

CLINICAL TMS SOCIETY, INC.
CONFLICT OF INTEREST POLICY

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Article I

Purpose; Policy; and Conflict of Interest

1. Purpose:

The purpose of this conflict of interest policy is to protect the interests of the Clinical TMS Society, Inc. to promote transparency and to avoid potentially harmful conflicts of interest.

This policy is intended to supplement, but not replace, any applicable laws governing conflicts of interest applicable to nonprofit or all types of corporations.

CTMSS recognizes the potential benefit to patients and TMS providers that can arise from the interaction of our members and commercial TMS entities, for example, when members advise TMS device companies regarding addressing unmet needs of providers or patients. Thus, CTMSS does not prohibit members who serve as consultants to industry and get reasonable compensation from holding leadership positions, however CTMSS does require transparency regarding the financial relationships that its members have, which may create a conflict of interest with their CTMSS leadership role. The following policy has been developed to establish such transparency.

2. Policy:

The officers and directors of the Society occupy a special position of trust and responsibility for its governance. Each officer and director is expected to discharge his or her duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner that the officer or director reasonably believes to be in the best interests of the Society. Each officer and director are expected to be loyal to the interests of the Society and to avoid improper personal gain from his or her position as an officer or director. It is the policy of the Society that it will not engage in a transaction or maintain a relationship with an officer or director or a related person of an officer or director unless the transaction or relationship is on terms which are entirely fair to the Society.

All prospective and current CTMSS officers, directors and committee members are required to disclose any financial relationship which may be perceived as creating a conflict of interest with their leadership role within the CTMSS. To do this they must complete, in full, a CTMSS Conflict of Interest Form and submit it to the BOD secretary within 30 days of their election or appointment. New conflict of interest forms must be submitted annually. In addition, any potential conflict of interests that arise must be reported within 60 days.

The CTMSS endorses a code of conduct for its supporting device corporations and their designated representatives. The CTMSS Board of Directors believes that device companies and their representatives should also maintain the highest ethical standards in relationship to the areas of conflict of interest, anti-trust, proprietary information, anti-kickback, compliance with public clinical registries, and participation in the CTMSS Annual Meeting.

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3. Conflict of Interest:

A conflict of interest exists when an officer or director of the Society has a Financial Interest that might influence such officer's or director's judgment in discharging his or her duties to the Society as an officer or director of the Society. As discussed below, a Financial Interest is not necessarily a conflict of interest. Violations of this policy occur if any action is taken by an officer or director of the Society which might result in or creates the appearance of giving preferential treatment to any organization or person, using one's office to direct the business or the activities of the society for personal gain, losing complete impartiality or independence, or which might result in or create the appearance of the loss of confidence by the public in the society.

Article II

Definitions

1. Interested Person:

Any officer, director or committee member who has a direct or indirect Financial Interest, as defined below, is an Interested Person.

2. Financial Relationship:

A person has a Financial Relationship with a healthcare related entity if the person has, directly or indirectly, through business, investment or family:

- a. An ownership or investment interest in any entity, or
- b. A compensation arrangement with the entity, or
- c. Anticipated ownership or investment interest in, or compensation arrangement with, an entity.

Compensation includes direct and indirect remuneration as well as gifts or favors that are more than nominal in nature.

3. Commercial Relationship:

A Commercial Relationship is a Financial Relationship with any healthcare related entity, including but not limited to:

- a. 501(c) Non-profit organizations that do not advocate for commercial interests
- b. Government organizations
- c. Non-health care related companies
- d. Liability insurance providers
- e. Health insurance providers
- f. Group medical practices
- g. For-profit hospitals

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- h. For-profit rehabilitation centers
- i. For-profit nursing homes
- j. Blood banks
- k. Diagnostic laboratories

Article III

Financial Interest Procedures

1. Duty to Disclose:

All current and prospective members of the CTMSS Board of Directors and Committees, and all contributors to CTMSS Publications will be required to disclose fully any financial relationship that might create a conflict of interest (COI) on the CTMSS COI Policy Statement. Disclosures should be made for immediate family members as well as the Board member, committee member, or contributor. False reporting of COI is considered grounds for CTMSS ethics charges.

All CTMSS directors and committee members must sign a CTMSS COI Policy and abide by it at all times.

If an Interested Person believes that he or she has a conflict of interest, such person shall recuse himself or herself from all further discussions with respect to the matter giving rise to the conflict of interest and shall not vote on any matters with respect thereto. If an Interested Person is uncertain as to whether he or she has a conflict of interest, he or she shall seek a determination by the Board of Directors as to whether a conflict of interest exists. Such Interested Person shall be bound by a decision of the Board of Directors with respect to the existence of a conflict of interest.

2. Type of Information to Disclose:

Individuals subject to the COI policy must disclose both Financially Significant Relationships and Other Significant Relationships, using the Society's COI Disclosure Forms, including but not limited to:

- a. Financially Significant Relationships of one's professional practice:
 - i. Financial Relationships which constitute more than 5% of one's annual income derived from professional duties. This includes service working for any organization, whether as an employee (often termed a "W2" employee) or an independent contractor (paid via "1099" processes of the U.S. Internal Revenue Service).
 - ii. Financial Relationships which have a value greater than \$25,000 per year OR financial holdings which have a value of greater than \$25,000 as of the date of disclosure. This includes equity interests (including shares of stock and stock options, whether vested, allocated, promised or exercised) and other financial interests (e.g., loans from a corporation), except for

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investments that are held in mutual funds or trusts over which the individual has no control.

