

# Financial Conflict of Interest (FCOI) Policy

Intrinsic LifeSciences, LLC (ILS) is dedicated to maintaining public trust in the integrity of our research-related activities. The identification and responsible management of financial conflicts of interest (FCOI) are crucial both for safeguarding research objectivity and for compliance with federal regulations and ILS policies.

ILS seeks to ensure the integrity of its research and to comply with the federal Public Health Service's (PHS) requirements for institutions that seek research funding. The PHS has implemented regulations (Title 42 Code of Federal Regulations (CFR), Part 50, Subpart F, Responsibility of Applicants for Promoting Objectivity in Research for Which PHS Funding is Sought) ("FCOI Regulations") to promote objectivity in research by establishing standards that provide a reasonable expectation that the design, conduct, and reporting of research funded under PHS grants or cooperative agreements will be free from bias resulting from investigator financial conflicts of interest. The FCOI Regulations are applicable to institutions that apply for or receive PHS grants or cooperative agreements for research and to each investigator (as defined below) planning to participate in or participating in such research. This policy (the "FCOI Policy") is implemented to fulfill ILS's obligation under the FCOI Regulations to maintain an up to date, written, enforced policy and process on investigator conflicts of interest.

The Signing Official is the person responsible for the procedures under this FCOI Policy. However, the Signing Official may designate one or more individuals to assist in any or all of these responsibilities, and/or may delegate any or all of these responsibilities to one or more individuals.

## **A. Researchers Covered and Financial Interests That Must Be Disclosed**

All "investigators" planning to or participating in PHS-funded "research" are required to disclose to ILS their known "significant financial interests" (and those of their spouse and dependent children) that reasonably appear to be related to the investigator's "institutional responsibilities".

- The term "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 PHS, or proposed for such funding, which may include, for example, collaborators or consultants.
- The term "research" means 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). The term includes any such activity for which research funding is available from a PHS Awarding Component through a grant or cooperative agreement.
- The term "institutional responsibilities" means an investigator's professional responsibilities on behalf of ILS including research, research consultation, clinical or

other professional practice, participation in scholarly events, institutional committee memberships, and service on panels such as Institutional Review Boards or Data and Safety Monitoring Boards.

- The term “significant financial interest” means a financial interest – defined as anything of monetary value, whether or not readily ascertainable – consisting of one or more of the following interests of the investigator (and those of the investigator’s spouse and dependent children) that reasonably appears to be related to the investigator’s institutional responsibilities.

**Publicly Traded Entities** – With regard to any publicly traded entity, a significant financial interest exists if 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.

**Privately Held Entities** – With regard to any non-publicly traded entity, a significant financial interest exists if 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 and dependent children) holds any equity interest (e.g., stock, stock option or other ownership interest).

**Intellectual Property** – Intellectual property rights and interests (e.g., patents, copyrights), must be disclosed upon receipt of income (e.g., royalties) related to such rights and interests. The filing of any patent application also should be disclosed.

**Travel Expenses** – Investigators also must disclose 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 in the twelve months preceding the disclosure if the value of such travel, when aggregated from all sources, exceeds \$5,000; 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. Disclosures relating to travel expenses must specify at a minimum the purpose and duration of the trip, the identity of the sponsor/organizer and the destination.

Not included are the following types of financial interests: salary, royalties or other remuneration paid by ILS to the investigator if the investigator is currently employed or otherwise appointed by ILS including intellectual property rights assigned to ILS and agreements to share in royalties related to such rights; 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; and income from seminars, lectures or teaching engagements sponsored by, and 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.

## **B. Mandatory Investigator Training Requirements**

The Signing Official is responsible for ensuring that each investigator is informed about (i) this FCOI Policy, (ii) the investigator's responsibilities regarding disclosure of significant financial interests relating to the investigator's institutional responsibilities and (iii) the FCOI Regulations.

The Signing Official shall ensure that each investigator completes training regarding items (i)–(iii) prior to engaging in research related to any PHS-funded grant or cooperative agreement, immediately upon being hired and at least every four (4) years. Investigators are required to complete the FCOI training module prior to engaged in PHS-supported research at least every four years, and immediately under the designated circumstances: (1) ILS FCOI policies change in a manner that affects investigator requirements, (2) an investigator is new to ILS or (3) ILS finds an investigator noncompliant with ILS's FCOI policy.

