

## ALZHEIMER'S ASSOCIATION

### GUIDELINES REGARDING COMPENSATION AND CONFLICT OF INTEREST

#### PURPOSE AND POLICY

- A. The purpose of the following guidelines is to supplement and implement the Association's policy on compensation and conflict of interest as stated in Article XVIII of the Association's Bylaws, a copy of which is attached hereto.
- B. The Association recognizes the myriad relationships, interests and memberships of individuals seeking nomination or appointment to serve the Association and of its Board of Directors, officers, committee, task force and work group members, and such other person or persons as may be designated from time to time by the Board of Directors (hereinafter "interested person"). In this regard, an interested person is assumed to be an individual with high ethical standards, good values, and integrity. Accordingly, these guidelines and Article XVIII of the Association's Bylaws are intended to help interested persons avoid situations that could compromise the integrity and independence of the Association's decision-making processes, public confidence, or reputation; and it is therefore presumed that these guidelines will be supplemented by the good judgment of interested persons since the guidelines do not contemplate all possible situations of actual or potential conflict of interest or appropriate responses to any such conflict situation or the appearance thereof. The failure of an interested person to comply with the Association's Bylaws, guidelines or any other ethical or policy guideline adopted by the Board of Directors regarding compensation and conflict of interest shall be reason to remove such interested person immediately from his or her position with the Association or to terminate the nomination or appointment of such individual, as the case may be.
- C. The Association requires as a condition for service to the Association, disclosure of any known or reasonably foreseeable actual or potential conflicts of interest by all interested persons.

#### COMPENSATION

Except as may be specifically provided from time to time by resolution of the Board of Directors, no interested person shall receive any salary, fee, payment, honorarium, grant or other compensation or thing of value of any kind from the Association or other party as compensation for such interested person's service to the Association. Salary and defined benefits for the Association's professional staff are excluded from this provision.

## CONFLICT OF INTEREST

A. 1. A conflict of interest exists when:

The direct or indirect personal, professional, proprietary or pecuniary interests of an interested person or a member of that person's family (including, for example, ancestors, siblings or descendants), may influence or appear to influence the actions or decisions of that interested person in a manner contrary to the best interests of the Association.

2. Categorically, a potential conflict of interest exists when:

A situation involving an interested person or that person's family presents a foreseeable likelihood that the interested person will confront an action or decision affected by opposing loyalties between the personal, professional, proprietary or pecuniary interests of the interested person or that person's family and the interests of the Association.

3. Categorically, an actual conflict of interest exists when:

A situation involving an interested person or that person's family presents a foreseeable certainty that the interested person will confront an action or decision affected by opposing loyalties between the personal, professional, proprietary or pecuniary interests of the interested person or that person's family and the interests of the Association.

B. Situations involving actual or potential conflicts of interest include, for example:

1. *Conducting business with the Association.* An interested person or member of that person's family contracts with the Association to buy or sell goods or otherwise directly or indirectly derive some personal, professional, proprietary or pecuniary benefit.

2. *Usurping an Association opportunity.* An interested person or member of that person's family acquires for his or her own direct or indirect personal, professional, proprietary or pecuniary benefit a business or other positional opportunity that would have been beneficial and appropriate for the Association.

3. *Competing with the Association.* An interested person or member of that person's family competes directly or indirectly with the Association for a business or other opportunity from which he or she will derive some personal, professional, pecuniary or proprietary gain.

4. *Misusing Association information.* An interested person or member of that person's family uses information concerning the Association's affairs for a business or other opportunity from which he or she derives some personal, professional or proprietary gain to the detriment of the Association.

#### DISCLOSURE RESPONSIBILITY

The responsibility of disclosing any known or reasonably foreseeable actual or potential conflicts of interest shall be upon the interested person whose interests are or may appear to be in conflict with the Association. Interested persons should err on the side of prudence and disclose an actual or potential conflict if in doubt as to whether such conflict exists. Disclosure shall be made in writing to the Governance and Nominating Committee on disclosure forms provided by the Association.

