



## SJÖGREN'S FOUNDATION

### CONFLICT OF INTEREST POLICY

#### Purpose and General Rule

The purpose of this policy is to provide guidance to the directors, officers, committee members and employees of the Sjögren's Foundation (“the Foundation”) in identifying and handling potential and actual conflicts of interest involving the Foundation. In most instances, conflicts of interest can be handled simply by disclosing them to the appropriate individuals within the Foundation and continuing to exercise good judgment concerning such situations. Indeed, the Foundation relies on the sound judgment of its directors, officers, committee members and employees to handle these conflict situations appropriately.

The Foundation is committed to the highest levels of integrity. Directors, officers, committee members and employees of the Foundation are expected to conduct their relationships with each other, the Foundation, and outside organizations with objectivity and honesty. **In general, the Foundation’s directors, officers, committee members and employees are obligated to recognize and disclose ethical, legal, financial, or other conflicts of interest involving the Foundation, and remove themselves from a position of decision-making authority with respect to any conflict situation involving the Foundation.**

This policy is intended to comply with Delaware law. If there is any inconsistency between the requirements and procedures prescribed in this policy and Delaware law, Delaware law shall control.

This policy cannot describe all conflicts of interest situations that may arise involving the Foundation. Therefore, directors, officers, committee members and employees must use good judgment to avoid any appearance of impropriety. If you have any questions about this policy or its application, please err on the side of caution and transparency and seek advice from the Foundation’s Board of Directors or legal counsel prior to entering into such transaction.

#### **1. Definitions**

A. A “**Covered Person**” is any person serving as a Foundation director, officer, committee member or employee.

B. A “**Family Member**” is a spouse, domestic partner, parents, siblings, or children of a Covered Person and any other relative who resides in the Covered Person’s household.

C. A “**Material Financial Interest**” in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would,

or reasonably could, affect a Covered Person's or Family Member's judgment with respect to transactions to which the entity is a party. This includes all forms of compensation.

D. A "**Conflict of Interest**" is a situation in which an interest or activity influences or appears to influence the ability of a Covered Person to exercise objectivity or impairs the Covered Person's ability to perform his or her fiduciary or employment-related responsibilities in the best interests of the Foundation. By way of example and not by way of limitation, a Covered Person is considered to have a potential conflict of interest in any of the circumstances described below:

- (i) If there is a contract, loan or other transaction between the Foundation and a Covered Person or Family Member. This does not include, however, routine, incidental transactions conducted in the normal course of the Foundation's business (e.g., routine membership or employee benefits, purchases of services or publications at regular rates; or reimbursement for travel, meals or expenses pursuant to the Foundation's policy.
- (ii) If there is a contract, loan or other transaction between the Foundation and an entity (a) in which a Covered Person or Family Member has a Material Financial Interest or (b) of which a Covered Person or Family Member is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.
- (iii) A Covered Person or Family Member competing with the Foundation in the rendering of services or provision of goods or in any contract, loan or other transaction with a third party.
- (iv) A Covered Person's or Family Member's having a Material Financial Interest in an entity that competes with the Foundation in the rendering of services or the provision of goods.
- (v) A Covered Person's or Family Member's serving as a director, officer, employee, agent, partner, associate, trustee or personal representative of an entity that competes with the Foundation in the rendering of services or the provision of services.
- (vi) If there is a Foundation contract, loan or other transaction that involves a Covered Person or Family Member when a reasonable person, with knowledge of all relevant facts, would question the impartiality of the Covered Person with respect to such contract, loan or other transaction.

## 2. **Specific Relationships that May Create Conflicts of Interest**

A variety of situations, affiliations and relationships may create potential conflicts of interest. Financial or other relationships (e.g., board/officer or other management positions) by a Covered Person or a Family Member with a prospective or actual contractor, vendor or supplier could potentially create the appearance of impropriety or interfere with the discharge of the Covered Person's responsibilities on behalf of and in the best interests of the Foundation and should be disclosed on the Covered Person's Conflict of Interest Information Form. When deciding what kind of relationships should be disclosed, the Covered Person should consider the situation from the perspective of an outsider and determine whether the relationship is of such a nature that could raise an allegation of an apparent or actual conflict of interest. The Covered Person should then err on the side of transparency, since disclosure helps to alleviate or avoid future misunderstandings.