- b. Other Significant Relationships beyond what is requested above:
- i. Compensation, whether financial or nonfinancial, relating to health care, including but not limited to medical care and marketing, whether by a for-profit or not-for-profit entity, including but not limited to one's own practice (e.g., self-employment), an academic medical center, a governmental entity (e.g., county, state, or federal entity), or a commercial organization.
 - ii. Speaker/Speakers' Bureau for any entity.
 - iii. Consultancy agreements.
 - iv. Contractual relationships, including but not limited to independent contractor, contingency, or incentive relationships.
 - v. Patents and patent filings if related to TMS.
 - vi. Grants or other income from a pharmaceutical or TMS device manufacturer, or from a company that provides clinical assessment services or medical service products, including a managerial service organization (MSO), or a company that proposes to provide services such as CME to the Society or to members of the Society. Funds supplied directly, or indirectly through a foundation, university, or any other organization, should be disclosed.
 - vii. Ownership, leasing, lending, or other access to TMS equipment.
 - viii. Other honoraria or payments, such as teaching in a CTMSS program.
 - ix. Financial relationships of an immediate family member for any of the above categories, if known.
 - x. Other relationships that could present a conflict.

3. Determining Whether a Conflict of Interest Exists:

All current and prospective members of the CTMSS Board of directors and committee members will be required to complete a COI Disclosure Statement that will be submitted to administrative staff for initial review. After initial review, all forms with potential conflicts will be submitted to the Legal Business & Ethics Committee for further evaluation.

- a. The Legal Business & Ethics Committee will then provide copies of disclosure statements for the Board of Directors and committee members as follows:
- i. For all committee members, a copy of the disclosure statements will be provided to the relevant committee Chair, the CTMSS Secretary, and the Executive Director (or staff liaison).
 - ii. For the Board of Directors copies of the disclosure statements will be provided to the President, Secretary, and the Executive Director.

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- iii. Before each meeting of these respective bodies the people identified above who have copies of the Disclosure Statements should review them and assume responsibility for ensuring that during the meeting any discussions and/or votes have been preceded with recusals of members with potential conflicts. In any specific instance, the member identified as having a potential conflict of interest may rebut the presumption of conflict, but the decision regarding that member's participation in the discussion or the vote will be decided by the remaining members of the committee or Council.
 - i v . The Legal Business & Ethics Committee Chair will use the information provided in the COI Disclosure to make judgments about potential conflicts of interest and to assess whether the number and extent of potential conflicts significantly compromises the individual's ability to perform the tasks required of his or her society related tasks.
 - v . While the COI Disclosure Statements will normally be reviewed only by the Chair of the Legal Business & Ethics Committee, selected lists may be shared with other members of the Legal Business & Ethics Committee and members of the CTMSS Board of Directors if deemed necessary by the Legal Business & Ethics Committee chair.
 - vi. In its annual report to the CTMSS Board of Directors, the Legal Business & Ethics will include a statement regarding the management of potential conflicts of interest and a summary of any actions taken during the year to address apparent or reported violations of this policy.
 - vii. In presentations at CTMSS meetings where COI disclosures are made, the speaker must comment on their disclosure data and their relationship in a sufficient amount of time for the audience to apprehend the information, rather than display it in a perfunctory manner.
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After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, the Interested Person shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

4. Procedures for Addressing the Conflict of Interest:

- a. An Interested Person may make a presentation at the Board meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.
- b. The remaining directors shall, if they, in their sole discretion determine appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board or committee shall determine whether the Society can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

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- d. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Society's best interest and for its own benefit and whether the transaction is fair and reasonable to the Society and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.
5. Violations of the Conflict of Interest Policy Regarding Financial Interests:
- a. If the Board of Directors has reasonable cause to believe that an officer, director or committee member has failed to disclose an actual or possible conflict of interest, it shall inform the officer, director or committee member of the basis for such belief and afford the officer, director or committee member of an opportunity to explain the alleged failure to disclose.
 - b. If, after hearing the response of the officer, director or committee member and making such further investigation as may be warranted in the circumstances, the Board of Directors determines that the officer, director or committee member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, which may include recommending terminating such person's capacity with the Society.

Article IV

Records of Proceedings

The minutes of meetings of the Board of Directors and Committees shall contain:

1. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest, a description of any action taken and any data relied upon to determine whether a conflict of interest was present, and the decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

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Article V

Compensation

A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Society for services is precluded from voting on matters pertaining to that person's compensation.

Article VI

Annual Statements

Each officer and director of the Society shall annually sign a statement which affirms that such person (a) as received a copy of the conflicts of interest policy; (b) has read and understands the policy; (c) has agreed to comply with the policy; and (d) understands that the Society is a tax-exempt organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.