



## **Whistleblower Policy**

The Lupus Research Alliance ("LRA") is committed to facilitating open and honest communications relevant to its governance, finances, and compliance with all applicable laws and regulations. LRA requires Directors, Officers, Employees, and Volunteers ("Covered Persons") to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Covered Persons must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.

Consistent with current nonprofit governance and best practices, LRA adopts this policy requiring the reporting of misconduct or fraud as part of its continuing efforts to foster ethical conduct and transparency of operations, to ensure open communication throughout LRA, and to protect individuals who report good faith concerns under this policy from retaliation or any threat of retaliation.

LRA will investigate any suspicious activities, behavior, or suspected violation of law involving LRA, or fraud or potential violation of LRA Policy (as defined below) by a Covered Person. Anyone found to have violated any law or LRA Policy is subject to disciplinary action by LRA, up to and including termination of employment and/or the prospect of civil or criminal prosecution when warranted.

### **Definitions**

**LRA Policy:** The policies and procedures set forth in LRA documents, Board minutes or the Handbook. For the purpose of this policy, LRA Policy does not include claims or allegations of sexual or other forms of harassment, discrimination, or other Human Resources related matters; those issues are covered by separate LRA policies and procedures.

**Baseless Allegations:** Allegations made with reckless disregard for their truth or falsity. People making such allegations with malicious intent may be subject to LRA disciplinary action (including termination of employment) and/or legal claims by the individuals accused of such conduct.

**Covered Person:** LRA Directors, Officers, employees, and volunteers

**Fraudulent or Dishonest Conduct:** A deliberate act or failure to act with the intention of obtaining a material unauthorized benefit. Examples of such include, but are not limited to:

- a. material deviations from generally accepted accounting principles or circumvention of LRA's system of internal controls
- b. embezzlement, theft, misappropriation, or misuse of LRA resources or assets
- c. forgery or alteration of documents
- d. improper, fraudulent, or undocumented financial transactions or reporting
- e. unauthorized alteration or manipulation of computer files
- f. improper destruction of records



- g. authorizing or receiving compensation for goods not received or services not performed
- h. improper access or use of confidential financial information
- i. violations of LRA's conflict of interest policy

**Whistleblower:** A person who informs a Director, Officer, the President, or Human Resources about an activity that such person believes to be Fraudulent or Dishonest Conduct.

### **Reporting Responsibility**

All Covered Persons are encouraged to report any conduct that the individual believes is Fraudulent or Dishonest Conduct or constitutes a violation of law or LRA Policy. Concerns should be reported to a Director, Officer, the President, or Human Resources.

Confidentiality of these reports must be maintained to the greatest extent possible. Disclosure of reports under this policy to individuals not involved in the investigation, or otherwise authorized to receive such information, will be viewed as a serious offense and may result in discipline, up to and including termination of employment. Such conduct may also give rise to other actions, including civil lawsuits.

All reported concerns will be forwarded to the Finance and Audit Committee in accordance with the procedures set forth herein. The Finance and Audit Committee shall be responsible for investigating, and making appropriate recommendations to the Board of Directors, with respect to all reported concerns. Concerns or whistleblower activities may be reported anonymously [using this link](#).

### **Handling of Reported Violations**

All reports will be promptly investigated by the Finance and Audit Committee, or any other appropriate Committee of the Board of Directors, and appropriate corrective action will be recommended to the Board of Directors, if warranted by the investigation. In addition, action taken must include a conclusion and/or follow-up with the reporter for resolution of the concern.

The Finance and Audit Committee has the authority to retain outside legal counsel, accountants, private investigators, any other resource, or refer to another appropriate Committee of the Board of Directors, as deemed necessary to conduct a full and complete investigation of the allegations.

### **Acting in Good Faith**

Anyone reporting a concern must act in good faith and have reasonable grounds for believing the information disclosed indicates an improper accounting or auditing practice, or a violation of LRA's policies. The act of making allegations that prove to be unsubstantiated, and that prove to have been made maliciously, recklessly, or with the foreknowledge that the allegations are false, will be viewed as a serious disciplinary offense.



## **Whistleblower Protection**

LRA will use best efforts to protect whistleblowers against retaliation, as described below. Confidentiality is a priority, and the identity of complainants and their complaints will be treated confidentially to the fullest extent possible. Nonetheless, LRA cannot guarantee confidentiality.

LRA will keep the whistleblower's identity and complaint confidential, unless (1) the person agrees to be identified; (2) identification is necessary to allow LRA or law enforcement officials to investigate or respond effectively to the report; (3) identification is required by law; or (4) the person accused of Fraudulent or Dishonest Conduct or a violation of LRA policy or law is entitled to the information as a matter of legal right or disciplinary proceedings.

LRA Directors, Officers, management, or any employee may not retaliate or make threats of retaliation against a whistleblower with the intent or effect of adversely affecting the terms or conditions of the whistleblower's employment (including but not limited to: threats of physical harm, loss of job, punitive work assignments, or impact on salary or wages). Whistleblowers who believe that they have been retaliated against may file a written complaint with the VP of HR and Administration or the President; they may also inform any member of the Board. A substantiated complaint of retaliation shall result in a proper remedy for the person harmed and the initiation of disciplinary action, up to and including termination of employment, against the retaliating person. This protection from retaliation is not intended to prohibit managers or supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.

Questions related to the interpretation of this policy should be directed to the VP of HR and Administration.