



DONALD DANFORTH
PLANT SCIENCE CENTER
DISCOVERY | COMMUNITY | IMPACT

Key Employee Conflict of Interest Policy

Effective Date: 2/1/2023

Introduction

It is the policy of the Donald Danforth Plant Science Center (the “Center”) that all Officers, Department Managers, and employees at the Director level and above (“Key Employees”) avoid any conflict, or appearance of conflict, between their business or personal interests and the interests of the Center. Decisions made and actions taken by Key Employees should be based solely on the

desire to advance the Mission of the Center and make business decisions that are in the best interest of the Center. This conflict of interest policy is designed to help Key Employees identify situations

that present real or potential conflicts of interest and to provide the Key Employees and the Center

with a procedure that, if observed, will allow all such situations to be identified and either managed or eliminated.

Definitions

1. **Key Employee** - all Officers, Department Managers, employees at the Director level and above, and any other person as determined by the President or POC.
2. **Family Member** is a spouse, domestic partner, parent, grandparent, child, or spouse of a child, sibling (including half-brother or sister) or spouse of a sibling, of a Key Employee.
3. **Business Transaction** is any contract, agreement, transfer, exchange, payment, receipt or other transaction including, but not limited to, (i) the purchase, sale, exchange or leasing of property; (ii)

the borrowing, lending or investment of money or securities or obtaining or extending credit;
(iii)

the furnishing of goods, services (including, without limitation, consulting services or legal,

accounting or other professional services) or facilities; or (iv) the payment of compensation. The

making of a gift to the Center is not a Business Transaction.

4. Administrative Point of Contact (“POC”) – Individual and point of contact responsible for gathering financial disclosures and potential conflicts of interest to determine whether a conflict of interest exists. The POC works with the President to determine and carry out a course of action to manage, reduce or eliminate such conflict, and to report to the Committee. The POC position is currently held by the COO.
5. Conflict of Interest Committee (“Committee”) - A Committee of the Audit Committee of the Board of Directors established to assess the adequacy of and monitor compliance with the Center’s Conflict of Interest Policies. The Committee will also actively oversee and manage potential conflicts of interest at the Board and Officer levels. The President of the Center will have a seat on the Committee. The Committee will report to the Board regarding matters of conflict of interest. Reporting shall occur on an annual basis, or more frequently as needed.

Policy

I. Conflict of Interest Definition

When the personal or professional affairs of a Key Employee will, in fact or in appearance, affect his or her ability to put the welfare of the Center before the Key Employee’s personal benefit, or detract in a significant way from the Key Employee’s ability to discharge their responsibilities to the Center, a conflict of interest exists. A Key Employee of the Center will be deemed to have a Conflict of Interest if the Key Employee has Business Interests or is involved in other Outside Activities as defined below:

- 1) Business Interests
 - a. A Business Transaction between the Center and an employee or Family Member, or
 - b. A Business Transaction between the Center and an entity in which an Employee or family member owns more than a 5% interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative.
- 2) Outside Activities
 - a. An employee competing with the Center directly for grants, contracts or other funding, or
 - b. An entity in which an employee or Family Member owns or controls more than a 5% interest or of which such person is a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to, that is competing with the Center directly for grants, contracts or other funding.

3) Gift, Gratuities and Entertainment

An employee accepting gifts, entertainment, or other favors from any individual or entity that:

- a. does or is seeking to do business with the Center as a supplier of or service provider, or is competing directly with the Center for grants, contracts or other funding, or
- b. has received, is receiving, or is seeking to receive an employment contract, a grant or subgrant, or to secure other financial commitments from the Center;

Under circumstances where it might be inferred that such action was intended to influence or possibly would influence the employee in the performance of his or her duties or biased his or her judgment.

4) Substantial Outside Commitment

A Key Employee may be deemed to have a conflict of commitment to the Center when they are devoting a substantial amount of time to and are being paid by a third party as an employee, consultant or in some other capacity. A substantial amount of time is defined as a commitment or combination of commitments for 10% or more of their effort during a twelve month period.

II. Identification of Conflicts of Interest

Identifying conflict of interest is not a simple task. An employee has a conflict of interest if his or her judgment and discretion in matters affecting the Center is or may be influenced by considerations either of personal gain or financial benefit, or if there might be the perception or appearance of such a conflict. The following is a partial list of activities or actions that could create a material conflict of interest or the appearance of a conflict that should be managed or eliminated.

- A. Consulting activities.
- B. The purchase of goods or services from businesses in which the Key Employee, or his or her family, has a financial interest or, as a result of such purchase, may directly benefit.
- C. Receipt of gifts, gratuities, loans or special favors from vendors currently doing business or seeking to do business with the Center in the future.
- D. Trips or speaker's fees from research sponsors or vendors.
- E. Receipt of significant compensation for a position in a company or for consulting with a company, or holding significant equity in a company doing business with the Center, seeking to do business with the Center, or competing with the Center for grants, contracts, or other funding.
- F. Holding of an ownership interest by the Key Employee, or the Key Employee's family, in any real or personal property leased or purchased by the Center.
- G. Holding of a significant equity, royalty or debt instrument interest by the Key Employee, or the Key Employee's family, in any entity providing to the Center financial support, including research or other support or services, when such support will benefit the Key Employee or persons supervised, directly or indirectly, by the Key Employee.
- H. Receipt, directly by the Key Employee from non-Center sources, of cash, services or equipment provided in support of the Key Employee's activities

at the Center.

- I. Some membership on boards of directors, committees, advisory groups (or similar bodies) of governmental, for-profit or not-for-profit entity.
- J. Use of information received as a Center employee for personal purposes.

