved with the transaction shall not be present during the Executive Council's discussion or determination of whether a conflict of interest exists, except as provided in Article IV below.

3. *Procedures for Addressing a Conflict of Interest*

The Executive Council shall follow the procedures set forth in Article IV in order to decide what measures are needed to protect the Organization's interests in light of the nature and seriousness of the conflict, to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are appropriate.

Article IV: Review by the Executive Council

The Executive Council may ask questions of and receive presentation(s) from the insider(s) and any other interested person(s), but shall deliberate and vote on the transaction in their absence. The Executive Council shall ascertain that all material facts regarding the transaction and the insider's conflict of interest have been disclosed to the Executive Council and shall compile appropriate data, such as comparability studies, to determine fair market value for the transaction.

After exercising due diligence, which may include investigating alternatives that present no conflict, the Executive Council shall determine whether the transaction is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable to the Organization; the majority of disinterested members of the Executive Council then in office may approve the transaction.

Article V: Records of Proceedings

The minutes of any meeting of the Executive Council pursuant to this policy shall contain the name of each insider who disclosed or was otherwise determined to have an interest in a transaction; the nature of the interest and whether it was determined to constitute a conflict of interest; any alternative transactions considered; the members of the Executive Council who were present during the deliberations on the transaction, those who voted on it, and to what extent interested persons were excluded from the deliberations; any comparability data or other information obtained and relied upon by the Executive Council and how the information was obtained; and the result of the vote, including, if applicable, the terms of the transaction that was approved and the date it was approved.

Article VI: Annual Disclosure and Compliance Statements

Each insider of the Organization, shall annually sign a statement on the form attached, that:

- affirms that the person has received a copy of this conflict of interest policy, has read and understood the policy, and has agreed to comply with the policy; and
- discloses the person's financial interests and family relationships that could give rise to conflicts of interest.

Article VII: Violations

If the Executive Council has reasonable cause to believe that an insider of the Organization has failed to disclose actual or possible conflicts of interest, including those arising from a transaction with a related interested person, it shall inform such insider of the basis for this belief and afford the insider an opportunity to explain the alleged failure to disclose. If, after hearing the insider's response and making further investigation as warranted by the circumstances, the Executive Council determines that the insider has failed to disclose an actual or possible conflict of interest, the Executive Council shall take appropriate disciplinary and corrective action.

Article VIII: Annual Reviews

To ensure that the Organization operates in a manner consistent with its status as an organization exempt from federal income tax, the Executive Council shall authorize and oversee an annual review of the administration of this conflict of interest policy. The review may be written or oral. The review shall consider the level of compliance with the policy, the continuing suitability of the policy, and whether the policy should be modified and improved.