



# MORGRIDGE

## INSTITUTE FOR RESEARCH

### GENERAL CONFLICT OF INTEREST POLICY

#### 1. Overview

As a medical research organization, The Morgridge Institute for Research, Inc. (the “Institute”) conducts scientific research in the public interest. For the public trust and to satisfy its legal obligations, the Institute has adopted this General Conflict of Interest Policy (the “Policy”) along with a Conflict of Interest Policy for Federally Funded Researchers (the “Investigator Policy,”<sup>1</sup> and together with this Policy, sometimes referred to herein as the “Policies”). These Policies aim to ensure that the Institute and its executives, managers, researchers, staff, fellows, students, visiting scientists, and other associates and collaborators (each, an “Institute Representative”) do not operate or act in furtherance of private interests or in a manner that detracts from the Institute’s mission. The Policies support the Institute’s goal of unbiased scientific inquiry in support of its mission and serve as a guide for Institute Representatives to monitor and structure their ties with outside interests. This Policy is not intended to eliminate conflicts but instead provides a framework for the management of conflicts through disclosure, review, and monitoring.

#### 2. Situations Covered by this Policy

A conflict of interest occurs when there is a divergence between an Institute Representative’s private interests and their professional obligations to the Institute, such that an independent observer could question whether the Institute Representative’s professional actions or decisions were influenced by considerations of personal financial gain. A conflict of interest depends on the facts of the situation, not the character or intent of the individual. Broadly speaking, Institute Representatives must not allow private interests or loyalties to keep them from acting in the best interest of the Institute and its charitable purposes. Investigators also have a duty to maintain the integrity of research occurring at the Institute.

It is impossible to identify in advance all the ways and all the situations in which private interests may arise, and Institute Representatives are encouraged to diligently identify all private interests in Institute decisions and research so that the Institute’s Conflict of Interest Advisory Committee (the “Committee”) can make an independent judgment about whether the private interest is material and requires Committee action. At a minimum, an Institute Representative has a material private interest in an Institute transaction or arrangement that works to the material benefit or detriment of that Institute Representative (or a “related party”).

For these purposes, a “related party” of an Institute Representative includes:

- (1) the Institute Representative’s immediate and close family members; and

---

<sup>1</sup> Institute Affiliates who are investigators and/or key personnel involved in federally funded research (each, an “Investigator”) are further required to comply with the Investigator Policy, which will be provided to such Investigators.



- (2) any entity
  - a. in which the Institute Representative and his or her family members have an aggregate actual ownership interest, directly or indirectly, of 5% or more;
  - b. of which the Institute Representative or a family member is a trustee, director, officer, partner, employee, or agent;
  - c. from which the Institute Representative or a family member receives or has received compensation or significant gifts in the past year;
  - d. which is an important client or customer of the Institute Representative or a family member; or
  - e. in which the Institute Representative or a family member otherwise has, or has the potential to have, a significant financial stake.

The following situations may also be conflicts of interest and are subject to this Policy:

- (1) Private interests:
  - a. When an Institute Representative is in a position to exercise substantial influence over a decision of the Institute in which that person has a material private interest (financial or otherwise);
  - b. When an Institute Representative could use Institute resources or information to further a material private interest; and
  - c. When any current or recent (within the past 5 years) Institute Representative with substantial influence over the Institute as a whole (an “Insider”) has a material private interest in a decision of the Institute, whether or not he or she is directly involved in the decision.
- (2) Research: When an Investigator has a material private interest (financial or otherwise) outside of the Institute that relates to his or her research.<sup>2</sup>

### **3. Disclosure of Conflicts and Potential Conflicts of Interest**

Institute Representatives must disclose all situations that are, or may reasonably be thought to be, covered by this Policy to the Committee promptly and, if applicable, before the affected Institute decision is made.

In addition, if an Institute Representative has or is considering entering a relationship or arrangement, whether by business, family, or investment, which is reasonably likely to generate conflicts of interest covered by this Policy, he or she must disclose such fact promptly to the Committee so that the Institute may take appropriate steps to minimize the impact of any resulting conflicts of interest. Such steps may include, but are not limited to, adjusting assignments, requiring supplemental disclosure, or requiring nonparticipation in a particular class of decisions.

If the Institute learns of facts suggesting a conflict of interest that has not been disclosed, it shall seek clarification from the individual with the potential conflict, determine whether a conflict of interest exists, and take any corrective action that is necessary, including possible termination of employment.

---

<sup>2</sup> Additional requirements and responsibilities for Investigators are set forth in the Investigator Policy.



#### **4. Assessing and Managing Conflicts of Interest**

The chairperson of the Committee, either alone or with the Committee, will determine whether a situation presents a conflict of interest. The chairperson may delegate that responsibility to another person without a private interest in the decision in question. If a conflict of interest is identified, actions will be taken to address the conflict, which could include: reducing or eliminating the conflict or implementing a management plan to manage the conflict.

No Institute Representative may take part in any Institute decision in which such person has a material private interest, unless that interest has been found not to be a conflict of interest. Such person may not be present for the final discussion or vote on whether to approve the decision and shall not discuss the transaction with those voting on whether to approve it except to answer questions.

Conflicts of interest affecting officers, directors, or those having confidential Institute information (“Insiders”) can have a serious impact on the Institute’s ability to conduct its charitable mission. Therefore, the material private interests of Insiders (including their related parties) must diligently be reported to the Committee, which will determine whether a conflict of interest exists without the participation of anyone affected by the potential conflict. A conflict will normally be found to exist in any transaction directly between the Institute and an Insider or any other “disqualified person,” as that term is used in Section 4958 of the Internal Revenue Code.

#### **5. Use of Information**

Institute Representatives cannot use nonpublic information gained while performing their duties for the Institute to further their own private interests, including using nonpublic information in the trading of securities. They also cannot facilitate use of nonpublic information by other parties or participate in non-Institute decisions to which such information is material.

#### **6. Involvement in Competing Business**

It is understood that Institute Representatives and their related parties may sometimes be involved with other commercial or noncommercial entities operating in the same general field as the Institute. Such involvements are often an acceptable and natural consequence of the Institute’s attempt to obtain staff and executives with broad experience in its field of operations. However, Institute Representatives cannot knowingly act in direct competition with the Institute, act to obtain intellectual property rights adverse to those that the Institute currently has or plans to obtain, or invest in a company pursuing such a course of action. If a related party of an Institute Representative takes or considers such an action, the Institute Representative must disclose the conflict to the Committee prior to any action being taken.

#### **7. Distribution and Compliance**

A copy of this Policy will be provided to all Institute Representatives annually and will be provided to all new Institute Representatives at the time they begin service to the Institute. A copy of the Investigator Policy will be provided to Investigators as applicable. Compliance with these Policies is a condition of employment. Failure to sign will not affect the applicability of the Policies or relieve an Institute Representative or Investigator from the obligations imposed on them. The Policies may be changed from time to time by the Institute at its discretion.



Institute Representatives and Investigators are responsible for their compliance with the Policies. Failure to comply with any aspect of the Policies (including failure to satisfy Investigator disclosure, reporting and compliance requirements) will constitute a breach of their obligations. Such action or inaction could result in a formal reprimand, nonrenewal of employment, termination for cause, or other enforcement action mandated by a federal granting agency or law or regulation.

*Updated November 19, 2012*