



## **Arthritis National Research Foundation CONFLICT OF INTEREST POLICY**

### **I. Purpose of Policy**

This Conflict of Interest Policy (this “Policy”) establishes the guidelines that the Arthritis National Research Foundation (the “Foundation”) expects to be followed by the members of its Board of Directors, the members of its Scientific Advisory Board, its CEO and other officers, its employees, and its volunteers, and the family members of any these people (collectively referred to herein as the “Affected Persons”) whenever their personal or financial interests may compete with the interests or concerns of the Foundation. For purposes of this Policy, the term “family members” includes a spouse or partner in a civil union recognized by state law; children, grandchildren, great-grandchildren, whole and half-blooded siblings, and spouses of any of these people; and any ancestors, including parents and grandparents.

This Policy does not describe all transactions or matters in which an Affected Person or an individual or business closely associated with an Affected Person may engage in a transaction or other matter with the Foundation that creates divided loyalties or the possibility or perception of a conflict of interest or an unfair advantage to the other party. In such case, the Foundation’s Board of Directors shall determine whether a transaction or matter should be treated as a conflict of interest under this Policy or should otherwise be scrutinized.

This Policy does not provide specific rules covering all possible situations, but, in general, sets primary guidelines for Affected Persons to follow so they may avoid conflicts of interest through the maintenance of personal responsibility, integrity and high ethical standards. The Foundation expects Affected Persons to conduct their activities in a manner that reflects positively on the Foundation.

### **II. Definition of Conflict of Interest**

A conflict of interest arises whenever an individual’s activities are in opposition to, detract from, or in some manner might become detrimental to the purposes of the Foundation as described in its Articles of Incorporation, Bylaws, mission statement, or policies and procedures.

A conflict of interest exists whenever an Affected Person is in a position to derive financial or other personal benefit by the use of authority or nonpublic information to directly or indirectly benefit himself or herself or other individuals or businesses with which the Affected Person is closely associated. Such associations may include, but are not limited to, an ownership interest in a business, employment with a business, a contractual relationship with a business, a creditor or debtor relationship with a business, a consulting relationship with a business, or a vendor relationship with a business.

A conflict of interest also exists in any transaction between the Foundation and an Affected Person, except for expense reimbursements to an Affected Person made pursuant to an accountable plan under IRS Regulation Section 1.62-2(c)(2).

Some conflicts of interest are prohibited, and the Foundation cannot engage in them. Others are permitted but subject to procedures set out in this Policy to ensure that the transaction or matter is fair to the Foundation and complies with applicable laws and regulations.

### **III. Policy**

Affected Persons do not have the authority to engage in self-promotion through affiliation with the Foundation without the prior, express written approval of the CEO of the Foundation (or the Chair of the Board of Directors in the case of an Affected Person who is the CEO or is a member of the Board of Directors). Affected Persons may act on behalf of the Foundation only within the scope of powers and duties outlined in the Foundation's Bylaws or approved by the CEO of the Foundation (or the Chair of the Board of Directors in the case of an Affected Person who is the CEO or a member of the Board of Directors), and are not authorized to use the Foundation's name, logo or any reference that implies sponsorship or endorsement by the Foundation.

Except for compensation paid to the CEO and employees of the Foundation in the ordinary course of business, Affected Persons may not directly or indirectly solicit or accept personal fees or commissions for work conducted by or on behalf of the Foundation.

The Foundation will not make a loan or guarantee an obligation to or for the benefit of any Affected Person.

Affected Persons may not give cash or other items of value or personal service to: (a) people receiving benefits or services from the Foundation, (b) any person or entity performing or seeking to perform services under contract with the Foundation, or (c) persons who are otherwise in a position to benefit from the actions of any Affected Person involved with the Foundation.

