



**PKD FOUNDATION**  
Polycystic Kidney Disease

## **CONFLICT OF INTEREST POLICY**

*Approved by the PKD Foundation Board of Directors on May 8, 2021*

### **Summary**

The Polycystic Kidney Disease Foundation (“Foundation”) is committed to the highest standards of professionalism and ethical conduct in its operations and activities. This Conflict of Interest Policy (“Policy”) is intended to increase awareness of potential conflicts of interest and establish a procedure for reporting them.

### **Article I: Purpose**

The purpose of this Policy is to protect the Foundation's interest when it is contemplating entering into a transaction, arrangement, or other work that might benefit the private interest of a Director, Officer, Committee Member, Volunteer, or Employee of the Foundation and to ensure that all of its dealings with third parties are unbiased and free from any real or perceived Conflict of Interest or undue influence from outside parties.

This Policy is also intended to assist the Directors, Officers, Committee Members, Volunteers and Employees to fulfill their respective obligations to act at all times in the best interest of the Foundation. In order to preserve and protect the integrity of the Foundation and its decisions, and to foster an open and trusting relationship between and among Directors, Officers, Committee Members, Volunteers, and Employees, this Policy requires all Directors, Officers, Committee Members, Volunteers, and Employees to maintain the highest standards of corporate ethics not only to avoid conflicts of interests in the Foundation's affairs, but also to avoid even the appearance of impropriety that undisclosed dualities of interest can create.

This Policy is intended to supplement but not replace any applicable state or federal laws governing conflicts of interest applicable to nonprofit and tax-exempt organizations.

Not all relationships automatically exclude an individual from service on behalf of the Foundation or involvement in a specific matter, although it may be that participation should be avoided, limited or qualified by disclosure of the competing interest. If there is any uncertainty about whether there is a conflict, the individual should err on the side of disclosure.

[NOTE: A separate policy exists for all Foundation-produced Educational Activities (patient education and continuing medical education). Individuals who plan, carry out, or contribute to the content of these activities are subject to the Education Policy and Procedures for Full Disclosure and Identification and Resolution of Conflicts of Interest” and should complete the disclosure statement developed specifically for these activities.]

### **Article II: Definitions**

1. Interested Person

Any member of the Board of Director (“Board”), Officer, Committee Member, Volunteer, or Employee is an Interested Person.

2. Conflict of Interest

A Conflict of Interest arises when:

- a. An Interested Person's interests or affairs outside of the Foundation (such as Personal

or Private Interests, as defined below) are in conflict, or could result in the perception of conflict, with (meaning they interfere or compete with) the Interested Person's duties or responsibilities to the Foundation in such a way that:

- (i) they have divided loyalties or their ability to act in the Foundation's interest could be impaired; or
  - (ii) their actions or conduct could undermine or compromise the public's confidence in their ability to discharge responsibilities to the Foundation in the Foundation's interests or the trust that the public places in the Foundation; or
- b. An Excess Benefit Transaction (as defined below) is impending.

A Conflict of Interest therefore involves a conflict between an Interested Person's duty to the Foundation and their Personal or Private Interests, in which the Personal or Private Interests could influence the performance of their duties to the Foundation, or in which the Interested Person uses their office or position at the Foundation for personal gain.

Conflicts of Interest do not relate exclusively to matters concerning financial transactions or the transfer of economic benefit but can involve non-financial interests such as personal relationships. A Conflict of Interest may arise regardless of the Interested Person's intentions and does not necessarily imply the Interested Person is improperly motivated. A Conflict of Interest may arise wherever a set of circumstances exists that creates the risk of a real, perceived, or potential Conflict of Interest.