In this regard, all interested persons shall be required to file with the Association a disclosure statement prior to such individual commencing his or her service with the Association, and thereafter shall file with the Association an updated disclosure statement as may be required from time to time by the Board of Directors, or its Committee designee, and in no event less often than annually.

#### DISCLOSURE STATEMENT

A copy of the attached Disclosure Statement shall be completed, executed, and filed with the Association by such individuals determined from time to time by the Board of Directors, or its Committee designee, to be interested persons. Specifically, if such interested person (i) shall be a nominee for the Board of Directors or for a Board of Director's officer position, he or she shall complete, execute and file a Disclosure Statement within thirty (30) days after nomination but in any event prior to election, or (ii) shall be an appointee as a chair or vice chair of a task force, work group, or committee of the Association, then he or she shall complete, execute and file a Disclosure Statement within (30) days after notice and acceptance of appointment.

#### GUIDELINES IMPLEMENTATION AND POLICY OVERSIGHT

The Governance and Nominating Committee shall report to the Board of Directors from time to time on the implementation of these guidelines and the status of any policy developments regarding compensation and conflicts of interest. Further, the Governance and Nominating Committee shall report to the Board as soon as reasonable after having been alerted to specific instances when these guidelines or the Association's Bylaws regarding Compensation and Conflicts of Interest have not been followed or any other issue regarding compensation or conflict of interest is determined to exist.

*(Extract from the Bylaws as updated through February 2006)*

## ARTICLE XVIII

### Compensation and Conflicts of Interest

#### **SECTION 1. Compensation**

Except as may be specifically provided from time to time by resolution of the Board of Directors, no Director, officer of the Board of Directors, or such other person or persons as may be designated from time to time in guidelines adopted by the Board of Directors (hereinafter "interested person") shall receive any salary, fee, payment, honorarium or other compensation or thing of value of any kind from the Association or other party as compensation for such interested person's service to the Association.

#### **SECTION 2. Conflicts of Interest**

- A. No individual, interested person or Chapter shall (i) engage in any course of conduct which may result in an actual or potential conflict of interest with the Association or any Chapter or (ii) take any position publicly as a representative of the Association or any Chapter which has not been approved by the Association or such Chapter as the case may be.
- B. Any known or reasonably foreseeable actual or potential conflict of interest shall be disclosed to the Board of Directors, or its committee designee, by the Chapter or interested person whose interests are or may appear to be in conflict with the Association.
- C. When any such conflict of interest is relevant to a matter requiring action by the Board of Directors or any committee of the Board, the interested person or Chapter shall disclose such conflict to the Board of Directors or such committee, and such interested person or Chapter representative shall not vote on the matter. Further, the interested person or representative from a Chapter having a conflict shall retire from the room in which the Board or the committee is meeting and shall not participate in any deliberation or decision regarding the matter under consideration. However, that interested person or representative from a Chapter shall provide the Board or committee, upon request, with all information relevant to the matter under consideration.
- D. The minutes of the meeting of the Board or committee shall reflect that the conflict of interest was disclosed and that the interested person or Chapter representative was not present during any discussion of the matter and did not vote on the matter in person or by proxy. When there is doubt as to whether a conflict of interest exists, the matter shall be resolved by a vote of the Board of Directors or the committee, as the case may be, excluding the interested person or representative from a Chapter concerning whom the doubt has arisen.
- E. A copy of this Bylaws Article and any related ethical policy or guidelines, as from time to time adopted or amended by the Board of Directors, shall be presented: (i) to all interested persons serving the Association and all Chapters of the Association at the time of any such adoption or amendment and in no event less often than annually; and (ii) to all individuals seeking to serve the Association as an inter-

ested person prior to requesting any such individual to execute a conflict of interest disclosure statement.

