

DANA'S ANGELS RESEARCH TRUST

CONFLICT OF INTEREST POLICY

Adopted July 1, 2002

As a tax-exempt charitable organization, Dana's Angels research Trust (the "Organization") has a special obligation to uphold the public trust. The affairs of the Organization must be conducted in a manner that avoids impermissible private benefit, or the appearance of such private benefit. This obligation requires that any individual who has authority to make decisions on behalf of the Organization, such as a trustee, committee member or staff member, take steps to inform all trustees of any personal interest he or she might have in a transaction or contract between the Organization and a third party.

Duty of Loyalty and Intermediate Sanctions

By law, trustees have a duty of loyalty to the Organization obligating them to make decisions for the benefit of the Organization with undivided commitment to the Organization and without regard to personal interests. Furthermore as a public charity, the Organization is subject to the "intermediate sanctions" provisions of the Internal Revenue Code. Intermediate sanctions impose penalty taxes on any person with substantial influence over the affairs of the Organization who engages in an "excess benefit transaction" with the Organization. Trustees, committee members and staff therefore may not use their positions within the Organization to unfairly further their own financial interests or otherwise derive personal advantage.

While the duty of loyalty and intermediate sanctions do not preclude the Organization from entering into contracts and transactions with its trustees, committee members and staff, each and every trustee should be informed of any potential conflict of interest and the trustees authorize such transactions only after determining that they are both reasonable and in the best interests of the Organization.

Conflict of Interest

A conflict of interest will arise whenever the Organization considers entering into a contract or transaction (including a compensation arrangement) with any individual or entity that has a substantial influence over the affairs of the Organization or has authority to make decisions on its behalf. Such "interested persons" include, but are not limited to, the following:

- (i) trustees of the Organization;
- (ii) members of a volunteer committee of the Board;
- (iii) staff members responsible for the day-to-day management and operation of the Organization;
- (iv) a founder of the Organization;

- (v) a substantial contributor to the Organization;
- (vi) a family member of any trustee, committee member, employee, founder or substantial contributor;
- (vii) an entity of which any trustee, committee member, employee, substantial contributor or a family member of any such individual is a director, trustee, officer, committee member or staff member; and
- (viii) an entity in which trustees, committee members, substantial contributors and family members of any such individuals have a substantial financial interest through either ownership or managerial control.

Disclosures

Whenever any trustee, committee member or staff member of the Organization becomes aware that the Organization is considering a transaction that potentially creates a conflict of interest, he or she is obligated to notify each of the trustees and to disclose all material facts relating to his or her interest in the transaction. The trustees will determine whether an actual conflict of interest exists and take action that the trustees deem appropriate. The interested person may not be present when the trustees (or remaining trustees) make their determination other than to answer questions. If no conflict of interest is found to exist, the minutes of the meeting must record the basis of the trustee's determination.

Withdrawal and Abstention

If the trustees determine that a transaction would create a conflict of interest, the transaction must be approved in advance by only those trustees who do not have a conflict with respect to the transaction. Any interested person therefore must recuse him- or herself from consideration of the transaction. He or she may not vote on the transaction or be present when the vote is taken. He or she furthermore may not be present during any discussion of the transaction other than to answer questions. Interested persons, however, may be counted for the purpose of determining whether a quorum exists at the meeting even though they are temporarily absent while the transaction is considered.

Comparability Data

In determining whether the transaction or arrangement is in the Organization's best interests, the trustees will review available information regarding the cost or benefit of comparable transactions or arrangements, if any, and may investigate whether the Organization should and is able to obtain with reasonable efforts a more advantageous transaction or arrangement that would not give rise to a conflict of interest. The trustees may appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

Documentation

The minutes of any meeting at which a conflict of interest transaction is considered must reflect that the interested person made adequate disclosures, withdrew from consideration of the transaction and abstained from voting. The minutes must detail the terms of the transaction, the date the transaction was approved, the trustees present during the debate and who voted on the transaction, any data the trustees relied upon in determining that the transaction is reasonable and in the best interests of the Organization, how such comparability data was obtained, the disclosures made by the interested person, and whether the interested person otherwise participated in any discussions or proceedings (*i.e.*, to answer questions).

Relationships with Grant Applicants

Trustees are required to disclose any relationship between themselves and any grant applicant under consideration and/or any special interest they may have in an applicant or the particular project proposed. Such trustees may participate in discussions of the application (unless, under the particular circumstances, the remaining trustees decide otherwise) but must abstain from voting on the applicant. There is no prejudice against the applicant nor is an applicant disqualified due to any such disclosure.

Violations of the Conflict of Interest and Disclosure Policy

If the trustee or a committee has reasonable cause to believe that an interested person has failed to disclose an actual or possible conflict of interest, it will inform the interested person of the basis for such belief and afford him or her an opportunity to explain the alleged failure to disclose. If, after hearing the response and making such further investigation as may be warranted in the circumstances, the trustees (or remaining trustees) determine that the interested person has in fact failed to disclose an actual or possible conflict of interest, it will take appropriate action which may include recommendation of removal as a trustee or as a volunteer, or termination of employment, as well as reconsideration of whether the transaction or arrangement was in the best interests of and fair and reasonable to the Organization at the time it was undertaken. If it is determined that the transaction was not fair and reasonable to the Organization, the Organization, in its discretion, may avoid the contract and/or require the interested person to restore the Organization to the financial position it would have been in if such person had been dealing under the highest fiduciary standard. Where the latter remedy is employed, the interested person will be required to make payments of cash or property to the Organization in amounts equal to the value of the excess benefit he or she received plus interest. Any interested person who violates this Policy also may be liable for taxes imposed under the federal intermediate sanctions regulations.