The Signing Official also shall ensure that each investigator completes training immediately when any of the following applies: (1) this FCOI Policy or procedures are revised in any manner that affects the requirements of the investigators or (2) ILS finds that an investigator is not in compliance with this FCOI Policy or a management plan.

“Immediately” shall mean the training is provided or made accessible and the investigators participate in the training expeditiously following the event that triggers the training requirement.

## **C. Disclosure Requirements**

Prior to submission to PHS of an application for a research grant, the principal investigator shall identify to the Signing Official (1) all investigators (as defined above) anticipated to be participating in the research, (2) those who are senior/key personnel (as defined below) and (3) those who are subrecipients and the institution(s) employing them.

The term “senior/key personnel” means the project director or principal investigator and any other person identified as senior/key personnel in the grant application, progress report or any other report submitted to the PHS.

Also prior to submission of the application, the Signing Official shall ensure that each investigator submits a listing of his/her known significant financial interests (as described above) and those of his/her spouse and dependent children that reasonably appear to be related to the investigator's institutional responsibilities, if any. The Signing Official shall ensure that subrecipient investigators either comply with this FCOI Policy or that their institution(s) provides assurances to enable ILS to fulfill the requirements of this FCOI Policy. In either case, the Signing Official shall ensure that the proper documentation as required under the FCOI Regulations is executed. Disclosure forms will be made available by ILS General Counsel.

All disclosures must be updated annually during the period of the award or within 30 days of discovering or acquiring (e.g., through purchase, marriage, inheritance, or expansion of responsibilities) a new significant financial interest. The Signing Official shall ensure that annual update forms are sent to and promptly returned by each investigator. (One annual disclosure is sufficient to cover all ongoing PHS awards.) Each investigator is responsible for submitting disclosure forms within 30 days of discovering or acquiring a new significant financial interest. Disclosures shall be provided by an investigator at any other time upon request.

## **D. Review of Disclosures and Monitoring and Reporting FCOI**

The Signing Official shall be responsible for reviewing all forms disclosing a significant financial interest, making the requisite determinations, and taking any subsequent action.

Prior to the expenditure of funds or, with respect to an ongoing PHS-funded project, within 60 days of the disclosure or discovery of a significant financial interest of an investigator who is new to participating in the research project, or of a new significant financial interest disclosed by an existing investigator, the Signing Official shall:

(1) review all disclosure forms and determine whether (a) an investigator's significant financial interest is related to PHS-funded research and (b) if so related, whether the significant financial interest is a financial conflict of interest (FCOI); and

(2) in the case of a FCOI, develop and implement a management plan specifying actions that have been and shall be taken to manage the FCOI; and

(3) submit initial and ongoing FCOI reports to the PHS Awarding Component as required under the FCOI Regulations [42 CFR 50.605(b)].

If ILS identifies a significant financial interest that was not disclosed timely by an Investigator or, for whatever reason, was not previously reviewed by ILS during an ongoing PHS-funded research project (e.g., was not timely reviewed or reported by a subrecipient), the Signing Official shall, within sixty days: review the significant financial interest; determine whether it is related to PHS-funded research; determine whether a financial conflict of interest exists; and, if so:

(i) Implement, on at least an interim basis, a management plan that shall specify the actions that have been, and will be, taken to manage such financial conflict of interest going forward;

(ii) (A) In addition, whenever a financial conflict of interest is not identified or managed in a timely manner including failure by the Investigator to disclose a significant financial interest that is determined by ILS to constitute a financial conflict of interest; failure by ILS to review or manage such a financial conflict of interest; or failure by the Investigator to comply with a financial conflict of interest management plan, ILS shall, within 120 days of ILS's determination of noncompliance, complete a retrospective review of the Investigator's activities and the PHS-funded research project to determine whether any PHS-funded research, or portion thereof, conducted during the time period of the noncompliance, was biased in the design, conduct, or reporting of such research.

(B) ILS documents the retrospective review; such documentation shall include, but not necessarily be limited to, all of the following key elements:

(1) Project number; (2) Project title; (3) PD/PI or contact PD/PI if a multiple PD/PI model is used; (4) Name of the Investigator with the FCOI; (5) Name of the entity with which the Investigator has a financial conflict of interest; (6) Reason(s) for the retrospective review; (7) Detailed methodology used for the retrospective review (e.g., methodology of the review process, composition of the review panel, documents reviewed); (8) Findings of the review; and (9) Conclusions of the review.

