FINANCIAL CONFLICT OF INTEREST POLICY

POLICY

ARDAN PHARMA Designated Research Official must manage, review, and mitigate all financial conflicts of interest for ARDAN PHARMA and non-ARDAN PHARMA key research personnel.

PURPOSE

To establish the standards that provide a reasonable expectation that research will be free from bias resulting from Investigator financial conflicts of interest. The Federal government requires that entities receiving federal funding maintain a written policy on financial conflict of interest which is consistent with 42 CFR. 50 entitled "Responsibility of Applicants for Promoting Objectivity in Research."

Scope

Applies to all ARDAN PHARMA and non-ARDAN PHARMA key research personnel

Definitions

- **Investigator** – means the project director or principal Investigator and any other person, regardless of title or position, who is responsible for the design, conduct, or reporting of research funded by the NIH, or proposed for such funding, which may include, for example, collaborators or consultants. "Investigator" also includes the investigator's family members.
- **Institutional responsibilities –** means an Investigator's professional responsibilities on behalf of the Institution, and as defined by the Institution in its policy on financial conflicts of interest, which may include for example: activities such as research, research consultation, teaching, professional practice, institutional committee memberships, and service on panels such as Institutional Review Boards or Data and Safety Monitoring Boards.
- **Remuneration** – includes salary and any payment for services not otherwise identified as salary (e.g., consulting fees, honoraria, paid authorship)
- **Equity interest** – includes any stock, stock option, or other ownership interest, as determined through reference to public prices or other reasonable measures of fair market value
- **Significant financial interest (SFI)** – anything of monetary value, whether the value is readily ascertainable, that: 1) is related to the investigator's professional responsibilities on behalf of the institution including, but not limited to, activities such as research, research consultation, teaching, professional practice, institutional committed memberships, and service on panels; and 2) belongs to the investigator or the investigator's spouse or dependent children.
- **Reimbursed or sponsored travel –** travel which is paid on behalf of the Investigator and not reimbursed to the Investigator so that the exact monetary value may not be readily available.
- **Financial conflict of interest (FCOI) –** A significant financial interest (SFI) that could directly and significantly affect the design, conduct, or reporting of PHS-funded research.
- **Designated Research Official –** In terms of this policy, the Designated Research Official will be considered the Research Project Manager.
- **Key Research Personnel –** All persons who will have a significant role in the design or conduct of the research, and includes at a minimum all Principal Investigators and Co-Investigators, and any individuals who are individually named on a grant or contract application, who are listed on an FDA form 1572, who are named as contact persons in the

informed consent documents or recruitment materials for research, or who provide supervision of the persons who are obtaining informed consent to participate in research.

- **PHS –** Public Health Service of the U.S. Department of Health and Human Services, and any components of the PHS to which the authority involved may be delegated, including the NIH.
- **PHS Awarding Component –** Organizational unit of the PHS that funds the research that is subject to 42 CFR 50 subpart F.
- **Research –** a systematic investigation, study or experiment designed to develop or contribute to generalizable knowledge relating broadly to public health, including behavioral and social-sciences research. The term encompasses basic and applied research (*e.g.,* a published article, book or book chapter) and product development (*e.g.,* a diagnostic test or drug). As used in 42 CFR 50 subpart F, the term includes any such activity for which research funding is available from a PHS Awarding Component through a grant or cooperative agreement, whether authorized under the PHS Act or other statutory authority, such as a research grant, career development award, center grant, individual fellowship award, infrastructure award, institutional training grant, program project, or research resources award.
- **Subrecipient –** Federal funds flow down from or through an awardee Institution to another individual or entity and the subrecipient will be conducting a substantive portion of the NIH-funded research project and is accountable to the awardee institution for programmatic outcomes and compliance matters.

Personnel Responsible

Research Project Manager

Policy Statement

Disclosure of FCOI

1. Significant financial interests related to institutional responsibilities must be disclosed by all ARDAN PHARMA and non-ARDAN PHARMA key research personnel involved in the research
    - SFI Disclosure Form must be completed annually
    - Investigators must notify the Designated Research Official within 30 days of acquiring or discovering (e.g., through purchase, marriage, or inheritance) any new Significant Financial Interest

Training

1. ARDAN PHARMA and non-ARDAN PHARMA key research personnel will receive training on this material at time of implementation and whenever this policy is updated.
2. New key research personnel will receive training as part of their orientation.
3. Training will be conducted immediately if this policy is revised and affects the requirements of Investigators, an Investigator is new to an Institution or if an Investigator is not in compliance with the policy or management plan.

