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## **Policy on Financial Conflicts of Interest in PHS and Non-PHS Funded Research**

### **Policy Statement**

As a company that performs scientific research, MTI Biotech Inc. is dedicated to protecting the objectivity and integrity of its research activities by ensuring that the design, conduct, and reporting of research will not be biased or appear to be biased by a personal financial conflict of interest. MTI Biotech Inc. has created this policy to identify, evaluate, correct, and eliminate financial conflicts of interest.

In the policy outlined below, the procedures are established and designed primarily to comply with the specific regulatory requirements for U.S. Public Health Service (PHS)-sponsored research; they are also designed to establish standards for identifying, evaluating, and managing real, apparent and potential financial conflicts of interest relating to MTI Biotech Inc.'s other research activities. For non-PHS research, the specific steps, timing, determinations, documentation, and notifications may be tailored as appropriate but will remain focused on maintaining MTI Biotech Inc.'s high standards for research integrity and effectively eliminating or managing actual or potential financial conflicts of interest.

### **Reason for Policy**

The proposed policy governs the processes followed by MTI Biotech Inc. in complying with government regulations when making expenditures with Government Awards. These include, but not limited to, disclosure of individual financial interests and the management and reporting of individual financial conflicts of interest in Governmental Awards. The policy and related procedures were created to identify, manage, mitigate, neutralize, or eliminate actual, apparent, and potential financial conflicts of interest. The policy was written in conformance with the Code of Federal Regulations (CFR) 42, Part 50, Subpart F, Responsibility of Applicants for Promoting Objectivity in Research for Which Public Health Service (PHS) Funding Is Sought and 45 CFR Part 94, Responsible Prospective Contractors.

### **Definitions**

For purposes of this policy, the following definitions shall apply:

**Designated Official**, is the individual designated by MTI Biotech Inc. to oversee the financial conflicts of interest process, including solicitation and review of disclosures of significant financial interests.

**Equity interest** includes any stock, stock option, or other ownership interest, and its value may be determined through reference to public prices or other reasonable measures of fair market value.

**Financial conflict of interest (FCOI)** means a Significant Financial Interest (SFI) that could directly and significantly affect the design, conduct, or reporting of research as determined by MTI Biotech Inc. through the Designated Official.

**Financial interest** means anything of monetary value, whether the value is readily ascertainable.

**Immediate family** refers to an Investigator's a spouse, domestic partner, child or stepchild, parent or stepparent, or sibling or stepsibling.

**Investigator** means the project director/principal investigator and any other person who is responsible for the design, conduct, or reporting of the research or proposed research.

**PHS** means the U.S. Public Health Service, an operating division of the U.S. Department of Health and Human Services (HHS), and any components of the PHS to which the authority involved may be delegated, including the National Institutes of Health (NIH).

**PHS Awarding Component** means the organizational unit of the PHS that funds the research that is subject to 42 CFR Part 50, Subpart F, and 45 CFR Part 94.

**PHS-funded Research** means research funded under PHS grants, cooperative agreements, or contracts.

**NIH:** the biomedical research agency of the PHS.

**Public Health Service Act, or PHS Act** means the statute codified at 42 U.S.C. 201 et seq.

**Remuneration** includes, for example, salary and any payment for services not otherwise identified as salary (e.g., consulting fees, honoraria, paid authorship).

**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). For PHS-Funded Research, the term includes any such activity for which research funding is available from a PHS Awarding Component through a grant, cooperative agreement, or contract, whether authorized under the PHS Act or other statutory authority.

**Significant financial interest** means a financial interest consisting of one or more of the following interests of the Investigator and his/her immediate family that reasonably appear to be related to the Investigator's MTI Biotech Inc. project responsibilities, including:

1. With regard to interests in any publicly traded entity, a financial interest consisting of any remuneration received from the entity in the 12 months preceding the disclosure and any equity interest (e.g., stock, stock option, or other ownership interest) in the entity as of the date of disclosure, in which the value when aggregated exceeds \$5,000.
2. Regarding interests in any non-publicly traded entity, a financial interest consisting of any remuneration received from the entity in the 12 months preceding the disclosure, in which the value when aggregated exceeds \$5,000, or when the Investigator or his/her immediate family holds any equity interest (e.g., stock, stock option, or other ownership interest); or
3. Intellectual property rights and interests (e.g., patents, copyrights), upon receipt of income related to such rights and interests.