### 3. Personal or Private Interest

A Personal or Private Interest exists when Interested Persons have material interests outside the Foundation which could influence them, or be perceived as influencing them, to act contrary to the best interests of the Foundation and for their own personal benefit or for the benefit of a Related Party (as defined below). More particularly, such an Interest is defined as one or more of the following interests, arising directly for the Interested Party or indirectly through a Related Party:

- a. an actual or potential ownership or investment interest in any entity (other than a 5% or less ownership in a publicly traded corporation) with which the Foundation has or is negotiating a transaction or arrangement;
- b. an actual or potential compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement;
- c. a position in a public office or institution, whether appointed, elected, or employed, which will require participation in matters involving the Foundation; and
- d. a position as an uncompensated consultant, officer, committee member, or board member of any entity with which the Foundation has a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors, no matter how minimal, excluding purely personal gifts (e.g., as between Family members, on the occasion of a personal event, such as a birthday or wedding). A Personal or Private Interest is not necessarily a Conflict of Interest; rather a Conflict of Interest exists only upon the requisite determination by the Board as contemplated hereinafter.

### 4. Transaction

A Transaction is a measure, contract, resolution, grant, grant application, or other arrangement or business relationship, whether written or oral, between two or more parties. As used herein, a Transaction is much broader than in the traditional meaning of the term.

### 5. Family

Family is defined as that person's: spouse; domestic partner; children, grandchildren and great grandchildren (whether biological or adopted); parents; siblings or half-siblings; and any spouse or domestic partner of any of the foregoing individuals.

### 6. Excess Benefit Transaction

Any Transaction in which an economic benefit is provided by the Foundation, directly or indirectly, to or for the use of a disqualified person and the value of the economic benefit provided by the Foundation exceeds the value of the consideration (including the performance of services) received by the Foundation. A “disqualified person” is any person who was in a position to exercise substantial influence over the affairs of the Foundation at any time during a five-year lookback period, ending on the date of the Transaction, and includes but is not limited to the Foundation’s Directors, members of Committees, Officers and their Related Parties.

7. Related Party

Any one of the following persons or entities:

- a. any Director, director, officer, employee, or volunteer of the Foundation or its affiliates;
- b. any Family of any individual described in subsection (a) above;
- c. any entity or trust of which any individual described in subsection (a) or (b) above serves as a director, trustee, officer, employee, or volunteer;
- d. any entity or trust in which any individual described in subsection (a) or (b) above has a 35% or greater ownership or beneficial interest;
- e. any partnership or professional corporation in which any individual described in subsection (a) or (b) above has a direct or indirect ownership interest in excess of 5%;
- f. any other entity or trust in which any individual described in subsection (a) or (b) above has a material financial interest.

**Article III: COI Determination & Procedures**

1. Distribution of Policy and Procedures

This Policy shall be presented and discussed annually for the information and guidance of all Interested Persons who are serving or employed by the Foundation. Upon an Interested Person’s election, appointment, employment, or engagement, and on an annual basis thereafter, each Interested Person shall be provided a copy of this Policy and is required to complete and sign the Acknowledgement Statement with respect to this Policy and the Disclosure and Attestation Statement. Additionally, upon any developments or material change in circumstances, an Interested Person shall follow the procedure set forth below. Signed Policies and completed Disclosure and Attestation Statements will be maintained by the Chief Operating Officer.

2. Duty to Disclose

In connection with any actual, potential or perceived Conflicts of Interest implicated in a proposed Transaction with the Foundation, as soon as an Interested Person becomes aware of the same, he/she/they must immediately disclose the existence of the real, perceived, future, or potential Conflict of Interest and all material facts to the Executive Committee if the Interested Person is a Director, Executive Officer, Advisory Panel Member, or Volunteer Leader, or to the Chief Operating Officer if the Interested Person is an employee, who shall inform the Chief Executive Officer. In any of the following circumstances, the Executive Committee shall inform the Board of the disclosed Conflict of Interest and allow the Board to assume management of the Conflict of Interest: (i) it is unclear whether Conflict of Interest exists, (ii) the Conflict of Interest appears to be very serious, or (iii) when there is not a majority of the full Executive Committee membership able to act in an independent, non-conflicted manner. All references below to the Executive Committee shall be deemed to be references to the Board if the management of the Conflict of Interest has been so assumed by the Board. The disclosure required by this section must be in writing, on a form prescribed by the Board. Disclosure forms shall be updated on an interim basis by the Interested Person whenever there has been a material change in relevant facts and circumstances.

