

CONFLICTS OF INTEREST POLICY

OF

INTERNATIONAL CANNABINOID RESEARCH SOCIETY

Revised July 21, 2021

ARTICLE I

Purpose

The purpose of the conflict of interest policy is to protect the interests of the International Cannabinoid Research Society (the "ICRS"), as a tax-exempt organization, when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Covered Person, or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest (COI) applicable to nonprofit and charitable organizations.

Toward that end, ICRS requires all "Covered Persons" to provide ICRS with a written disclosure of their relevant relationships, paid or unpaid, including all academic, research, institutional, and personal ties creating a current or potential Conflict of Interest.

The ICRS Board of Directors is responsible for oversight and integrity of the Training, Disclosure process, COI resolution, and public notification. The Board may delegate specified implementation duties to a Conflict of Interest Compliance Officer or ICRS contractor.

ARTICLE II

Definitions

1. **Conflict of Interest** means an association, including a financial, business, or personal association, that has the potential to bias or create the appearance of biasing an individual's decisions in matters related to ICRS or the conduct of ICRS activities. Recognition and reporting of potential conflicts, and sensitivity to how personal, financial, and other relationships can be perceived by others are germane to resolving COI.

2. **Covered Person**

Covered Persons are those individuals who are officers, directors, investigators, and committee chairs of ICRS, as well as contractors and volunteers designated by the President or Executive Director.

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 US Public Health Services (PHS), or proposed for such funding, which may include, for example, collaborators or consultants.

1. **Conflict of Interest Compliance Officer** is the Secretary of the Board of Directors,

unless otherwise designated by the Executive Director.

3. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which ICRS has a transaction or arrangement,
- b. A compensation arrangement with ICRS or with any entity or individual with which ICRS has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which ICRS is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

ARTICLE III

Procedures

1. **Training:** This policy shall be distributed to each Covered Person within 30 days of that person becoming a Covered Person and at least once every 12 months while remaining a Covered Person. All Covered Persons shall complete designated training within 30 days of becoming a Covered Person and at least once every four years while remaining a Covered Person. Each Covered Person involved in PHS-funded research will complete training prior to engaging in PHS-funded research.

2. **Duty to Disclose**

In connection with any actual or possible conflict of interest, a covered person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board of Directors and members of committees with Board of Directors delegated powers, for example considering a proposed transaction or arrangement.

3. **Determining Whether a Conflict of Interest Exists**

Disclosure: All Covered Persons shall submit the completed Conflict of Interest Disclosure Statement to the Conflict of Interest Compliance Officer within 30 days of becoming a Covered Person and at least once every 12 months while remaining a Covered Person. In addition to completing and submitting the annual Disclosure Statement, Covered Persons are required to immediately notify the ICRS conflict of Interest Compliance Officer of any subsequent changes, new relationships, or newly pertinent interests or relationships posing a possible COI.

Completed disclosure statements by Board members, investigators, and Committee Chairs shall be posted on ICRS's website annually.

4. Procedures for Addressing the Conflict of Interest

- a. The Conflict of Interest Compliance Officer shall review the completed Disclosure Statements and notify the Executive Director of any apparent Conflicts of Interest involving a contractor, and refer the issue to the Board of Directors in cases of any other Covered Person.
- b. A covered person may make a presentation at the Board of Directors or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- c. The ICRS Executive Director shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- d. After exercising due diligence, the Board of Directors or committee shall determine whether ICRS can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or Directors shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the ICRS's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

5. Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after reviewing the Coverer Person's responses and after making further investigations as warranted by the circumstances, the Board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
- c. For PHS-funded research, the Board will notify the funding agency of any identified financial conflicts of interest when an ICRS Investigator is directly involved with PHS funded research.

ARTICLE IV

Records of Proceedings

The existence of the Conflict of Interest and the resolution for the Conflict of Interest shall be recorded in the minutes of the Board of Directors, and in an annual report from the Board of Directors to the ICRS membership.

Maintenance of Records: The COI Compliance Officer shall be required to maintain records pursuant to this policy for a period of no less than the term of service, and three years following the completion of contractual service or PHS-funded research.

ARTICLE V

Compensation

- a. A voting member of the governing board who receives compensation, directly or indirectly, from ICRS for services is precluded from voting on matters pertaining to that member's compensation.

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

- b. No voting member of the Board or Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from ICRS, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI

Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the Conflicts of Interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands ICRS is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

ARTICLE VII

Periodic Reviews

To ensure ICRS operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be

conducted no less often than every 12 months. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to ICRS's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE VIII

Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, ICRS may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.