Significant financial interests also include 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 the Investigator's MTI Biotech Inc. project 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.

Significant financial interest **does not** include the following:

- Salary, royalties, or other remuneration paid by MTI Biotech Inc. (or a subrecipient as applicable) to the Investigator if the Investigator is currently employed or otherwise appointed by MTI Biotech Inc., including that paid for intellectual property rights assigned or licensed to MTI Biotech Inc. and agreements to share in royalties related to such rights.
- Any ownership interest in MTI Biotech Inc. or subsidiary (or a subrecipient as applicable) held by the Investigator.
- 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.

- 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; or
- 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.

## **Procedures**

**Responsibilities of MTI Biotech Inc.'s Designated Official:** The Designated Official or his/her designee shall be responsible for the following:

- Notifying MTI Biotech Inc. Investigators of their obligations under this policy and any related regulations.
- Reviewing and evaluating disclosures of significant financial interest with MTI Biotech Inc.'s Chief Operation Officer (COO) to determine whether they are related to the subject research and, if so, whether they constitute financial conflicts of interest.
- Screening and handling potential financial conflicts of interest.
- Maintaining all records relating to disclosures of financial interests, MTI Biotech Inc.'s review of and response to such disclosures, and any related actions under this policy.
- Develop and implement a management plan to manage the financial conflicts of interest.
- Ensuring inclusion of any required certifications in applications for funding or contract proposals; and
- Reporting any disclosure as required under this policy and applicable regulations.

For PHS-funded research, the Designated Official shall also have the following responsibility:

- Taking sensible steps to ensure that Investigators for subrecipients (e.g., subgrantees, subcontractors, or collaborators) fully comply with this policy or provide MTI Biotech Inc. with sufficient assurances to enable MTI Biotech Inc.'s compliance with all applicable laws or regulations. To this end, the written agreement between MTI Biotech Inc. and the subrecipient will specify whether MTI Biotech Inc.'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 MTI Biotech Inc.'s policy and the applicable regulations (absent such certification, MTI Biotech Inc.'s policy will apply to the subrecipient's Investigators, and
- Establish time periods for subrecipient reporting of financial conflicts of interest to MTI Biotech Inc. that enable MTI Biotech Inc. to report such conflicts in a timely manner, as required under its policy and the applicable regulations.

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

## **Clinical Research**

If HHS determines that one of its funded clinical research projects 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 not managed or reported by MTI Biotech Inc., MTI Biotech Inc. shall require the Investigator involved to disclose the Financial Conflict of Interest in each public presentation of the results of the research and to request an addendum to previously published presentations.

## **Training and Education**

Each Investigator must complete training prior to engaging in PHS funded research. Investigators will receive training promoting objectivity and to be non-biased in research and to ensure Investigator compliance regarding the applicable regulations and significant financial interest disclosure obligations.

The training module and other resources developed by NIH will be updated as appropriate and can be accessed through the NIH Web site. MTI Biotech Inc.'s offers a self-directed, online, FCOI training through the NIH website online FCOI Training ([FCOI Training | grants.nih.gov](https://www.fcoi.gov)) Learning Center program.

MTI Biotech Inc. requires Investigators to complete such training annually, and when any of the following occurs:

- At least every 4 years.
- MTI Biotech Inc. revises its financial conflicts of interest policy or procedures in any manner that affects the Investigator's obligations.
- An Investigator is new MTI Biotech Inc.; or
- MTI Biotech Inc. finds that an Investigator is not in compliance with this policy or a financial conflicts of interest management plan.

### **Public Accessibility Requirements**

MTI Biotech Inc. shall make its policy on Financial Conflict of Interests available to the public. The publicly accessible information will include:

- The minimum elements as provided in the regulation.
- Be posted on MTI Biotech Inc.'s website or made available within five (5) business days of a written request.
- Be updated, at least annually.
- Be updated, within sixty (60) days of a newly identified FCOI.
- Remain available for three (3) years from the date the information was most recently updated.