Key Employees in positions of leadership in the institution have a greater risk of conflict of interest. Adverse consequences are magnified when decisions are made by those with a high level of responsibility. The risk of conflict of interest increases with the magnitude of the personal compensation received or expected.

III. Disclosure of Conflicts of Interest and Policy Acknowledgment

A. Reporting Conflicts of Interest – New Hires

During the recruiting process and prior to hiring a Key Employee, candidates shall be provided a copy of this policy. The financial disclosures required by this Policy should be requested from a candidate prior to hiring and potential conflicts of interest should be addressed in accordance with this policy prior to a formal offer of employment. Upon hire, each Key Employee shall be required to complete the Financial Disclosure Form and sign a statement affirming receipt of the policy, understanding of its contents, and agreement to comply with the policy.

B. Annual Reporting of Conflicts of Interest

Financial Disclosure Forms and the most recently updated version of this Policy shall be distributed annually to Key Employees. The Key employee shall complete the Financial Disclosure Form and return the form by February 15 of each calendar year. The POC shall review the completed Financial Disclosure forms for completeness and may request additional information as necessary to clarify the reported disclosures.

If a situation with respect to a Business Transaction that could be perceived as a conflict of interest arises outside of the annual review cycle, or when the Key Employee's financial interest, as previously disclosed, changes in a manner that is relevant to the concerns of this policy, it is the Key Employee's responsibility to immediately notify the POC and may be requested to complete a new Financial Disclosure Form. The Key Employee shall refrain from any action that may affect the Center's participation in such Business Transaction until a course of action has been determined and approved in accordance with this Policy.

At any time, a Key Employee may submit a request to the POC for review and approval of arrangements that create a potential conflict to avoid costly consequences of after the fact review.

IV. Management or Elimination of Conflicts of Interest

The President of the Center ultimately has responsibility for the administration of this policy and its requirements. As such, the President may take additional steps beyond

those outlined here or implement further review procedures as he or she deems necessary to meet his or her responsibility. These steps may include but are not limited to consultation with individuals outside the Center with specialized expertise in a specific area of interest (e.g intellectual property matters or governance).

The following process will be followed to determine a course of action for the management or elimination of situations that present material conflicts of interest. The course of action will depend upon the Center's assessment of the degree of risk in the situation and the appearance that the integrity of the Key Employee, or the Center, may be compromised by considerations of personal gain or financial benefit.

- 1) The POC shall review all potential conflicts of interest reported by Key Employees and determine if a conflict of interest exists or if the potential for the appearance of a conflict exists. A conflict of interest exists when a significant financial interest could directly or indirectly affect the business judgment of an employee with respect to a decision related to a Business Transaction or other Center matter. When a conflict of interest is identified, the POC shall work with the President and Key Employee to develop and propose a course of action to manage, reduce, or eliminate the conflict of interest as required by the Center's policy.
- 2) The proposed course of action shall be reviewed with the Chair of the Committee as appropriate, for their input, discussion and concurrence. If it is thought that the conflict cannot be adequately managed, the Key Employee may be asked to divest the financial interest, sever the relationship that creates a conflict, or terminate their employment. The agreed upon course of action shall be formally documented and signed by the President and the Key Employee. In the case of a conflict of interest of the President, the Chair of the Committee shall sign the formal agreement. The POC, as directed by the President, shall be responsible for implementing and monitoring compliance with the approved course of action.
- 3) All potential conflicts shall be presented to the Committee at a formal meeting held during the first two weeks of March each year (prior to the annual audit). The Committee shall review all potential conflicts of interest and the conclusions and proposed actions regarding actual conflicts of interest and those that have the potential for the appearance of a conflict. The Committee can request more information or propose modifications and changes to the proposed action plans and shall approve or disapprove the course of action agreed upon by the President and Key Employee or in the case of a conflict of interest involving the President, the course of action agreed upon by the POC and Chair of the Committee.
- 4) The Committee Chair will be informed of potential conflicts when they are identified outside of the formal annual disclosure process and will determine whether to review with the full Committee. The Committee may refer matters involving compensation from third parties to the Compensation Committee of the Board for review and approval of such arrangements. The Committee shall report annually to the Board of Directors and at additional times as deemed appropriate.
- 5) Appeals Process - Unresolved disagreements between Key Employees and the POC

concerning the application of this policy shall be referred for final resolution to the Conflict of Interest Committee.

V. Confidentiality

Key Employees shall exercise care not to disclose confidential information acquired in connection with their employment or other information, the disclosure of which might be adverse to the interests of the Center. A Key Employee shall not disclose or use information relating to the business of the Center for personal profit or advantage of the Key Employee or a Family Member.

VI. Effective Date and Noncompliance with Policy

This policy, effective January 1, 2023, replaces all previous written, unwritten conflict of interest policies. This policy may be amended by the Center whenever changes of substance or procedures are required, and in particular to comply with governmental requirements. The Center shall inform employees of any such required changes and arrange for the dissemination of information concerning amendments made to the policy, as practical.

Employees are responsible for complying with the Center's policies and procedures and for disclosing all required information to the Center. Violations of the requirements of this policy by any employee shall, if not resolved, subject the employee to sanctions or other actions permitted by Center policy.

VII. Prohibition of Illegal Activity and Corruption

Activities which are in violation of federal, state, or local law, including the offering or acceptance of a bribe or kickback, are strictly prohibited.

VIII. Interpretation

Questions concerning the interpretation or applicability of this policy should be directed to the POC.

Revisions

Version	Date	Description	Updated By:	Approved By:
2.0	1/01/2023	Updated language	COO/VP Finance	
2.1	2/01/2023	Formatting		