### **3. Gifts**

As a general rule, Covered Persons and Family Members may not receive or offer any gift or anything else of significant value for the purpose of influencing the action of the Foundation or of the recipient. Gifts (except those generally valued at \$100 or less) received from vendors, suppliers, members, and consultants as part of normal business practice must be given to the Foundation or shared with the Foundation generally, and if acknowledgement is appropriate, acknowledged on behalf of the Foundation. This guideline is not intended to prohibit normal business practices, such as charitable contributions, meetings over meals, corporate items given to participants in meetings and conferences, or token hosting gifts, as long as they are of nominal and reasonable value and promote the Foundation's legitimate business interests. If a Covered Person believes there is an appropriate reason to make an exemption to this policy for an individual situation, he or she should contact the Board of Directors or legal counsel prior to giving or accepting the gift. The Foundation also operates in compliance with IRC 5958.

### **4. Procedures.**

A. Prior to the Foundation's Board or committee action on a contract, loan or other transaction involving a Conflict of Interest, a Covered Person having a Conflict of Interest or potential Conflict of Interest and who is in attendance at the meeting shall disclose to the Board of Directors or committee all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.

B. A Covered Person who plans not to attend a meeting at which he or she has reason to believe that the Board or committee will act on a matter in which the Covered Person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

C. A Covered Person who has a Conflict of Interest shall not participate in or be permitted to hear the Board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt

to exert his or her personal influence with respect to the matter, either at or outside the meeting.

D. A Covered Person who has a Conflict of Interest with respect to a contract, loan or other transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The Covered Person having a conflict of interest shall not vote on the contract, loan or other transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. The Covered Person's ineligibility to vote shall be reflected in the minutes of the meeting.

E. Covered Persons who have a Conflict of Interest with respect to a contract, loan or other transaction that is not the subject of Board or committee action shall disclose to the Board of Directors any Conflict of Interest that such Covered Person has with respect to such contract or transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Covered Person. The Covered Person shall refrain from any action that may affect the Foundation's participation in such contract or transaction.

F. If it is not entirely clear that a Conflict of Interest exists, the Covered Person with the potential conflict or any other person who becomes aware of the potential conflict may disclose the circumstances to the Board of Directors, who shall determine whether there exists a Conflict of Interest that is subject to this policy.

**5. Confidentiality.** Each Covered Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of the Foundation. Furthermore, a Covered Person shall not disclose or use information relating to the business of the Foundation for the personal profit or advantage of the Covered Person or a Family Member.

**6. Review of Statement.**

A. Each new Covered Person must annually review a copy of this policy and shall be reminded of the obligation to conform to it.

B. Each Covered Person must annually complete a Conflict of Interest Information Form identifying any relationships, positions or circumstances in which the Covered Person is involved that he or she believes could create a Conflict of Interest. Such relationships, positions or circumstances might include service as a director or officer of, or consultant to, a nonprofit or for-profit organization that competes with the Foundation, or ownership of a business that might provide goods or services to the Foundation. Any such information regarding business interests of a Covered Person or a Family Member shall be treated as confidential and shall generally be made available only to the Board of Directors, except to the extent additional disclosure is necessary in connection with the implementation of this policy. When deciding what kind of relationships

should be disclosed, a Covered Person should consider the situation from the perspective of an outsider and decide whether the relationship is of such a nature that it could raise an allegation of an apparent or actual conflict of interest. In close situations, the Covered Person should err on the side of disclosure and transparency, since disclosure helps to alleviate or avoid future misunderstandings.

Approved 11/2017



### **Sjögren's Foundation Conflict of Interest Information Form**

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Please describe below any relationships, positions, or circumstances in which you are involved that you believe could create to a Conflict of Interest (as defined in the Foundation's Conflicts of Interest Policy).

*I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed SSF's Conflict of Interest Policy that is currently in effect.*

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