3. Determining Whether a Conflict of Interest Exists

Determinations of how to deal with Conflicts of Interest involving any employees other than the Chief Executive Officer shall be dealt with by the Chief Executive Officer. For determinations of all other Conflicts of Interest, after disclosure of a potential Conflict of Interest implicated in a proposed

Transaction with the Foundation, and after any discussion with the Interested Person desired by the Executive Committee, he/she/they shall leave the Executive Committee meeting while the determination of a Conflict of Interest is discussed and voted upon. The remaining Executive Committee members shall decide if a Conflict of Interest exists. If a Conflict of Interest is found to exist, it shall be addressed as set forth below. If no Conflict of Interest is found to exist, the Transaction may be approved by the Executive Committee if it is fair and reasonable and in the best interests of the Foundation.

#### Procedures for Addressing the Conflict of Interest

- a. If a Conflict of Interest is found, the Interested Person may make a presentation to the Executive Committee, but after such presentation, shall not further participate in meetings, deliberations or votes on the Transaction in question. The Interested Person shall not attempt to intervene with or improperly influence the deliberations or voting on the matter giving rise to the Conflict of Interest.
  - b. The Chair of the Executive Committee shall lead a discussion of the Conflict of Interest and its effect on the Foundation. The Chair may, if the Executive Committee deems it appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed Transaction including comparability data. The Chair shall be removed from any discussion or deliberation in the event he/she/they is an Interested Person. In such case, any deliberation or vote shall be made by the remaining disinterested members of the Executive Committee.
  - c. After discussion and exercising any due diligence that may be necessary or appropriate, the Executive Committee shall determine whether the Conflict of Interest is sufficiently insubstantial that it may be waived. If the Conflict of Interest is not waived and the Executive Committee determines that further inquiry is appropriate, it may proceed to determine whether the Foundation, using comparability data, can obtain a more advantageous Transaction with reasonable efforts from a person or entity that would not give rise to a Conflict of Interest.
  - d. If the Executive Committee pursues investigation of a more advantageous Transaction and if a more advantageous Transaction is determined by the Executive Committee to be reasonably attainable under circumstances that would not give rise to a Conflict of Interest, the Executive Committee shall determine by a majority vote of the disinterested Executive Committee members whether the Transaction is fair and reasonable and in the Foundation's best interests, notwithstanding the Conflict of Interest, and shall make its decision as to whether to enter into the Transaction in conformity with such determination.
  - e. The Executive Committee will further follow all conflicts of interest laws to the extent they apply.
  - f. In the case of research grants, any Interested Person with a Conflict of Interest implicated by their affiliation with an institution to which a grant is to be considered shall leave the room/meeting during the discussion of, and the vote on, the matter.
4. Enforcement and Violations of the Conflicts of Interest Policy
- a. The Foundation will provide Chairs of the Board and all committees with copies of the Acknowledgement Statements and Disclosure and Attestation form for all members of their respective entities. The Chief Operating Officer shall maintain these documents.
  - b. If the Board or Executive Committee has reasonable cause to believe that an individual subject to this policy has failed to disclose actual or possible conflicts of interest, it shall inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.
  - c. If, after hearing the response of the individual and making such further investigation as may be warranted under the circumstances, the Board or Executive Committee determines that the individual has in fact failed to disclose an actual or possible Conflict of Interest without good cause, it shall take appropriate disciplinary and corrective action

which can include termination of employment or a volunteer position and also removal from the Board or a committee.

- d. Each Interested Person is responsible for reporting a violation or suspected violation of this Policy.
- e. Conduct that violates this Policy is always considered outside the scope of employment of any employee.

5. Conflict of Interest in Solicitation of Donations

The Foundation regards its donor list and all nonpublic information regarding its donors as proprietary and confidential. No Interested Person shall solicit any Foundation donor that contributes to the Foundation more than \$1,000 annually for any reason other than official business of the Foundation during his or her tenure with the Foundation or within one year thereafter without prior approval of the Executive Committee. For purposes of this provision, the term "solicit" includes not only directly or indirectly, expressly or impliedly, requesting funds or investments (whether for profit or nonprofit) but also making introductions or taking other actions to encourage, with the potential outcome being to enable, the expenditure of funds or making of valuable monetary or nonmonetary investments.

