



Conflict of Interest Policy

Coalition of Skin Diseases
1717 N Street NW, Ste 1
Washington DC, 20036

Conflict of Interest:

REASON FOR STATEMENT

The Coalition of Skin Diseases (Coalition or CSD), as a nonprofit, tax-exempt organization, depends on membership dues, sponsorships and grants. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the operations of the CSD first must fulfill all legal requirements. The operations also depend on the public trust and thus are subject to scrutiny by and accountability to both governmental authorities and members of the public.

Consequently, there exists between the CSD and its Board, officers, and management employees a fiduciary duty that carries with it a broad and unbending duty of loyalty and fidelity. The Board, officers, and management employees have the responsibility of administering the affairs of the CSD honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of the CSD. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with the Coalition or knowledge gained therefrom for their personal benefit. The interests of the organization must have the first priority in all decisions and actions.

PERSONS CONCERNED

This statement is directed not only to Board members and officers, but to all employees who can influence the actions of the CSD. For example, this includes but is not limited to all who make purchasing decisions, all other persons who might be described as "management personnel," and all who have proprietary information concerning the Coalition.

KEY AREAS IN WHICH CONFLICT MAY ARISE

Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

- Persons and firms supplying goods and services to the Coalition
- Persons and firms from whom the Coalition leases property and equipment
- Persons and firms with whom the Coalition is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities or other property
- Competing or affinity organizations

- Donors, members, sponsors and others supporting the Coalition
- Recipients of grants from the Coalition
- Agencies, organizations, and associations that affect the operations of the Coalition
- Family members, friends and other employees

NATURE OF CONFLICTING INTEREST

A material conflicting interest may be defined as an interest, direct or indirect, with any persons and firms mentioned in the "Key Areas In Which Conflict May Arise" noted above in which financial consideration inures to the benefit of the Board, Officers, and/or management employees. Such an interest might arise, for example, through:

- Owning stock or holding debt or other proprietary interests in any third party dealing with the Coalition
- Holding office, serving on the Board, participating in management, or being otherwise employed (or formerly employed) by any third party dealing with the Coalition
- Receiving remuneration for services with respect to individual transactions involving the Coalition
- Using the Coalition's time, personnel, equipment, supplies, or goodwill other than for approved Coalition activities, programs, and purposes
- Receiving personal gifts or loans from third parties dealing with the Coalition. Receipt of any gift is disapproved except gifts of nominal value that could not be refused without discourtesy. No personal gift of money should ever be accepted.

INTERPRETATION OF THIS STATEMENT OF POLICY

The areas of conflicting interest listed in "Key Areas In Which Conflict May Arise" and relations in those areas that may give rise to conflict, as listed in the "Nature of Conflicting Interest" section, are not exhaustive. Conceivably, conflicts might arise in other areas or through other relations. It is assumed that the Board members, officers, and management employees will recognize such areas and relations by analogy and common sense.

The fact that one of the interests described in the "Nature of Conflicting Interest" section exists does not mean necessarily that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or, if material, that upon full disclosure of

all relevant facts and circumstances, that it is necessarily adverse to the interests of the Coalition.

However, it is the policy of the Board of the CSD that the existence of any of the interests described in the "Nature of Conflicting Interest" section shall be disclosed, as described below, on a timely basis and always before any transaction is consummated. It shall be the continuing responsibility of the Board, officers and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

DISCLOSURE POLICY AND PROCEDURE

Disclosure involving Board members should be made to the Board of Directors.

Staff disclosures should be made to a member of the Board Executive Committee who shall determine whether a conflict exists and is material, and if the matters are material, bring them to the attention of the Board Executive Committee.

The Board Executive Committee shall determine whether a conflict exists and is material, and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to the Coalition. The Board Executive Committee shall then make its finding known to the Board which will make the final decision on any potential matter involving a material conflict. The decision of the Board on these matters will rest in its sole discretion, and the Board's concern must be consistent with the Coalition's purpose.

Transactions with related parties may be undertaken only if all of the following areas are observed:

- A material transaction is fully disclosed in the annual financial statements of the Coalition.
- The related party is excluded from the discussion and approval of such a transaction.
- A competitive bid or comparable valuation exists; and
- The Coalition's Board has acted upon and demonstrated that the transaction is in the best interest of the Coalition.