Sjögren's Foundation
Conflict of Interest Policy

---

1. Purpose

The purpose of this Conflict of Interest Policy ("Policy") is to protect the integrity, credibility, and public trust of the Sjögren's Foundation ("Foundation"), a nonprofit charitable organization, by ensuring that decisions and actions are made solely in the best interests of the Foundation and its mission.

Individuals serving the Foundation must conduct themselves with the highest standards of honesty, objectivity, and integrity. This Policy is designed to identify, disclose, evaluate, and appropriately manage situations in which personal, professional, or financial interests could conflict, or appear to conflict, with the interests of the Foundation.

This Policy reflects best practices for nonprofit governance and aligns with applicable federal and state law, including Internal Revenue Service guidance applicable to tax-exempt organizations.

---

2. Scope and Applicability

This Policy applies to the following individuals ("Covered Persons"):

- Members of the **Board of Directors**
- **Officers**
- **Employees**
- **Strategic Volunteers** (including committee members, advisors, and individuals serving in roles with influence over programs, research, funding, partnerships, or procurement)
- **Contractors** and representatives acting on behalf of the Foundation

All Covered Persons owe a **duty of loyalty** to the Foundation and must act in the best interests of the organization.

---

3. Definitions

A. Conflict of Interest

A conflict of interest exists when a Covered Person's personal, professional, financial, or other interests could compromise, influence, or reasonably appear to influence the individual's objectivity or decision-making on behalf of the Foundation.

Conflicts may be:

- **Actual**
- **Potential**
- **Perceived**

B. Financial Interest

A Financial Interest exists if a Covered Person or a Family Member has, directly or indirectly:

- Ownership or investment interest in an entity doing business with the Foundation
- A compensation or consulting relationship with an entity doing business with the Foundation
- A leadership, advisory, or employment role in an entity that:
  - conducts business with the Foundation
  - seeks funding from the Foundation
  - competes with the Foundation

The existence of a financial interest does not automatically constitute a conflict. A determination must be made that the interest could impair independent judgment.

C. Family Member

Family Member includes:

- spouse or domestic partner
- parents
- children
- siblings
- grandparents or grandchildren
- in-laws
- step relatives
- any individual living in the same household

D. Transaction or Arrangement

Any contract, grant, partnership, sponsorship, research agreement, purchase, sale, or financial or strategic relationship involving the Foundation.

---

4. Examples of Potential Conflicts

Examples include but are not limited to:

- Financial interest in a vendor or contractor doing business with the Foundation
- Family members employed by vendors, contractors, or partner organizations
- Consulting arrangements with entities receiving Foundation funding
- Board service with organizations competing for the same funding or resources
- Personal benefit from a Foundation opportunity
- Relationships with companies involved in Sjögren's disease research, treatment development, or diagnostics
- Intellectual property interests related to Foundation programs

When in doubt, individuals should **disclose the relationship** and allow the Foundation to determine whether a conflict exists.

---

5. Investment and Securities Ownership Policy

To preserve public trust and avoid real or perceived conflicts:

Covered Persons **shall not directly purchase or hold individual stocks** of pharmaceutical or biopharmaceutical companies actively engaged in research, development, clinical trials, or commercialization of treatments, diagnostics, or products related to **Sjögren's disease**.

This restriction **does not apply to diversified investment vehicles**, including:

- mutual funds
- index funds
- exchange-traded funds (ETFs)

Existing holdings, including stock options, must be disclosed and may be reviewed to determine appropriate mitigation.

The Board of Directors Executive Committee retains authority to interpret and enforce this provision.

---

6. Gifts and Benefits

Covered Persons shall not solicit or accept gifts, favors, payments, or other benefits that could reasonably influence or appear to influence decision-making on behalf of the Foundation.

General guidelines include:

- Gifts valued **over $100 should not be accepted for personal benefit**
- Gifts from vendors or partners should be declined or accepted on behalf of the Foundation
- Nominal hospitality, conference items, or reasonable business meals may be acceptable if consistent with normal nonprofit practices

Any uncertainty should be discussed with the CEO or Board leadership (Chair or Vice Chair).