### **Internal Reporting Requirements**

For PHS-funded research, as part of the funding application or proposal and prior to performing any work on the research, each Investigator who is planning to participate in the research is required by regulation to complete a Significant Financial Interest Disclosure (SFID) Form and submit the SFID Form to MTI Biotech Inc.'s COO. This requirement also applies to Investigators who are or who work for subgrantees, subcontractors, or collaborators on PHS-funded research. SFID Forms will be provided to Investigators in conjunction with the annual training and will be otherwise made available.

MTI Biotech Inc.'s COO will review SFID submissions with the Designated Official. The information reported on the SFID Form includes a listing of the Investigator's known significant financial interests and those of his/her immediate family that reasonably appear to be related to the research or that are in entities whose financial interests could be affected by the research.

MTI Biotech Inc. Investigators in non-PHS-funded research who have any significant financial interest that may reasonably appear to be affected by the research are also expected to complete the SFID Form and submit it to MTI Biotech Inc.'s COO.

Investigators are expected to submit an updated SFID Form during the period of the award as necessary (at least annually for PHS-funded research). The annual update will typically be done in conjunction with completion of the annual training. Such disclosures shall include any information that was not previously disclosed; any change in information regarding any previously disclosed significant financial interest; or, within 30 days of discovery or acquisition, any new significant financial interest (e.g., an interest acquired through purchase, marriage, or inheritance).

### **Determination and Management of Financial Conflicts of Interest**

Upon receipt of a completed SFID Form, the COO shall determine whether an Investigator's significant financial interest is related to the subject research and, if so, whether the interest constitutes a financial conflict of interest under this policy and any applicable regulations. The Investigator may be required to submit additional information as part of the process. A disclosed interest may be related to the subject research either because the interest could be affected by the research or because it is in an entity whose

financial interest could be affected by the research. A financial conflict of interest exists if the significant financial interest could directly and significantly affect the design, conduct, or reporting of the research.

If MTI Biotech Inc. determines that a financial conflict of interest exists, a financial conflicts of interest management plan will be implemented and monitored on an ongoing basis. The management plan will include appropriate steps to manage, reduce, or eliminate the conflict. The following are examples of conditions or restrictions that might be imposed:

- Disclosure to research participants or the public of significant financial interests (e.g., when presenting or publishing the research).
- Monitoring of research by independent reviewers.
- Modification of the research plan.
- Disqualification of staff from participation in all or a portion of the research.
- Reduction or divestiture of a financial interest; or
- Severance of relationships that create actual or potential conflicts.

In addition to the conditions or restrictions described above, MTI Biotech Inc. may require the management of conflicting financial interests in other ways as it deems appropriate.

### **External Reporting Requirements**

MTI Biotech Inc. will disclose financial conflicts of interest as required by applicable laws or regulations. Before expending any funds under a PHS award, MTI Biotech Inc. 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 COO 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 MTI Biotech Inc. has implemented a plan to manage the conflict. MTI Biotech Inc. will also send initial, annual, and revised FCOI reports to the NIH via the eRA Commons FCOI Module for MTI Biotech and its subrecipients.

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, MTI Biotech Inc. will provide the PHS Awarding Component with an update within 60 days and ensure that it has implemented a plan to manage the conflict. 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 MTI Biotech Inc. (e.g., not reviewed or reported by a subrecipient in a timely manner), MTI Biotech Inc. 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, MTI Biotech Inc. will promptly notify the PHS Awarding Component and submit a mitigation report. Upon request, MTI Biotech Inc. will provide HHS with information relating to any Investigator disclosure of significant financial interests; MTI Biotech Inc.'s review of, and response to, such disclosure; and whether the disclosure resulted in MTI Biotech Inc.'s determination of a financial conflict of interest.