(iii) Based on the results of the retrospective review, if appropriate, ILS shall update the previously submitted FCOI report, specifying the actions that will be taken to manage the financial conflict of interest going forward. If bias is found, ILS is required to notify the PHS Awarding Component promptly and submit a mitigation report to the PHS Awarding Component. The mitigation report must include, at a minimum, the key elements documented in the retrospective review above and a description of the impact of the bias on the research project and ILS's plan of action or actions taken to eliminate or mitigate the effect of the bias (e.g., 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). Thereafter, ILS will submit FCOI reports annually, as specified elsewhere in this subpart. Depending on the nature of the financial conflict of interest, an Institution may determine that additional interim measures are necessary with regard to the Investigator's participation in the PHS-funded research project between the date that the financial conflict of interest or the Investigator's noncompliance is determined and the completion of ILS's retrospective review.

An investigator's significant financial interest is related to PHS-funded research when the Signing Official reasonably determines that the significant financial interest could be affected by the PHS-funded research or is in an entity whose financial interest could be affected by the research. In determining whether an investigator's significant financial interest is related to PHS-funded research the Signing Official will consider all relevant factors and information, including but not limited to whether there is an ongoing relationship between the investigator and the payer.

A financial conflict of interest (FCOI) exists when the Signing Official reasonably determines that the significant financial interest could directly and significantly affect the design, conduct, or reporting of the PHS-funded research. In determining whether there is an FCOI, the Signing Official will consider all relevant factors and information, including but not limited to the nature of the research, the magnitude of the financial interest and degree to which it is related to the research, the extent to which the interest could be directly and substantially impacted by the research, and the degree of risk to the human subjects, if any, that is inherent in the research protocol.

Prior to making the decision whether an FCOI exists, the Signing Official may impose interim measures, may ask the investigator to submit additional information and may meet or communicate with the investigator. The investigator may be encouraged to suggest procedures, protocols, or other measures designed to manage the FCOI.

"Manage" means taking action to address an FCOI, which can include reducing or eliminating the financial conflict of interest to ensure, to the extent possible, that the design, conduct and reporting of research will be free from bias.

Examples of conditions or restrictions that might be imposed to manage an FCOI include, but are not limited to:

1. Public disclosure of financial conflicts of interest (e.g., when presenting or publishing the research);
2. For research involving human subjects, disclosure of financial conflicts to research participants;
3. Monitoring of the research by independent reviewers;

4. Modification of the research plan;
5. Change of personnel or personnel responsibilities or disqualification from participation in all or a portion of the research;
6. Reduction or elimination of the financial interest; and/or
7. Severance of relationships that create such conflicts.

For all management plans, the Signing Official shall (1) monitor ongoing investigator compliance and (2) submit annual updates to the PHS Awarding Component at the time and in the manner specified by the PHS Awarding Component, both until the completion of the PHS-funded research project to which the FCOI relates.

If the FCOI is identified and eliminated prior to the expenditure of any PHS-awarded funds, no FCOI report need be submitted.

ILS will send initial, annual, and revised financial conflicts of interest reports, as required by applicable laws or regulations. Before expending any funds under a PHS award, ILS will ensure public accessibility by posting financial conflicts of interest information on a publicly available web site or by responding in a timely manner to written requests as required under the regulations. The Designated Official will also report to the PHS Awarding Component, as detailed in the regulations, the existence of any financial conflict of interest that has not been eliminated and will ensure that ILS has implemented a plan to manage the conflict.

If a financial conflict of interest is identified after its initial reporting and during ongoing research (e.g., through participation of a new Investigator) and has not been eliminated, ILS will provide the PHS Awarding Component with an update within 60 days and ensure that it has implemented a plan to manage the conflict. With respect to FCOI related to research sponsored by NIH, annual FCOI reports will be submitted through the eRA Commons FCOI Module for the duration of the project period (including extensions with or without funds) at the same time annual progress reports are required to be submitted and at the time of extension (if any).

If the financial conflicts of interest report involves a significant financial interest that was not disclosed by an Investigator or not previously reviewed or managed by ILS (e.g., not reviewed or reported by a subrecipient in a timely manner), ILS will undertake a retrospective review. Such retrospective review will determine whether there was bias in the design, conduct, or reporting of the PHS-funded research, or portion thereof, conducted prior to the identification and management of the conflict. If bias is found, ILS will promptly notify the PHS Awarding Component and submit a mitigation report. Upon request, ILS will provide HHS with information relating to any Investigator disclosure of significant financial interests; ILS's review of, and response to, such disclosure; and whether the disclosure resulted in ILS's determination of a financial conflict of interest.

