

27 March 2009

To: AIP Governing Board Members and Officers
From: Benjamin B. Snavely, Secretary

Re: Conflict of Interest Policy Statement and Annual
Disclosure

In accordance with a recommendation by KPMG, AIP's auditors, the Governing Board adopted a Conflict of Interest Policy at its October 1999 meeting for Board members and in April 2003, for AIP Officers. A copy of the policy statement is included with this letter. Implementation of the policy includes an annual disclosure statement to be signed by members of the Governing Board and officers. The disclosure statement is on the reverse side of the policy statement.

The Board requested that some examples of reportable conflicts be provided. The following examples are not meant to be all-inclusive, but rather to provide a conceptual base for individual consideration. In its most elementary form, of course, a conflict involves remuneration or some tangible benefit. Absence of tangible benefit, however, does not necessarily excuse a relationship from conflict considerations for a non-profit and relatively public organization such as the AIP. Our auditors advise us that we also need to be concerned with the possibility for the perception of conflict.

Some examples of reportable situations are:

- salary or other payments for services such as editorships, consulting fees, and honoraria;
- equity interests such as stocks, options, or other ownership interests; and
- intellectual property rights such as patents, copyrights, and royalties from such rights.

It is well recognized that there will be some potential conflicts. It is probably not possible for an organization such as ours to have a competent board and officers that are free of conflicts at some level. The purpose of this policy is to prevent harm to our organization from the perception of conflicts by making them a matter of record.

Please read the statement of the AIP Conflict of Interest Policy for Governing Board Members and Officers, note any matters that you feel are relevant, and sign the Annual Disclosure and return it to my office.

American Institute of Physics Conflict of Interest Policy

Background

This document outlines the American Institute of Physics (AIP) conflict of interest policy relating to Governing Board members (directors) and officers. It is not the intent of this policy to eliminate all situations that may give rise to a conflict of interest, but rather to enable directors to recognize situations that may create a conflict of interest and therefore to ensure that such situations are properly disclosed. It is understood that by its nature the Governing Board is composed of individuals who may be board members or hold senior staff positions with Member Societies of AIP. The officers of the Institute are: the Chief Executive Officer; Treasurer; Senior Vice President, Publishing; Vice President, Physics Resources Center; and Vice President, Human Resources.

Statement of Policy

No director or officer shall use his or her position, or the knowledge gained therefrom, in such a manner that a conflict between the interest of AIP and his or her personal interest arises.

Each director or officer has a duty to place the interest of AIP foremost in any dealings with AIP and has a continuing responsibility to comply with the requirement of this policy.

If a director or officer has an interest in a proposed transaction with AIP in the form of a significant personal financial interest in the transaction or in any organization involved in the transaction, or holds a position as trustee, director, or officer in any such organization (except Member Societies), he or she must make full disclosure of such interest before any discussion or negotiation of such transaction and will abstain from any vote in connection with the matter.

Disclosure

To implement this policy, directors and officers of AIP will submit annual reports on the attached form and, if not previously disclosed, will make disclosures before any relevant board, committee, or officer action.

These reports will be reviewed by the Secretary, who will refer any actual or potential conflict(s) to the Executive Committee of the Governing Board.

**American Institute of Physics
Conflict of Interest Policy for Governing Board Members and Officers**

Annual Disclosure

I have read AIP's statement of policy regarding conflicts of interest. (On reverse side of this page)

To the best of my knowledge and belief, except as disclosed herewith, neither I nor any person with whom I have or had a personal or business relationship is engaged in any transaction or activity or has any relationship that may represent a potential competing or conflicting interest, as defined in the statement of policy.

Further, to the best of my knowledge and belief, except as disclosed herewith, neither I nor any person with whom I have had a personal, business, or compensated professional relationship intends to engage in any transaction, to acquire any interest in any organization or entity, or to become the recipient of any substantial gifts or factors that might be covered by the statement of policy regarding conflicts of interest.

- (1) Without exception _____
- (2) Except as described below _____

Signature: _____

Print Name: _____

Date: _____