

Board of Trustees: Conflict of Interest Policy

I. Scope

This policy applies to each Trustee and Officer (see “definitions”) of Woods Hole Oceanographic Institution (“WHOI”).

II. Policy

Trustees and Officers of WHOI have an appropriate duty of loyalty to WHOI and shall not take advantage of their positions with WHOI for personal or private gain, either for themselves, any member of their families, or any organization in which they have an interest.

WHOI recognizes, however, that Trustees and Officers may have personal, familial, financial or business relationships with other organizations and that from time to time those other organizations may do business with or become involved in transactions with WHOI. In those cases, there may exist an actual or potential conflict of interest between a Trustee’s or Officer’s obligations to WHOI and his or her relationship to or interest in the other organization.

Conflicts of interest may arise, for example, through the ownership, direct or indirect, of a financial or other interest in an organization supplying goods or services to WHOI; the performance of services to other organizations which do business with WHOI; the receipt or acceptance of benefits from any organization doing or seeking to do business with WHOI; the participation in or taking advantage of any business opportunity or activity in which WHOI has an interest; or the holding of an elected or appointive office or position in a branch of government or in a regulatory agency having authority or jurisdiction over WHOI.

Each Trustee and Officer of WHOI has an obligation to make the other Trustees aware of situations that involve personal, familial, financial or business relationships that could create an actual or potential conflict of interest. The possible existence of such conflicts is a matter for disclosure and evaluation, and does not preclude WHOI from dealing with a person or entity where it is in the best interests of WHOI to do so.

As an attachment to the policy will be a list of vendors who do business with WHOI in the amount of \$50,000 or more annually.

III. Disclosure

Each Trustee and Officer of WHOI is required to disclose in writing, on the disclosure statement attached hereto, (a) any financial or business relationships (each defined below) that he or she, or any family member (as defined below), has with WHOI or any affiliated organization (as defined below) or with organizations that do business with WHOI or any affiliated organization, (b) any elected or appointive office or position that he or she, or any family member, holds in a branch of government or in a regulatory agency having authority or jurisdiction over WHOI, or (c) other personal, familial, financial or business relationships (“familial relationship” defined below) that otherwise could be construed to affect the independent, unbiased judgment of such Trustee or Officer in light of his or her decision-making authority or responsibilities for WHOI. Such disclosures shall be made (i) on or prior to March 1 of each year and (ii) any other time that the Trustee or Officer has actual knowledge that he or she, or any family member, or any organization with which he or she, or any family member, has a financial or business relationship, is doing or may be doing business or involved in a transaction with WHOI or an affiliated organization.

The disclosure statements shall be filed with the Clerk of WHOI and the Clerk shall prepare a report annually or more frequently as necessary for the Trustees and Officers summarizing the conflict issues.

IV. Confidentiality

The individual disclosure statements and the annual reports compiled by the Clerk of WHOI shall be confidential but shall be available for review by the Trustees. The disclosure statements and the Clerk’s reports, or the information contained in the statements and reports, shall be open for inspection by the public only: (a) by official action of the Trustees or Officers of WHOI upon showing of good cause; (b) by court order; or (c) as otherwise required by Massachusetts or federal law or regulation.

V. Transaction Approval Requirements

In the absence of fraud, any Trustee or Officer, any family member, or any organization in which any Trustee or Officer, or any family member, may have a financial or business relationship may be a party to, or may have a financial or other interest in, any transaction of WHOI or any affiliated organization, provided that the nature of such interest has been disclosed to the Executive Committee and such transaction is authorized or ratified by a majority of the disinterested Executive Committee members.

VI. Quorum and Voting

In all cases, at least two disinterested Executive Committee members shall be present at all meetings at which the Executive Committee shall discuss and vote on any matters involving conflicts or potential conflicts of interest. Trustees or Officers who have declared that they have or have been found, by a majority of the disinterested Executive Committee members, present and voting at a meeting of the Executive Committee, to have a conflict of interest in any matter before WHOI shall not vote and shall not be counted in determining a quorum for action on the matter. The interested Trustee or Officer shall be required to leave the meeting for the discussion relating to the matter and when a vote is taken on the matter, unless otherwise requested to stay by a majority of the disinterested Executive Committee members then present and voting in order to answer pertinent questions of other Trustees. The disinterested Executive Committee members shall exercise their best judgement about the appropriate course to follow relating to the matter.

The minutes of any meeting where an issue of a conflict of interest arises shall reflect that a disclosure of the conflict was made, that the

interested Trustee or Officer abstained from voting and that a quorum was otherwise present.

VII. Definitions

The following terms are defined as follows for purposes of this Policy:

affiliated organization: Any entity, whether not-for-profit or for-profit, which WHOI directly or indirectly owns or controls or a principal purpose of which is to benefit or further the purposes of WHOI. For purposes of this definition, "owns" means directly or indirectly holding fifty percent (50%) or more of voting membership right, or voting stock, and "controls" means that fifty percent (50%) or more of the entity's directors, trustees or other members of its governing body are representatives of or are directly or indirectly controlled by the other entity.

business relationship: A relationship in which a Trustee or Officer, or a member of his or her family, serves as an officer, director, employee, partner, trustee or controlling stockholder of an organization that does business with WHOI.

family member or familial relationship: A spouse, parent, sibling, child, or any other person (whether or not related by blood or marriage) living in the same household as the Trustee or Officer, or a relationship with such person.

financial relationship: A relationship in which a Trustee or Officer, or member of his or her family, (1) is the actual or beneficial owner of more than [ten percent (10%)] of the voting stock or controlling interest of an organization that does business with WHOI, or (2) has other direct or indirect dealings with an organization which does business with WHOI from which the Trustee or Officer, or member of his or her family, benefits directly or indirectly.

Officer: Officers to be covered under the policy include: Chairman of the Board, Vice Chairman of the Board, Chairman of the Corporation, President and Director, Treasurer and Clerk (Secretary).

Trustee: Each Trustee of WHOI and each non-Trustee voting member of the following Board charter committees: Audit Committee, Compensation Committee, Executive Committee, Finance Committee, Investment Committee, and Trustees of the Employee Retirement Trust.

Last updated: February 25, 2016

Copyright ©2007 Woods Hole Oceanographic Institution, All Rights Reserved.

Mail: Woods Hole Oceanographic Institution, 266 Woods Hole Road, Woods Hole, MA 02543, USA.

E-Contact: info@whoi.edu; press relations: media@whoi.edu, tel. (508) 457-2000

Problems or questions about the site, please contact webdev@whoi.edu