ARTHRITIS NATIONAL RESEARCH FOUNDATION

Code of Business Conduct and Ethics

Adopted August 10, 2010
By Vote of the Board of Directors

INTRODUCTION

Ethical business conduct is critical to our business and the responsibility of all of us. This Code of Business Conduct and Ethics (the "Code") has been developed as a guide to our legal and ethical responsibilities. This Code of Business Conduct and Ethics is designed to deter wrongdoing and to promote:

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

Full, fair, accurate, timely and understandable disclosure in our public communications;

Compliance with applicable laws, rules and regulations;

The prompt internal reporting of violations of this Code; and,

Accountability for adherence to this Code.

This Code applies to all directors, officers and employees of the Arthritis National Research Foundation ("hereinafter referred to as ANRF").

This Code should help guide your conduct in the course of the business of our organization. Many of the principles described in this Code, however, are general in nature, and the Code does not cover every situation that may arise. Use common sense and good judgment in applying this Code. **If you have any questions about the Code, or are unsure about whether an action or inaction that you intend to take is permitted under the Code, please contact our President, legal counsel or executive director.**

We are committed to continuously reviewing and updating our policies and procedures. We therefore, reserve the right to amend, alter or terminate this Code at any time and for any reason, subject to applicable law. You should consult the By-Laws for further clarification of ANRF’s mission and the Grant Guidelines & Policies (posted on **www.curearthritis.org** web site) for grantmaking policies.
Part of your job and ethical responsibility is to help enforce this Code. You should be alert to possible violations and report possible violations to our President pursuant to the "Whistleblower Process" described below.

Violations of law, this Code or other ANRF policies or procedures can lead to disciplinary action up to and including employment termination.

**BASIC PRINCIPLES**

**Non-Discrimination Policy**

The Arthritis National Research Foundation shall conduct all its internal and external operations and grant making procedures without regard to race, religion, disability, gender or age, and in compliance with the non-discrimination laws of the United States.

**Compliance with Government and Industry Regulation**

You must comply with all applicable federal, state and local laws, regulations, rules and regulatory orders applicable to our organization. Each employee, director, and consultant must acquire appropriate knowledge of the requirements of his or her locale relating to his or her duties sufficient to enable him or her to recognize potential dangers and to know when to seek advice from our legal counsel. Violations of laws, regulations, rules and orders may subject the employee, director or consultant to individual criminal or civil liability, as well as to discipline by ANRF. These violations may also subject ANRF to civil or criminal liability and/or the loss of business.

**Business Records**

**Accuracy** ANRF requires its employees to honestly and accurately record and report financial and other business information in order to make responsible business decisions and full, fair, accurate, timely and understandable financial and other disclosures to regulatory agencies and the public. ANRF is legally required to maintain an effective system of internal controls to ensure that transactions are properly authorized, assets are safeguarded, financial records are reliable and operations are conducted in accordance with directives of the Board of Directors and management. All of our books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect
ANRF’s transactions and must conform both to applicable legal requirements and to our system of internal controls.

To maintain the integrity of the accounting records, all entries in ANRF’s book and records must be prepared carefully and honestly and must be supported by adequate documentation to provide a complete, accurate, and auditable record. All employees have a responsibility to ensure that their work is fair and accurate. No false or misleading entry may be made for any reason, and no employee may assist any other person in making a false or misleading entry.

Employees must timely communicate required information to our management to enable decisions regarding disclosure. Public statements and filings regarding our business and financial status must be true, accurate, complete, and not misleading in all material respects. Business records and communications are public and all officers, directors and employees should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies.

Full disclosure reinforces responsibility and acts as a powerful deterrent to wrongdoing. Therefore, undisclosed or unrecorded transactions are not allowed for any purpose. Any employee having information or knowledge of any undisclosed or unrecorded transaction or the falsification of records should report it promptly as detailed under the heading 'Whistleblower Process'.

**Document Retention: Maintaining and Managing Records** We are required by state and federal guidelines and regulations to retain certain records and to follow these guidelines in managing our records.\(^1\) Civil and criminal penalties for failure to comply with such guidelines can be severe for employees, directors, and ANRF.

A legal hold suspends all document destruction procedures in order to preserve appropriate records under special circumstances, such as litigation or government investigations. Our legal counsel, presently a member of the Board of Directors, determines and identifies what types of ANRF records or documents are required to be placed under a legal hold. Every employee, director and consultant must comply with this policy. Failure to comply with this policy may subject the employee, director, agent, contractor or consultant to disciplinary action, up to and including termination of employment or business relationship at ANRF's sole discretion.

\(^1\) See Internal Revenue Service Publication 4221-PC, “Compliance Guide for 501(c)(3) Public Charities.”
Our Legal Counsel will notify you if a legal hold is placed on records for which you are responsible. You then must preserve and protect the necessary records in accordance with instructions from our legal counsel. Records or supporting documents that have been placed under a legal hold must not be destroyed, altered or modified under any circumstances. A legal hold remains effective until it is officially released in writing by our President. If you are unsure whether a document has been placed under a legal hold, you should preserve and protect that document while you check with our legal counsel. If you have any questions about this policy you should contact our legal counsel or executive director.