Affected Persons may not accept Gratuities (as defined below) from: (a) people receiving benefits or services from the Foundation, or (b) any person or entity performing or seeking to perform services with the Foundation, or (c) persons who are otherwise in a position to benefit from the actions of any Affected Person involved with the Foundation. However, the restrictions in this paragraph shall not apply to any Gratuities from a business acquaintance as a result of an existing business relationship, but only if each of such Gratuities is of a modest or nominal value (in any event, \$50 or less), and there is no direct or indirect connection between the Gratuities and any transaction with the Foundation. Nothing contained in this paragraph shall restrict Affected Persons, other than the CEO and employees of the Foundation, from being compensated for providing professional services to third parties, where such services are unrelated to the Foundation, notwithstanding the fact that such third parties are otherwise under contract with, or receiving benefits from, the Foundation.

“Gratuities,” as that term is used in this Policy, means and refers to cash, meals, drinks, gifts, expenses, or any other item of value, including personal services, with a value greater than \$100. Expenses for meals as part of a seminar, convention or business meeting and customary holiday gifts given to Foundation employees as a group are not within the definition of Gratuities for the purposes of this Policy. Invitations extended to Affected Persons by a company, vendor or individual to participate in any activity such as a recreational, sporting or entertainment event shall be referred to the CEO of the Foundation (or the Chair of the Foundation’s Board of Directors if an Affected Person is the CEO or a member of the Board of Directors) for approval on a case-by-case basis.

Affected Persons, with the exception of members of the Foundation’s Scientific Advisory Board and volunteers, will surrender and deliver to the Foundation honoraria received while acting in any official capacity for the Foundation. Volunteers and members of the Foundation’s Scientific Advisory Board may receive honoraria from the Foundation for services rendered on behalf of the Foundation.

Affected Persons may provide services or products to the Foundation only if at least three competitive bids were obtained from other providers, the Affected Person fully discloses this conflict of interest to the CEO of the Foundation (or to the Chair of the Foundation’s Board of Directors if the Affected Person is the CEO or a member of the Board of Directors), and if such Affected Person is a member of the Board of Directors, he or she shall not vote on the selection of a contract, nor participate in the discussion other than offering information. The minutes of the Board of Directors meeting at which such contract is reviewed are required to clearly reflect this disclosure, describe the extent of the Affected Person’s

participation in the discussion and record that he or she did not vote on the matter.

The Foundation values greatly its positive image and respect, and discourages any business or financial transactions by or among Affected Persons that might in any way reflect negatively on the Foundation.

Disclosing any information not broadly released to the Foundation membership or the general public, or using any information acquired through a position with the Foundation for direct or indirect personal profit or gain, shall be considered a conflict of interest. Such prohibited use might include (a) buying or selling securities when in possession of material information learned through affiliation with the Foundation respecting the securities or the issuer that has not yet been disseminated to the general public, or (b) disclosing any such information to any other person except to the extent necessary to carry out the Foundation's responsibilities. Any member of the Board of Directors or Foundation employee in possession of material or sensitive nonpublic information learned through affiliation with the Foundation and respecting any issuer of any class of publicly traded securities must take care to limit access to such information on a strictly "need to know" basis both within and outside the Foundation.

#### **IV. Disclosure Requirements.**

On an annual basis, Affected Persons shall make known to the Foundation any financial, business or community relationships that may conflict with the work or service performed by the Foundation, or associations or relationships that are, or are likely to be perceived by others as, incompatible with the mission or adversely affecting the image of the Foundation, or present opportunities for direct or indirect profit or gain.

Specifically, Affected Persons shall disclose to the CEO of the Foundation (or the Chair of the Foundation's Board of Directors if an Affected Person is the CEO or a member of the Board of Directors):

1. Any association, including being in management positions, serving on the board of or being formally employed by a for-profit business involved in activities surrounding any aspect of arthritis;
3. Any other financial, business or community relationship that may conflict with the work or service performed for, or products sold to, the Foundation, or that may otherwise give rise to a potential conflict of interest under this Policy.

When any such conflict of interest is relevant to a matter requiring action by the Board of Directors, it is the responsibility of the Affected Person to disclose the matter, whether real or perceived, to the CEO of the Foundation (who shall so advise the Chair of the Board of Directors) or to the Chair of the Board of Directors if the Affected Person is the CEO or a member of the Board of Directors, and if such Affected Person is a member of the Board of Directors, he or she shall not vote on the matter. When there is a doubt as to whether a conflict of interest exists, the matter shall be resolved by a vote of the Board of Directors, excluding the Affected Person whose situation has generated the doubt if such Affected Person is a member of the Board of Directors.