Significant Financial Interests

1. The following Significant Financial Interests must be disclosed:

- With regard to any publicly traded entity, the value of any remuneration received from the entity in the twelve months preceding the disclosure and the value of any equity interest in the entity as of the date of disclosure, when aggregated, exceeds $5,000. For purposes of this definition, remuneration includes salary and any payment for services not otherwise identified as salary (e.g., consulting fees, honoraria, paid authorship); equity interest includes any stock, stock option, or other ownership interest, as determined through reference to public prices or other reasonable measures of fair market value
- With regard to any non-publicly traded entity, the value of any remuneration received from the entity in the twelve months preceding the disclosure, when aggregated, exceeds $5,000, or when the Investigator (or the Investigator's spouse or dependent children) holds any equity interest (e.g., stock, stock option, or other ownership interest)
- Intellectual property rights and interests (e.g., patents, copyrights), upon receipt of income related to such rights and interests
- The occurrence of any reimbursed or sponsored travel (i.e., that which is paid on behalf of the Investigator and not reimbursed to the Investigator so that the exact monetary value may not be readily available), related to their institutional responsibilities; provided, however, that this disclosure requirement does not apply to travel that is reimbursed or sponsored by a federal, state, or local government agency, an Institution of higher education as defined at 20 U.S.C. 1001(a), an academic teaching hospital, a medical center, or a research institute that is affiliated with an Institution of higher education.
    1. Purpose of the trip
    2. Identity of the sponsor/organizer
    3. Destination
    4. Dates of travel
    5. Estimated or actual monetary value

2. Significant Financial Interests *do not* include:
    - Financial interests in business enterprises or entities that, when aggregated for the investigator and his/her immediate family, meet both of the following tests:
        1. The financial interest does not exceed $5000 in value as determined through reference to public prices or other reasonable measures of fair market value, and
        2. The financial interest does not represent more than a five percent ownership interest in any single entity
    - Salary, royalties, or other remuneration from ARDAN PHARMA (or the institution that currently employs any non-ARDAN PHARMA key personnel)
    - Salary, royalties, or other payments that, when aggregated for the investigator and his/her immediate family, are not expected to exceed $5000 during the next 12 month period

- Income from seminars, lectures, or teaching engagements sponsored by a Federal, state, or local government agency, an Institution of higher education as defined at 20 U.S.C. 1001(a), an academic teaching hospital, a medical center, or a research institute that is affiliated with an Institution of higher education
- Income from service on advisory committees or review panels for a Federal, state, or local government agency, an Institution of higher education as defined at 20 U.S.C. 1001(a), an academic teaching hospital, a medical center, or a research institute that is affiliated with an Institution of higher education
- Income from investment vehicles, such as mutual funds and retirement accounts, as long as the Investigator does not directly control the investment decisions made in these vehicles
- An investigator may choose to disclose any other financial or related interest that might present an actual, potential, or perceived conflict of interest.

Disclosure Review

1. Disclosures will be managed by the Designated Research Official, who will determine whether financial relationships present a source of potential conflict with PHS-sponsored research
2. If the Investigator enrolls patients on NIH Clinical Trials, the Designated Research Official may consider, among other factors, the phase of the study, the number of patients to be enrolled nationally, if drug is provided, the Investigator's specialty (if applicable), and the history of the study (date open for accrual, first patient entered, rate of enrollment, etc.)
3. The Designated Research Official will review the SFI Disclosure Form, determine whether the SFI is related to NIH- funded research, determine whether a FCOI exists, and if so, implement a management plan and submit an FCOI report to NIH within 60 days of disclosure.
4. The Designated Research Official will maintain a FCOI Travel Log to aid in determining FCOI.
5. All FCOI reports shall be submitted to the NIH through the electronic Research Administration (eRA) commons.

Management Plan

1. Should management of a potential or actual significant financial conflict of interest be required, the Designated Research Official will draft a Management Plan.
2. Such plans will be designed to meet applicable legal requirements, facilitate the local resolution or management of any conflict, minimize administrative burden, and protect the confidentiality of disclosed information.
3. Final management plans are reviewed and approved by the Research Project Manager and the Physician Director of Research.
4. The Management Plan must include the following:
    - The role and principal duties of the conflicted Investigator in the research project
    - Conditions of the management plan
    - How the management plan is designed to safeguard objectivity in the research project
    - Confirmation of the Investigator's agreement to the management plan

- How the management plan will be monitored to ensure Investigator compliance
- Other information as needed

Non- Compliance

1. If the Department of Health and Human Services determines that an FCOI was not managed or reported as required by the regulation, the Investigator involved must disclose the FCOI in each public presentation of the results of the research and request an addendum to previously published presentations.
2. If there are problems in obtaining SFI Disclosure Forms, additional information as requested, or the Investigator refuses to follow the policies and procedures, the Designated Research Official may suspend enrollment privileges to NIH clinical trials.
3. If an Investigator fails to comply with the Financial Conflict of Interest policy or the Management Plan, the Designated Research Official shall within 120 days:
    - complete a retrospective review of the Investigator's activities and the NIH-funded research project to determine any bias in the design, conduct or reporting of research
    - document the retrospective review consistent with the regulation
    - document the Institution's determination as to whether any NIH-funded research, or portion thereof, conducted during the period of time of the Investigator's non-compliance with the Institution's Financial Conflict of Interest policy or a Financial Conflict of Interest management plan, was biased in the design, conduct, or reporting of such research
    - Non-compliance will result initially in re-training, then in disciplinary action if there are further occurrences.