---

7. Duty to Disclose

Covered Persons must promptly disclose any **actual, potential, or perceived conflict of interest**.

Disclosures should include all material facts necessary for the Foundation to evaluate the situation.

Disclosure should occur:

- **As soon as a conflict becomes known**
- **Before discussion or decision-making occurs related to the conflict**
- **Through the annual disclosure process**

Failure to disclose conflicts may result in termination of duties, contract, or employment.

---

8. Annual Disclosure Requirement

All Covered Persons must annually complete a **Conflict of Interest Disclosure Form and Statement** affirming that they:

1. Have received and read this Policy
2. Understand the Policy
3. Agree to comply with the Policy
4. Have disclosed all relevant interests

All Board member conflicts will be discussed directly with the Board Member to discuss determination of procedures and will be presented to the Board in summary and included in the Board Meeting minutes. Any significant conflicts and actions for other parties (such as employees or volunteers) will be submitted to the Board at a Board meeting, should there be any.

---

9. Conflict Determination Process

A. Board Members

If a potential conflict involves a **Board Member**, the determination of whether a conflict exists shall be made by:

- the **Board Chair**, or
- the **Vice Chair** if the Chair has a conflict or is unavailable.

If a potential conflict involves the **Chair of the Board**, the determination of whether a conflict exists shall be made by the **Vice Chair**.

The interested Board Member:

- must disclose the relevant facts
- may answer factual questions
- must **recuse themselves from deliberation and voting related to the conflict**

The determination and actions taken must be recorded in Board minutes.

B. **Employees, Strategic Volunteers, and Contractors** and representatives acting on behalf of the Sjögren's Foundation

If a potential conflict involves an **employee, strategic volunteer or Contractor** , the determination shall be made by the **Chief Executive Officer (CEO)**.

The CEO may:

- request additional information
- consult legal counsel if necessary
- determine appropriate mitigation

If the conflict involves the **CEO**, the determination shall be made by the **Board Chair or Vice Chair**.

All disclosures will be reviewed and determinations made expeditiously and appropriately for the role, the task, and any perceived conflict.

---

10. Procedures for Addressing Conflicts

If a conflict of interest is determined to exist, the Foundation may implement one or more of the following actions:

- Recusal from discussion and voting
- Removal from decision-making authority

- Independent review of transactions
- Competitive bidding or review of alternatives
- Additional oversight
- Individual chooses to decline to enter the transaction

A transaction involving a conflict may only proceed if:

1. The conflict has been fully disclosed
2. The interested person does not participate in the decision
3. The transaction is **fair, reasonable, and in the Foundation's best interests**
4. Comparable alternatives have been considered when appropriate

---

11. Confidentiality

Information disclosed under this Policy shall be handled confidentially to the extent consistent with good governance and legal requirements.

Covered Persons must not use confidential information obtained through the Foundation for personal gain.

---

12. Records and Documentation

The Foundation shall maintain appropriate records documenting:

- disclosures of conflicts
- determinations regarding conflicts
- recusals
- decisions made regarding transactions

Board minutes must reflect:

- the name of the interested person
- the nature of the conflict
- the determination made
- any mitigation steps taken
- the results of votes

---

13. Violations of the Policy

If the Foundation has reason to believe a Covered Person has failed to disclose a conflict:

1. The individual will be informed of the concern
2. The individual will be given an opportunity to respond
3. The Foundation will investigate the matter

If a violation is confirmed, the Foundation may take appropriate corrective action, including:

- removal from decision-making authority
- removal from Board or committee service
- termination of employment
- termination of volunteer role
- termination of contractual relationships

---

14. Policy Review

The Board of Directors shall periodically review this Policy to ensure it remains consistent with:

- nonprofit governance best practices
- regulatory expectations
- the Foundation’s mission and ethical standards

Adopted by the Board of Directors of the Sjögren’s Foundation on June 13, 2026.