Moreover, any member of the Board of Directors having a conflict shall provide the Board with any and all relevant information, but shall withdraw from the Board meeting and shall not participate in the final deliberation or decision regarding the matter under consideration.

In the case of an Affected Person who is a member of the Board of Directors, the minutes of the meeting of the Board of Directors shall reflect that the conflict of interest was disclosed by such Affected Person and that such Affected Person was not present during the final discussion or vote, and did not vote.

A copy of this Policy shall be given to each person who is presently serving the Foundation as a member of its Board of Directors, as a member of its Scientific Advisory Board, as its CEO or other officer, as its employee, or as a volunteer. This Policy shall be reviewed annually at the beginning of the Foundation's fiscal year for the information and guidance of Affected Persons; and any new Affected Persons shall be advised of this Policy upon undertaking the duties of such office or employment.

#### **V. Acknowledgment and Agreement to Policy.**

A sound conflict of interest policy is necessary to ensure the public has confidence in the integrity of the Foundation. Please sign this Policy, complete and sign the attached Conflict of Interest Disclosure Statement, and file them with the CEO's office. It is a requirement of employment and of service on the Board of Directors and Scientific Advisory Board that this Policy be signed and that the attached Conflict of Interest Disclosure Statement be completed and signed at the beginning of each fiscal year of the Foundation by each of the employees and members of the Board of Directors and Scientific Advisory Board of the Foundation. Refusal to sign this Policy or to complete and sign the attached Conflict of Interest Disclosure Statement, or a violation of this Policy, could result in termination of employment or removal from the Board of Directors or Scientific Advisory Board, as applicable.

I, the undersigned, hereby acknowledge and agree that I have read, understand and agree to comply with the Policy. I will direct any inquiries or concerns not specifically addressed in this Policy to the CEO of the Foundation (or the Chair of the Board of Directors if I am the CEO or a member of the Board of Directors) prior to my participation in any association or action that may be considered a potential conflict of interest. I hereby agree that if I have a personal conflict that would cause me to be biased in dealing with a particular issue, I will declare my conflict, and if I am a member of the Board of Directors of the Foundation, I will withdraw from discussion (except to provide relevant information) and will abstain from voting on such matter.

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Dated: \_\_\_\_\_

**Arthritis National Research Foundation**  
**CONFLICT OF INTEREST DISCLOSURE STATEMENT**

Pursuant to the Arthritis National Research Foundation Conflict of Interest Policy (the "Policy"), adopted by the Board of Directors of the Arthritis National Research Foundation (the "Foundation"), requiring disclosure of certain interests, a copy of which has been furnished to me, I hereby state that I or one or more family members (as that term is defined in the Policy) have the following affiliations of interest and have taken part in the following transactions that, when considered in conjunction with my position with or in relation to the Foundation, might possibly constitute a conflict of interest.

(WRITE "NONE" WHERE APPLICABLE AND ATTACH A SEPARATE SHEET IF NECESSARY)

Any association, including being in management positions, serving on the board of or being formally employed by a for-profit business involved in activities surrounding any aspect of arthritis:

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Any other financial, business or community relationship that may conflict with the work or service performed for, or products sold to, the Foundation, or that may otherwise give rise to a potential conflict under the Policy:

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Any association with a for-profit business involved in any aspect of research, diagnosis or treatment of arthritis by one or more family members:

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Any association with a nonprofit organization or educational institution involved with any aspect of research, diagnosis or treatment of arthritis by one or more family members:

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Any other financial, business or community relationship of one or more family members that may conflict with the work or service performed for the Foundation:

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I hereby agree to report to the CEO of the Foundation (or the Chair of the Foundation's Board of Directors if I am the CEO or a member of the Board of Directors) any change in the responses to each of the foregoing questions which may result from changes in circumstances before completion of my next Conflict of Interest Disclosure Statement.

Signed: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Dated: \_\_\_\_\_