**Article IV: Records of Proceedings**

All determinations made by the Board or the Executive Committee hereunder, and the bases for any such determinations, will be concurrently documented and minutes will be approved thereafter within a reasonable period of time. The minutes of the Board and Executive Committee meetings shall contain:

- 1. the names of the persons who disclosed or otherwise were found to have a real or perceived Conflict of Interest, the nature of the personal or private interest, any action taken to determine whether a Conflict of Interest was present, and the Board's or Executive Committee's decision as to whether a Conflict of Interest, in fact, existed.
- 2. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

**Article V: Compensation Committees**

A voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that Director or member's compensation.

**Article VI: Annual Statements**

Each member of the Board, Officers, Committee Members, Volunteer, or Employee of the Foundation shall annually sign a Disclosure and Attestation Statement which affirms that such person:

- 1. received a copy of the Conflicts of Interest Policy,
- 2. read and understands the Policy,
- 3. agrees to comply with the Policy, and
- 4. completed a Disclosure and Attestation Statement accurately.

**ACKNOWLEDGEMENT:** I have read and understand the above Policy and agree to comply.

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Signature & Date

**POLYCYSTIC KIDNEY DISEASE FOUNDATION  
ANNUAL CONFLICT OF INTEREST DISCLOSURE AND ATTESTATION**

1. List of Boards, Employers, Offices

- a) List all of the organizations, including but not limited to the Polycystic Kidney Disease Foundation (“Foundation”), for which you or your spouse/domestic partner serve or have served within the past three (3) years as any of the following:
- an Officer,
  - a member of the Board of Directors;
  - a member of the Advisory Board;
  - a Committee Member

---

---

---

---

---

- b) List all of the companies, businesses, and other organizations (including but not limited to the Foundation) from which you have received more than \$5,000.00 per year in compensation in the form of wages, salaries, bonuses, honoraria, expense reimbursement, or other contractual payments for goods or services during any of the past three (3) years.

---

---

---

---

- c) List any public office you have held in the past three (3) years, whether or not you were paid for holding such office.

---

---

2. Other Disclosures and Known Potential Conflicts

For purposes of this Disclosure, a “Vendor” is defined as any business or organization that you are aware of that (i) is in a contractual relationship with the Foundation, (ii) has sought to enter into a contractual relationship with the Foundation within the past three (3) years or seeks to do so in the future, or (iii) competes with the Foundation or its products or services.

a) Do you have a direct or indirect ownership or investment interest in any Vendor of the Foundation (other than 5% or less ownership in a publicly-traded corporation)?

Yes

No

If yes, please specify:

---

---

b) Do you directly or indirectly receive any payment or the benefit of any payment (e.g. salary, consulting fee, honorarium, royalty, per diem, expense reimbursement, etc.) from any Vendor?

Yes

No

If yes, please specify:

---

---

c) Are you an uncompensated consultant, officer, committee member, or board member of any Vendor?

Yes

No

If yes, please specify:

---

---

d) Are you aware that a member of your Family has an interest with a Vendor of the nature described above in a) through c)? Family includes your: spouse; domestic partner; children, grandchildren and great grandchildren (whether biological or adopted); parents; siblings or half-siblings; and any spouse or domestic partner of any of the foregoing individuals.

Yes

No

If yes, please specify:

---

---



e) Do you hold a position in a public office or institution (other than the Foundation), whether appointed, elected, or employed, which will require participation in matters involving the Foundation?

Yes

No

If yes, please specify:

---

---

e) Do you have any other interests that may compete with or conflict with the interests of the Foundation (e.g. a leadership position in an entity with respect to activities that may be competitive with those of the Foundation)?

Yes

No

If yes, please specify:

---

---

3. Policy Review

Have you read and made yourself familiar with the Foundation's Conflict of Interest Policy applicable to all members of the Board of Directors, Officers, Committee Members, Volunteers and Employees and last amended \_\_\_\_\_202\_.

Yes

No

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date