### **Confidentiality**

MTI Biotech Inc. will, to the extent possible, protect the confidentiality of disclosures. In every instance, MTI Biotech Inc. will endeavor to balance the privacy interests of individuals with its responsibility and obligation to identify and manage conflicts of interest. Disclosures will be available to MTI Biotech Inc. staff only on a need-to-know basis and will not be disclosed outside of MTI Biotech Inc. unless necessary to comply with contractual, legal, or regulatory requirements.

### **Enforcement Mechanisms, Remedies and Noncompliance**

MTI Biotech Inc. may take appropriate disciplinary action, which may include, without limitation, termination of the Investigator's participation in the research if an Investigator knowingly fails to comply with this policy (e.g., fails to identify an actual or potential financial conflict of interest). 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, MTI Biotech Inc. will promptly notify the PHS Awarding Component of the corrective action taken or to be taken.
- MTI Biotech Inc. 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, MTI Biotech Inc. 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.

Furthermore, within 120 days of any determination by MTI Biotech Inc. that an Investigator has failed to comply with this Policy, MTI Biotech Inc. shall complete a retrospective review of such Investigator's activities to determine the possibility of any bias in such Investigator's research activities. If MTI Biotech Inc. determines that there has been any such bias, MTI Biotech Inc. shall submit a mitigation report to the applicable Funding Agency, in accordance with 42 CFR 50.605(a)(3)(ii)(B), that shall address the impact of the bias on the Funded Research and the actions MTI Biotech Inc. has taken to mitigate the bias and manage the FCOI. MTI Biotech Inc. will work with the Investigator to establish an FCOI management plan, and the Investigator shall disclose the FCOI in each public presentation related to the results of the applicable Funded Research if not previously disclosed. In certain instances, the Investigator may be prohibited from continuing to work on the project or receiving any NIH funding in the future.

### **Retention of Records**

MTI Biotech Inc. will retain financial conflicts of interest disclosure forms and other supporting information consistent with MTI Biotech Inc.'s Record Retention policy. For PHS-funded research, records of all financial disclosures, whether or not they result in a reporting obligation, and all actions taken by MTI Biotech Inc. with respect to each financial conflict of interest will be retained for at least 3 years from the date of submission of the final expenditures report or final payment on the contract or, where applicable, from other dates specified in 45 CFR 75.361 or 48 CFR Part 4, Subpart 4.7.

### **Point of Contact**

If you have a conflict of interest or if you have a question to discuss, contact the MTI Biotech Inc. FCOI Administrator at COO [Contact Us | MTI Biotech](#).



**MTI Biotech Inc.**  
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### Financial Conflict of Interest Disclosure Form

Persons completing this form are expected to have read and understood the MTI Biotech Inc. Financial Conflict of Interest Policy on Federal Grants and Contracts. If you have any questions regarding the policy, please contact the MTI Biotech Inc. Chief Operating Officer prior to signing this document.

1. Do you, your spouse, or dependent children have a “significant financial interest (SFI)” (as defined on the MTI BioTech Inc., Company Policy Financial Conflict of Interest (FCOI) Policy) that would reasonably appear to be affected by your “Research”?

Yes  No

If yes, please describe in the space below the nature and extent of your/their affiliation.

2. Do you, your spouse or dependent children have a “significant financial interest” in any business or legal entity whose financial interests would reasonably appear to be affected by this covered “Research”?

Yes  No

If yes, please describe in the space below the nature and extent of your/their affiliation.

3. Description of your “significant financial interest,” if applicable in Sections 1 and 2 above.

I certify that:

- I have read MTI Biotech Inc’s Policy on Financial Conflict of Interest on Federal Grants and Contracts. I have made all required financial disclosures.
- (If the program leader, principal investigator, or project director) I have made every effort to ensure that all Investigators (see policy for definition) responsible for the design, conduct or reporting of the research have submitted required disclosures.

Signature \_\_\_\_\_ Date: \_\_\_\_\_

Typed/Printed name: \_\_\_\_\_

Disclosure Type: First time  Annual update

Project specific \_\_\_\_\_ Project title: \_\_\_\_\_ Sponsor: \_\_\_\_\_

Special Notes (if any):

Confidential Information