



ADM-101: Conflict of Interest – January 30, 2022

Purpose & Scope:

The purpose of this conflict-of-interest policy is to prevent the institutional or personal interests of INCOSE's board members, officers, and staff from interfering with the performance of their duties to INCOSE, and to ensure that there is no personal, professional, or political gain at the expense of INCOSE. This policy is not designed to eliminate relationships and activities that may create a duality of interest, but to require the disclosure of any conflicts of interest and the recusal of any interested party in a decision relating thereto.

This policy defines how INCOSE Officers, Directors, Associate and Assistant Directors, other leaders, members, and contributors shall manage any conflicts of interest that could arise during the execution of INCOSE business.

This policy applies to the INCOSE Board of Directors, the Governing Bodies of INCOSE Chapters globally, all institutional members of INCOSE, all individual members of INCOSE, all Contractors to INCOSE, and the INCOSE central and local administrative offices ("Agents of INCOSE").

Authority & Responsibility:

Agents of INCOSE shall take the necessary action to comply with the requirements defined in this policy to avoid impermissible conflicts of interest and self-dealing transactions by identifying and disclosing conflicts of interest or potential conflicts of interest and carrying out the obligations set forth under this policy. The INCOSE Board of Directors shall ensure that Chapters of INCOSE, institutional members, full individual members, , contractors and administrative offices, globally, comply with this policy.

All Agents of INCOSE shall perform their responsibilities in the best interest of INCOSE without regard to personal, other organizational, or corporate gain.

Before starting their term as an INCOSE Leader, all INCOSE Officers and Board Members must review this policy, The members of the Board of Directors will complete ADM-FORM-102 each calendar year and submit the completed form to the Operations Manager. The Operations Manager will maintain a file of all completed Conflict of Interest Forms.



Definition:

Conflict of Interest: A conflict of interest exists when a question is before the INCOSE entity, or a product or service is under development, in which the individual has a direct personal, organizational, or financial interest not common to the other members of INCOSE or the mission of INCOSE. For purposes of this policy, the following circumstances shall be deemed to create a conflict of interest:

- a. An Interested Person is a party to a contract or involved in a transaction with INCOSE for goods or services.
- b. An Interested Person has a material financial interest in a transaction between INCOSE and an entity in which the Interested Person is also involved (i.e. owns a profit interest, is employed by, or otherwise stands in a position to gain from the transaction).
- c. An Interested Person is engaged in some capacity or has a material financial interest in a business or enterprise that competes with INCOSE.

Interested Person: An interested person is any person serving as a principal officer, member of the Board of Directors, or member of a committee with board delegated powers, who has a direct or indirect financial interest.

Recuse: (ri'kju:z): When a vote is being held and a voter has a material financial interest or conflict of interest in the outcome of such vote they should refrain from participating or being present during the deliberations or voting process related to the interested transaction.

Conflict of Interest Procedure:

When a conflict of interest exists, or the appearance of a conflict of interest exists, the Interested Person will acknowledge this conflict of interest prior to deliberations and will Recuse (i.e., disqualify oneself) themselves from any related decisions and/or voting, or remove the potential conflict of interest to allow their participation.

The INCOSE Board will investigate the nature of the potential conflict of interest. The Board may request a written statement from the Interested Person, which may include:

- a. The name of the Interested Person;
- b. The name and relationship of the proposed beneficiary of the grant, contract, or other transaction;



- c. The nature of the potential conflict of interest, including any benefits that the Interested Person (or his or her family member) may receive, directly or indirectly, from the proposed transaction; and
- d. Record the above information related to the conflict of interest in the minutes of the meeting.

All products forwarded to the next level of approval as part of the Technical Product Plan or Service Operations Plan (see TEC-107) shall have a recorded approval vote by the members of the forwarding entity that includes recusals due to conflict of interest

Related Policies:

TEC-107

Related Procedures, Templates and Forms:

ADM-FORM-102 Conflict of Interest

SUPERSEDES: ADM-102 dated April 15, 2021

APPROVED BY: INCOSE Board of Directors, Q1 Hybrid, Torrance CA, 30 January 2022

MAINTAINED BY: (RACI Responsible R): Chief of Staff / Operations Manager

POLICY OWNER: (RACI Accountable A): Secretary