Confidential or Copyrighted Information

**ANRF Confidential Information** ANRF's confidential information is a valuable asset. Our confidential information includes, but is not limited to names and lists of donors and employees, business plans, and research documentation received from our grant fund recipients and financial information. This information is the property of ANRF. All confidential information must be used for ANRF business purposes only. Every employee, director and consultant must safeguard it.

As an ANRF director, employee and/or Advisory Board member, you agree to protect and hold confidential ANRF's proprietary information for as long as you work for ANRF and after you leave ANRF. This means you may not disclose ANRF's confidential information to anyone or use it to benefit anyone other than ANRF without the prior written consent of an authorized ANRF officer.

**Confidential Information of Others** You must take special care to handle the confidential information of others responsibly. This includes the credit card information of donors. You should never steal nor unlawfully use the information, material, products, intellectual property, nor proprietary or confidential information of third parties, including donors, collaborative partners or competitors.

**Copyrighted Information** ANRF subscribes to newsletters, reference works, online reference services, magazines, books, and other digital and printed works. Copyright law generally protects these works, and their unauthorized copying and distribution constitute copyright infringement. Unauthorized duplication of copyrighted works violates the law and is contrary to our standards of conduct. You must first obtain the consent of the copyright holder before copying these works or significant parts of them. When in doubt about whether you may copy a publication, consult our legal counsel or executive director.
Protection and Proper Use of ANRF Assets

*Computers and Other Equipment* To the extent that ANRF has furnished you with equipment, you must care for that equipment and use it responsibly only for ANRF business purposes. While computers and other electronic devices are made available to certain employees to assist them to perform their jobs, all computers and electronic devices, whether used entirely or partially on ANRF's promises or with the aid of ANRF's equipment or resources, must remain fully accessible to ANRF and, to the maximum extent permitted by law, will remain the sole and exclusive property of ANRF. Any loss, misuse or suspected theft of computers or other equipment should be reported to the executive director.

You are expected to use electronic communication devices in a legal, ethical and appropriate manner. You should not maintain any expectation of privacy with respect to information transmitted over, received by, or stored in any electronic communications device owned, leased, or operated in whole or in part by or on behalf of ANRF. To the extent permitted by applicable law, ANRF retains the right to gain access to any information received by, transmitted by, or stored in any such electronic communications device, by and through its employees, directors or representatives, at any time, either with or without an employee's or third party's knowledge, consent or approval.

All software used by employees to conduct ANRF business must be appropriately licensed. Never make or use illegal or unauthorized copies of any software, whether in the office, at home, or on the road, since doing so may constitute copyright infringement and may expose you and ANRF to potential civil and criminal liability. In addition, use of illegal or unauthorized copies of software may subject the employee to disciplinary action, up to and including termination.

*ANRF Funds and Employees* You are responsible for all ANRF funds and employees over which you exercise control. ANRF funds must be used only for ANRF organization purposes and ANRF employees must perform work only for ANRF organization purposes. You must take reasonable steps to ensure that ANRF receives good value for its funds spent, and must maintain accurate and timely records of each and every expenditure. You must not use ANRF funds or employees for any personal or non-ANRF purpose or, without the prior written approval of our President and, if required, our Board of Directors, for political campaigns or other political practices.
**Business Opportunities**

Employees, officers and directors may not exploit for their own personal gain opportunities that are discovered through the use of ANRF property, information or position unless the opportunity is disclosed fully in writing to our Board of Directors and the Board of Directors declines to pursue such opportunity.

**Payments or Gifts from Others**

Under no circumstances may employees, directors or consultants accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, vendors, consultants, etc. that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, or any opportunity for the commission of any fraud. Inexpensive gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive or create an appearance of impropriety, do not violate this policy. Questions regarding whether a particular payment or gift violates this policy are to be directed to our legal counsel or executive director.

Gifts given by ANRF to donors, volunteers or grant recipients or received from donors or volunteers should always be appropriate to the circumstances and should never be of a kind that could create an appearance of impropriety. The nature and cost must always be accurately recorded in our books and records.

**ANRF Spokespersons**

All inquiries or calls from the press should be referred to our executive director. ANRF has designated our executive director as our official spokespersons for all matters, including financial matters. The executive director and the board treasurer are the two individuals who may communicate with the press or financial analysts on behalf of ANRF.

**“WHISTLEBLOWER” POLICY**
ANRF is committed to maintaining an atmosphere of open communication and trust between employees and management. Furthermore, as a charitable organization, the integrity of our financial information is paramount. Our financial information guides the decisions of the Board of Directors and is reviewed by our donors who make contributions to us. For those reasons, we must maintain a workplace where employees who reasonably believe that they are aware of conduct in violation of this Code or our legal duties (including, but not limited to, questionable accounting, informal accounting controls, or auditing matters, or the reporting of fraudulent financial information to the government) can raise those concerns free of any harassment, discrimination or retaliation. Therefore, we encourage those employees to report those concerns as set forth below.