## **E. Noncompliance and Remedies**

If an Investigator knowingly fails to comply with this policy (e.g., fails to identify an actual or potential financial conflict of interest), the Signing Official shall (in addition to the steps required in Section D above), within 120 days of the determination of noncompliance, conduct a retrospective review of the investigator's activities and the research project to determine whether any PHS-funded research or portion thereof conducted during the period of noncompliance was biased in design, conduct or reporting.

ILS may take appropriate disciplinary action, which may include, without limitation, termination of the Investigator's participation in the research. In addition, for PHS-funded research, failure to comply with this policy or the applicable regulations shall result in the following:

- If the Investigator's failure to comply with this policy or a financial conflicts of interest management plan has biased the design, conduct, or reporting of the PHS-funded research, ILS shall promptly notify the PHS Awarding Component of the corrective action taken or to be taken;
- ILS will make available to HHS all records pertinent to financial conflicts of interest and the management of those conflicts; and
- If HHS determines that a clinical PHS-funded research project whose purpose is to evaluate the safety or effectiveness of a drug, medical device, or treatment has been designed, conducted, or reported by an Investigator with a financial conflict of interest that was neither disclosed nor managed, ILS shall require disclosure of the conflicting interest in each public presentation of the results of the research and shall request an addendum to previously published presentations, if necessary.

## **F. Maintenance of Records**

The Signing Official shall maintain all disclosure forms and related records of determinations made and actions taken for a period of three (3) years from the date of submission of the final expenditures report to the PHS (or, where applicable, from other dates specified in 45 CFR 75.361).

## **G. Enforcement Mechanism and Sanctions**

All researchers to whom this FCOI Policy applies are expected to fully and promptly comply with it. The Signing Official may impose sanctions for noncompliance which may include, but is not limited to, the following:

- Failure to make timely, full or accurate disclosures;
- Failure to provide information requested;
- Failure to update a disclosure form as necessary; or
- Failure to comply with a management plan.

For ILS employees, sanctions may include suspension or dismissal, denial of eligibility to engage in the research at issue or other appropriate penalties. Such sanctions may require giving notice of relevant information to funding agencies, professional bodies or journals, or the public. The Signing Official will determine what sanctions, if any, are to be applied.

## **H. Subrecipients**

The Signing Official will have the responsibility to take reasonable steps to ensure that Investigators for subrecipients (e.g., subgrantees, subcontractors, or collaborators) fully comply with this policy or provide ILS with sufficient assurances to enable ILS's compliance with all applicable laws or regulations.

To this end, the written agreement between ILS and the subrecipient will specify whether ILS's or the subrecipient's financial conflicts of interest policy will apply to the subrecipient's Investigators and, if the subrecipient's policy will apply, the Designated Official will:

- Obtain certification from the subrecipient that its policy complies with ILS's policy and the applicable regulations (absent such certification, ILS's policy will apply to the subrecipient's Investigators, and
- Establish time periods for subrecipient reporting of financial conflicts of interest to ILS that enable ILS to report such conflicts in a timely manner, as required under its policy and the applicable regulations.

If ILS's policy will apply to the subrecipient Investigators, ILS will be responsible for meeting the requirements of this policy and the reporting obligations reflected in the applicable regulations.

### **I. Public Accessibility Requirements**

This FCOI Policy will be posted on ILS's publicly accessible website, as required by the FCOI Regulations.

Prior to expending any funds under a PHS-funded grant or cooperative agreement, ILS shall ensure public accessibility to information concerning an FCOI held by a senior/key personnel member by providing a written response to any written request, such response to be postmarked or dated (if replying by electronic means) within five (5) business days of the receipt of the written request. Such information shall consist of that required to be provided under the FCOI Regulations [42 CFR 50.605(a)(5)(ii),(iii)], shall be updated at least annually and within 60 days of the receipt or identification of information concerning an additional significant financial interest, and shall remain available for three years from the date the information was most recently updated.

### **J. Additional Information**

ILS may be asked to provide records related to this FCOI Policy, including disclosure forms, to the Department of Health and Human Services or other federal agencies or entities. ILS will provide the requested information and make any other disclosures necessary to comply with this FCOI Policy or as required by law. Such records may be requested and provided whether or not the disclosure resulted in a determination that an FCOI existed.