Retrospective Review and Mitigation Report

1. A retrospective review will be conducted within 120 days when there is:
    - A failure by the Investigator to disclose a Significant Financial Interest that is determined by the Designated Research Official to constitute a Financial Conflict of Interest
    - A failure by the Designated Research Official to review or manage such a Financial Conflict of Interest
    - A failure by the Investigator to comply with a Financial Conflict of Interest management plan
2. The retrospective review must include the following:
    - Project number
    - Project title
    - PD/PI or contact PD/PI if a multiple PD/PI model is used
    - Name of the Investigator with the FCOI
    - Name of the entity with which the Investigator has a financial conflict of interest
    - Reason(s) for the retrospective review
    - Detailed methodology used for the retrospective review (e.g., methodology of the review process, composition of the review panel, documents reviewed, etc.)

- Findings of the review
- Conclusions of the review

3. If bias is found during the review, the Designated Research Official shall notify the NIH promptly and submit a mitigation report, which must include the following:
    - the key elements documented in the retrospective review above and a description of the impact of the bias on the research project and the Institution's plan of action or actions taken to eliminate or mitigate the effect of the bias (i.e., impact on the research project, extent of harm done, including any qualitative and quantitative data to support any actual or future harm; analysis of whether the research project is salvageable)

Sub-recipients

1. Consortium agreements of the sub-recipients will be modified to accept this policy or to reference an institutional FCOI policy that will be maintained and enforced, and that meets or exceeds the most recent regulatory requirements
2. If the subrecipient chooses to accept this policy, the amendment to the Consortium Agreement will include a requirement to solicit and review subrecipient Investigator disclosures that enable ARDAN PHARMA to identify, manage and report identified FCOIs to the NIH
3. If the subrecipient chooses to use its institutional FCOI policy, the subrecipient will provide a certification that its FCOI policy complies with the regulation. In addition, the institutional FCOI policy will be modified to report identified FCOIs for its Investigators in a time frame that allows ARDAN PHARMA to report identified FCOIs to the NIH as required by the regulation

Records

1. The Research Supervisor will maintain records of all disclosures and associated activities securely and confidentially in a secured office
2. All records will be maintained for at least three years from the date of submission of the final expenditures report

Public Accessibility

1. This policy will be publically available via the ARDAN PHARMA website.
    - The information will be updated annually
    - Additional or new SFI that result in an FCOI will be added to the website within 60 days of disclosure
    - The Web site shall note that the information provided is current as of the date listed and is subject to updates, on at least an annual basis and within 60 days of the Institution's identification of a new Financial Conflict of Interest.
    - If the Institution responds to written requests, the Institution will note in its written response that the information provided is current as of the date of the correspondence and is subject to updates, on at least an annual basis and within 60 days of the Institution's identification of a new Financial Conflict of Interest, which should be requested subsequently by the requestor.
2. In addition to this policy, information concerning any SFI disclosed that meets the following criteria will be posted:

- The Significant Financial Interest was disclosed and is still held by the senior/key personnel for the NIH-funded research project identified by the Institution in the grant application, progress report, or any other required report submitted to the NIH
- The Institution determines that the Significant Financial Interest is related to the NIH-funded research
- The Institution determines that the Significant Financial Interest is a Financial Conflict of Interest

3. The following information will be posted for each SFI meeting the criteria listed above:
    - Investigator's name
    - Investigator's title and role with respect to the research project
    - Name of the entity in which the Significant Financial Interest is held
    - Nature of the Significant Financial Interest
    - Approximate dollar value of the Significant Financial Interest (dollar ranges are permissible: $0-$4,999; $5,000-$9,999; $10,000-$19,999; amounts between $20,000-$100,000 by increments of $20,000; amounts above $100,000 by increments of $50,000) or a statement that the interest is one whose value cannot be readily determined through reference to public prices or other reasonable measures of fair market value
    - Name and address of contact person for obtaining written requests
4. Upon receipt of a written request for information concerning identified FCOI's held by senior/key personnel, ARDAN PHARMA will make that information available within five (5) business days of the request.
    - The information shall include all elements required by 42 CFR Part 50, updated through the date of the response.