



THE KENYA OBSTETRICAL AND GYNAECOLOGICAL SOCIETY

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1.0 Purpose

This Conflict-of-Interest Policy is designed to foster public confidence in the integrity of KOGS and to protect KOGS's interest when it is contemplating entering a transaction or arrangement that might benefit the private interest of a Council member, employee, or other person with substantial influence over KOGS.

2.0 Definitions

2.1 Insider

Insider refers to a person with substantial influence over KOGS. The following persons are deemed to have substantial influence over KOGS, and therefore are considered “insiders” for the purposes of this policy:

- Each member of the Council,
- Any person with the responsibilities of any of these positions, such as the Chief Executive Officer (CEO), Accountant, Administrator, or any employee whose position is a possible conflict of interest source.
- Such persons' spouses, ancestors, children, grandchildren, great-grandchildren, brothers, sisters, and the spouses of their children, grandchildren, great-grandchildren, brothers, and sisters.
- Any entity in which persons listed above hold more than 33% of the control.
- Any other person or society member who the Council, based on the facts and circumstances, determines to have substantial influence over KOGS. Such persons may include a substantial contributor to KOGS, a person with managerial authority over KOGS, or a person with control over a significant portion of KOGS's budget.
- Any person who met one of the above definitions at any time during the five years before the proposed transaction.



2.2 Interested person

Interest means a financial interest or any other interest that may influence a person's judgment. An objective test is applied to determine whether an interest is present: whether the stake of the person in the transaction is such that it reduces the likelihood that the person can render an impartial decision in the best interests of KOGS.

Interested person means any person with an interest in a proposed transaction or arrangement.

A person (individual, trust, estate, partnership, association, company, or corporation) has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- An ownership or investment interest in any entity with which KOGS has, or proposes to enter into, a transaction or arrangement; or
- A compensation arrangement with any person or entity with which KOGS has, or proposes to enter into, a transaction or arrangement (this includes the employment of an insider by a corporate member organization with which KOGS has, or proposes to enter into, a transaction or arrangement);
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which KOGS has, or proposes to enter into, a transaction or arrangement.

3.0 Procedures

3.1 Duty to disclose



Each employee who is not an insider shall disclose to KOGS's chief executive officer all material facts regarding his or her interest (including relevant affiliations) in any transaction being considered by the Council. The employee shall make that disclosure promptly upon learning of the proposed transaction. If there is a question as to whether the employee is an insider, the chief executive officer shall present this issue to the Council, and the Council shall resolve the matter.

Each insider shall disclose to the Council or relevant Council Committee all material facts regarding his or her interest (including relevant affiliations) in a transaction being considered by the Council or Council Committee. The insider shall make that disclosure promptly upon learning of the proposed transaction.

3.2 Determining whether a conflict of interest exists

With regard to an employee who is not an insider, the chief executive officer shall determine whether a conflict of interest exists.

With regard to an insider, the Council or relevant Council Committee shall determine if a conflict of interest exists. If the insider is a Council member, he or she shall not be present during the Council or Council Committee's discussion or determination of whether a conflict of interest exists.

Generally, a conflict of interest shall not exist if the transaction at issue is between KOGS and a corporate member organization that employs one of KOGS's insiders, so long as such insider's compensation from the member organization is in no way dependent on the proposed transaction.

3.3 Procedures for addressing a conflict of interest

If a conflict of interest exists with regard to an employee who is not an insider, the chief executive officer shall ascertain that all material facts regarding the transaction and the employee's conflict of interest have been disclosed and decide the appropriate response by KOGS.



If a conflict of interest exists with regard to an insider, the Council or a Council Committee shall follow the procedures set forth in Article IV in order to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are reasonable. In the case of an insider who is a Council member, the member shall not vote on any transaction in which the Council Member has an interest and shall not be present during the Council or Council Committee's discussions or determination pursuant to Article IV.

4.0 Review by the Council

The Council or Council Committee shall deliberate on the transaction in the absence of the interested person. The Council or Council Committee shall ascertain that all material facts regarding the transaction and the insider's conflict of interest have been disclosed to the Council or Council committee and shall compile appropriate data to ascertain whether the proposed transaction is fair and reasonable to KOGS.

If appropriate, the President/Chairperson of the Council or Council Committee shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement, and to compile data regarding comparable transactions and arrangements.

After exercising due diligence, the Council or Council Committee shall determine whether KOGS can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Council or Council Committee shall determine whether the transaction or arrangement is in KOGS's best interest, for its own benefit, and whether it is fair and reasonable to KOGS. The Council or Council Committee shall make these findings without the vote of any interested directors.



If the Council or Council Committee finds that KOGS cannot obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest, and also finds that the transaction or arrangement is in KOGS's best interest, for its own benefit, and fair and reasonable to KOGS, then the majority of disinterested Council members then in office may approve the transaction. If the transaction does not involve an interested Council member, the transaction can also be approved by the Council or Council Committee by majority vote.

5.0 Records of Proceedings

The minutes of any meeting of the Council and any Council Committee pursuant to this policy shall contain the name of each Council member or other insider who disclosed or was otherwise determined to have an interest in a proposed transaction or arrangement, and the nature of the interest; the members of the Council or Council Committee who were present during the debate on the transaction, those who voted on it, and to what extent interested Council members were excluded from the deliberations. The comparability data obtained and relied upon by the Council or Council Committee and how the data was obtained; and the result of the vote, including, if applicable, the terms of the transaction that was approved and the date it was approved.

The records must be prepared by the date of the next meeting of the Council or Council Committee or 30 days after the final action of the Council or Council Committee with respect to the transaction and must be approved by the Council or Council Committee within a reasonable time afterwards.

6.0 Statements

Each Council Member, officer, and employee shall sign a statement which affirms that the person has received a copy of this conflict-of-interest policy, has read and understood the policy, and has agreed to comply with the policy.



All such statements shall be filed with the minutes of the meetings of the Council.

7.0 Violations

If the chief executive officer has reasonable cause to believe that an employee who is not an insider of KOGS has failed to disclose actual or possible conflicts of interest, he or she shall inform such employee of the basis for this belief and afford the employee an opportunity to explain the alleged failure to disclose. If, after hearing the employee's response and making further investigation as warranted by the circumstances, the chief executive officer determines that the employee has failed to disclose an actual or possible conflict of interest, the chief executive officer shall take appropriate disciplinary and corrective action.

If the Council has reasonable cause to believe that an insider of KOGS has failed to disclose actual or possible conflicts of interest, it shall inform such insider of the basis for this belief and afford the insider an opportunity to explain the alleged failure to disclose. If, after hearing the insider's response and making further investigation as warranted by the circumstances, the Council or a Council Committee determines that the insider has failed to disclose an actual or possible conflict of interest, the Council or Council Committee shall take appropriate disciplinary and corrective action.

8.0 Annual Reviews

To ensure that KOGS operates in a manner consistent with the society objectives and its status as a professional society, the Council shall authorize and oversee an annual review of the administration of this conflict-of-interest policy. The review may be written or oral. The review shall consider the level of compliance with the policy, the continuing suitability of the policy, and whether the policy should be modified and improved.



9.0 Legal Standards

KOGS, its Council members, and officers shall adhere to fiduciary duty and conflict of interest rules, including those provided for by statute.