F. A conflict of interest disclosure statement shall be completed, executed and filed with the Association by:

(i) All individuals seeking to serve the Association as an interested person prior to such individual commencing his or her service to the Association at such time and in such manner as may be provided in guidelines adopted by the Board of Directors.

(ii) All interested persons serving the Association, from time to time, as may be required by the Board of Directors, this Bylaws Article or any other related ethical policy or guideline adopted by the Board of Directors, and in no event less often than annually.

**SECTION 3: Failure to Comply**

The failure of an individual, interested person or Chapter to comply with this Bylaws Article or any other ethical policy or guideline adopted by the Board of Directors shall be cause:

(i) For an individual not yet serving the Association as an interested person, to terminate said individual's application or nomination to serve the Association as an interested person.

(ii) For an interested person, to remove such interested person immediately from his or her position with the Association.

(iii) For a Chapter, to commence disaffiliation proceedings as provided in Article IX, Section 6, of the Association's Bylaws.

**ALZHEIMER'S ASSOCIATION  
DISCLOSURE STATEMENT**

The Alzheimer's Association Board of Directors has adopted policy guidelines to implement Article XVIII of the Association's Bylaws regarding compensation and conflicts of interest. A copy of those policy guidelines and Bylaws is attached. Disclosure of information that may be important to determination of the existence of a broad-based conflict of interest or in a particular situation is a condition of service to the Association. The purpose of this disclosure statement is to enable volunteer board members, members of board committees, senior staff and others who may potentially influence board decision making to identify and manage or eliminate conflicts between their primary responsibilities to the Association and their other outside interests or activities. This statement identifies information to enable these individuals and Association leadership to identify and manage, minimize or eliminate potential conflicts.

DISCLOSURE (Complete the blanks or "check-the-line", as appropriate, sign, date and return to the attention of the Office of the President, national headquarters.):

1. Name: \_\_\_\_\_
  
2. Level of Service:  
 National Board or Board Committee Member  
 Publication Author/Contributor  
 Program Speaker/Participant  
 National Sr. Staff and Association Directors  
 Other \_\_\_\_\_
  
3. I have read the Association's Bylaws and the Board's policy guidelines policy regarding compensation and conflict of interest and I have the following response:  
 Based on the Bylaws and policy, no disclosure is necessary. (Skip item 4.)  
 Based on the Bylaws policy, certain disclosure is necessary. (Answer item 4.)
  
4. The following information would be relevant to a determination of Conflict of Interest related to your leadership position in the Association. (This includes past, present and anticipated activity of yourself or members of your immediate family concurrent with your tenure in an Association Leadership position.)
  - *Ownership or equity interest* in an organization with dementia-related interests.  
 Yes  No Describe (organizations, locations, nature of business, your interests):
  
  - *Offices and/or positions* (director, officer, partner, employee or agent) in an organization that might be affected by your involvement with the Alzheimer's Association?  
 Yes  No Describe (organization, location, nature of business, your interest):

- *Compensation* in cash or in kind, related to your leadership position with the Alzheimer's Association, from any other organization?  
\_\_\_Yes \_\_\_No Describe (organizations, locations, nature of business, your compensation):

- *Interest in any transactions with the Alzheimer's Association*, through its national office or any individual chapters, involving a contract, sale or fee that may be perceived as an actual or potential conflict of interest?  
\_\_\_Yes \_\_\_No Describe (part of the organization, transaction, your interest):

5. In regard to the dissemination of this disclosure:

\_\_\_ I request that this disclosure not be disseminated beyond the Executive and Governance & Nominating Committees and the designated staff without my consent.

\_\_\_ I do not have any objection to dissemination of this disclosure.

Signed: \_\_\_\_\_

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

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For office use only:

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

Staff Review: \_\_\_\_\_

Reported to Executive Committee: \_\_\_\_\_

Special Instructions: \_\_\_\_\_

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