



## ***Policy on Conflicts of Interest***

This conflict of interest policy is designed to help directors, officers and employees of the Dryad identify situations that present potential conflicts of interest and to provide Dryad with a procedure which, if observed, will allow a transaction to be treated as valid and binding even though a director, officer or employee has or may have a conflict of interest with respect to the transaction. The policy is intended to comply with the procedure prescribed in the North Carolina Statutes, Section § 55A-8-31, governing conflicts of interest for directors of nonprofit corporations. In the event there is an inconsistency between the requirements and procedures prescribed herein and those in section § 55A-8-31, the statute shall control.

### **1. Policy**

The Dryad policy on Conflicts of Interest is described in the Dryad Bylaws, Section 4, Article 4. It is reproduced below:

#### **Section 4. Conflict of interest**

**1. Persons affected and duty to disclose.** Directors; officers; trustees; key employees; disqualified persons as established by applicable IRS code and regulations; advisory board or board committee members; any organization related to the foregoing; and any other person(s) or organization designated by the Corporation [hereafter referred to as an “affected person(s)”] at all times shall have an affirmative and continuing duty and obligation to disclose to the Board of Directors and the Executive Director at the earliest possible time any actual or potential conflict of interest and all relevant facts surrounding the matter in response to inquiry by other board members.

**2. Duty to abstain and leave.** After disclosing an actual or potential conflict of interest, the affected person(s) thereafter shall abstain from further discussion or consideration of the matter and shall leave the room in which the meeting is occurring immediately in order to permit the remaining independent board members who do not

have a conflict of interest to determine what course of conduct or action shall be in the Corporation's best interests.

**3. Annual disclosure statement.** To enable the Corporation's ability to monitor and enforce this policy, each affected person annually shall:

- a) review this conflict of interest policy;
- b) provide a written disclosure of all known conflicts;
- c) update in writing their disclosure as appropriate continuously throughout the year;
- d) annually shall sign a statement attesting to their review and ongoing compliance with this policy.

Copies of each affected person's disclosure forms shall be maintained by the Secretary of the Corporation and the Executive Director who shall produce the same upon request by any person or entity. Copies shall be posted on the Corporation's website. The Board and Executive Director shall develop policies and procedures to facilitate their ability to monitor transactions and enforce compliance with this Section, related board policies, and other applicable law.

**4. Conflict of interest defined.** A conflict of interest transaction may be considered to be, but is not limited to, any transaction or activity with the Corporation, another entity, relationship, interest, or involvement with any person or entity in which an affected person's interests are or may be considered to contravene their fiduciary obligations, duties, and responsibilities to the Corporation and which results in; has the appearance of resulting in; or may result in personal, financial, business, organizational, or professional gain or advantage. The term conflict of interest shall be construed and interpreted broadly and liberally with the intent to protect the interests of the Corporation in fulfillment of its exempt purposes; to protect the integrity of the board's decision by avoiding the taint of a decision or transaction which may be construed by outside parties or entities to the Corporation as having been inappropriately influenced by an affected person with a conflict of interest; and to protect the affected person(s).

**5. Direct and indirect conflicts of interest.** A conflict may be of either a direct or indirect conflict of interest and of either a non-financial nature as well as one involving economic or financial matters. A conflict shall include, but not be limited to, any transaction involving inurement or private benefit. A conflict of interest may include any bias or the appearance of bias in the board's decision making process or the Corporation's transactions which may reflect a duality of interests among affected person(s) and related entities and transactions or activities involving the Corporation.

Direct conflicts of interest are transactions or activities of any nature involving an affected person. Indirect conflicts of interest are transactions or activities of any nature involving third parties or entities associated with an affected person.

For purposes of determining whether an indirect conflict of interest exists, an affected person has an indirect interest in a transaction if it involves:

- (1) an affected person's family to include parents, siblings, spouse, children or children's spouses, and grandchildren;
- (2) another entity in which the affected person or any member of their family to include parents, siblings, spouse, children or children's spouses, and grandchildren; or a co-owner, partner, shareholder, employee, or other significant individual connected to or with an affected person has a material interest; or in which the affected person or any family member is a general or limited partner to a party to the transaction and has a material interest;
- (3) another entity in which the affected person or their family member to include their parents, siblings, spouse, children or children's spouses, and grandchildren are an officer, Director, shareholder, partner, owner, or trustee is a party to the transaction and the transaction is or should be considered by the Board.