**Reporting and Investigation**

If you have reason to believe that you have become aware of a possible violation of this Code or applicable law, you must immediately report the possible violation. Examples of reportable actions include, but are not limited to, any indication of fraud, misappropriation of ANRF resources, substantial variation in our financial reporting methodology from prior practice or from generally accepted accounting principles, public disclosures that are not full, fair, accurate, timely and understandable, conduct that is not honest and ethical, conflicts of interest, potential violations of governmental rules and regulations or this Code, and the falsification, concealment or inappropriate destruction of our organizational or financial records.

Any report may be made anonymously, at your option, and must be made in one of the following ways:

- By contacting the executive director;
- By contacting our President

The executive director receiving a report must forward that report by using one of the above reporting methods. Regardless of which reporting method you choose, please include in your report a discussion of the following items: (i) a description of the matter or irregularity, (ii) the period of time during which you observed the matter or irregularity, and (iii) any steps that you have taken to investigate the matter or irregularity, including reporting it to a supervisor and the supervisor's reaction.

All reports may include, at your option, your contact information in the event that additional information is needed. As stated above, however, there is no requirement that the report
identify you, if you choose to remain anonymous.

All complaints under this policy will be taken seriously and will be promptly and thoroughly investigated. All information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law.

All employees and supervisors have a duty to cooperate in the investigation of reports of any conduct covered by this policy. Employees will be subject to disciplinary action, including the termination of their employment, if they fail to cooperate in an investigation or deliberately provide false information during an investigation.

If, at the conclusion of its investigation, ANRF determines that a violation of our legal duties or policies has occurred, we will take remedial action commensurate with the severity of the offense. That action may include disciplinary action against the accused party, up to and including termination. In addition, where warranted, the ANRF may seek indemnification, sue for damages or refer the violation to law enforcement for criminal prosecution. The specific action taken in any particular case depends on the nature and gravity of the conduct or circumstances reported and the quality of the information provided. Reasonable and necessary steps will also be taken to prevent any further violations of law or policy.

**Discrimination, Retaliation or Harassment**

Any employee reporting concerns under this policy has a lawful right to raise those concerns without fear of harassment, discrimination or retaliation. As a result, ANRF strictly prohibits any discrimination, retaliation or harassment against any person who reports conduct in violation of our legal duties or policies (including questionable accounting or auditing matters, or the reporting of fraudulent financial information) based on the person’s reasonable belief that such misconduct occurred.

ANRF also strictly prohibits any discrimination, retaliation or harassment against any person who participates in an investigation of such complaints.

1) By providing information and otherwise assisting in investigations relating to fraud against ANRF conducted by anyone acting in an official capacity, i.e., attorney general; or
2) By filing, testifying at, participating in or otherwise assisting a proceeding filed or about to be filed relating to allegations of fraud against the ANRF.

If you later believe that you have been subject to discrimination, retaliation, or harassment for having made a report under this policy, you must immediately report those facts to the executive director or our President. It is imperative that you bring those matters to attention promptly, so that any concern of discrimination, retaliation, or harassment can be investigated and addressed promptly and appropriately.

Any complaint that any director, the executive director or any employees is involved in discrimination, retaliation or harassment related to the reporting or investigation of conduct in violation of our legal duties or policies will be promptly and thoroughly investigated. If a complaint of discrimination, retaliation or harassment is substantiated, appropriate disciplinary action, up to and including discharge, will be taken.

Additional Enforcement Information

In addition to our internal complaint procedure, employees should also be aware that certain federal and state law enforcement agencies are authorized to review legal compliance, including reviewing questionable accounting or auditing matters, or potentially fraudulent reports of financial information.

Before issues or behavior can rise to that level, employees are encouraged to report questionable accounting or auditing matters, suspicion of fraudulent financial information, or discrimination, retaliation or harassment related to such reports to ANRF as outlined above. Nothing in this policy is intended to prevent an employee from reporting information to the appropriate agency when the employee has reasonable cause to believe that the violation of a federal or state statute or regulation has occurred.

This Code has been developed as a guide to our legal and ethical responsibilities to achieve and maintain the highest standards. Conduct that violates our policies will be viewed as unacceptable under the terms of employment at ANRF. Certain violations of our policies and practices could even subject ANRF and/or the individual employees involved to civil and/or criminal penalties.
DISCIPLINARY ACTIONS

The matters covered in this Code are of the utmost importance to ANRF and are essential to our ability to conduct our organization in accordance with our stated values. We expect all of our employees, directors, and consultants to adhere to these rules in carrying out their duties for ANRF.

ANRF will take appropriate action against any employee, director, or consultant whose actions are found to violate these policies or any other ANRF policies. Disciplinary actions may include immediate termination of employment or business relationship at ANRF's sole discretion. Where ANRF has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Where laws have been violated, ANRF will cooperate fully with the appropriate authorities.

WAIVERS AND AMENDMENT OF THE CODE

Any waiver of any provision of this Code for a member of our Board of Directors or an executive officer, or any amendment of this Code, must be approved in writing by our Board of Directors and promptly disclosed pursuant to applicable laws and regulations. Any waivers of any provision of this Code with respect to any other employee, or consultant must be approved in writing by our President.