**6. Duration of affected person's status.** An affected person's status continues for a period of five (5) years following the conclusion of their last date of active involvement with the Corporation. During this five (5) year period, the Corporation shall engage in a conflict of interest analysis to determine whether or not a proposed transaction with an affected person or entity is in the best interests of the Corporation.

**7. Vote on conflicted transaction.** Any corporate transaction in which an affected person has a direct or indirect interest shall only be authorized, approved, or ratified in good faith by a majority, not less than two (2), of the independent Directors who have no direct or indirect interest in the transaction even though less than a quorum; provided, however, no such transaction shall be authorized, approved, or ratified by a single Director.

[END OF BYLAWS]

## **2. Procedures**

- a. Prior to board or committee action on a Contract or Transaction involving a Conflict of Interest, a director or committee member

having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.

- b. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- d. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Directors of Dryad has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the Board of Directors.
- e. Responsible Persons who are not members of the Board of Directors of Dryad, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board or committee action, shall disclose to the Chair or the Chair's designee any Conflict of Interest that such Responsible Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that may affect Dryad's participation in such Contract or Transaction. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair or the Chair's designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy.

- f. Potential conflicts of interest that are perceived by the ED or any member of the BOD should be brought to the attention of a nonconflicted BOD officer. And, if deemed necessary by non-conflicted officer, should be addressed in a Board meeting that is convened as soon as possible.

### **3. Confidentiality**

Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of Dryad. Furthermore, a Responsible Person shall not disclose or use information relating to the business of Dryad for the personal profit or advantage of the Responsible Person or a Family Member.

### **4. Review of policy**

- a. Each new Responsible Person shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so.
- b. Each Responsible Person shall annually complete a disclosure form identifying any relationships, positions or circumstances in which the Responsible Person is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions or circumstances might include service as a director of or consultant to a nonprofit organization, or ownership of a business that might provide goods or services to Dryad. Any such information regarding business interests of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available only to the Chair, the Executive Director, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.
- c. This policy shall be reviewed annually by each member of the Board of Directors. Any changes to the policy shall be communicated immediately to all Responsible Persons.



### **Conflict of Interest Information Form**

Please describe below any relationships, positions, or circumstances in which you are involved that you believe could contribute to a Conflict of Interest (as defined in Dryad's Policy on Conflicts of Interest) arising.

*I have no indirect COIs. The following relationships and positions may contribute to a COI in certain circumstances, and most likely with eLife, so are declared for transparency here:*

- February 2020-onwards & February 2016-October 2018: employee of [eLife](#), an open-access publisher & technology organisation in the life sciences. During employment, I have worked on both journal and technology innovation projects, and developed relationships with staff, editors, early-career researchers, and stakeholders in the OA publishing and innovation ecosystem. When not employed, eLife granted me complimentary use of their office facilities in Cambridge, UK, from November 2018 until May 2019, and I maintain strong professional relationships with eLife staff.
- October 2018 – January 2020: I am/was Associate Director, ASAPbio, a non-profit organisation with the mission to improve transparency and innovation in the communication of life and biomedical sciences. My role involves/d promoting the use of preprints and transparency in peer review in biology. My position is funded by our [Member Advisory Group](#): Canadian Institutes of Health Research, Chan Zuckerberg Initiative, Howard Hughes Medical Institute, Medical Research Council, Simons Foundation, Wellcome Trust. Through work with ASAPbio, I may partner on projects with these funders as well as several people and organisations in the scholarly communications sector. Current partnerships are with Tony Ross-Hellauer, Gary McDowell, Jennifer Lin and Sam Hindle (for TRANSPOSE), Jamie Kirkham (University of Manchester) and Fiona Murphy, Juan Pablo Alperin (Simon Fraser University) and EMBO Press (for Review Commons).
- January 2019 – January 2020: Fellow of AAAS Community Engagement Fellowship Program ([CEFP 2019](#)), through which I have received training and funding for travel (including subsistence). The program is funded by Alfred P. Sloan Foundation.
- Since 2018: I am on the [PREreview Steering Committee](#), a project to engage early-career researchers in the peer review of preprints.
- Since 2016: I am a member of the [OpenCon](#) community, run by Right to Research Coalition and SPARC, through which I have received occasional conference attendance support and meals.

*I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have read and am aware of the conflict of interest policy for the Board of Directors of Dryad, and hereby agree to abide by this policy in all matters dealing with my responsibilities toward Dryad.*

Signature

Name (Please Print): **NAOMI PENFOLD, PhD**

Date: **December 20, 2019**