

# THE DIAMOND BLACKFAN ANEMIA FOUNDATION, INC.

## CONFLICT-OF-INTEREST POLICY

### Purpose of Policy

The Diamond Blackfan Anemia Foundation, Inc. (“**DBAF**”), as a nonprofit, tax-exempt corporation, depends on charitable contributions from the general public, including, but not limited to, corporate donors. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, DBAF endeavors to meet high standards of corporate governance that are sufficient to withstand scrutiny by both governmental authorities and members of the general public.

Consequently, there exists between DBAF and its directors and officers a fiduciary duty that carries with it a broad and unbending duty of loyalty. In addition, management employees who are not directors or officers of DBAF are also expected to comply with high ethical standards. Accordingly, our directors, officers and management employees have the responsibility of administering the affairs of DBAF honestly and prudently, exercising their best care, skill and judgment for the sole benefit of DBAF. This means that these persons are required to exercise the utmost good faith in all transactions involving DBAF and are not permitted to use their positions with DBAF, or knowledge gained therefrom, for their personal benefit, directly or indirectly. The interests of the organization must have the first priority in all decisions and actions.

### Responsible Persons

This Conflict of Interest Policy (this “**Policy**”) is directed to all directors, all officers and all employees who can influence the actions of DBAF (“**Responsible Person(s)**”). For example, in the case of employees who are Responsible Persons, this includes all management employees and all individuals who make purchasing decisions and all who have proprietary information concerning DBAF.

### Nature of Conflicts of Interest

A conflict of interest (“**Conflict of Interest**”) under this Policy arises when:

- a. There is a contract or transaction between DBAF and: (i) a Responsible Person, (ii) a Family Member (defined below), or (iii) another person or entity in which a Responsible Person or Family Member has a Material Financial Interest (as defined below) or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative (each an “**Outside Representative**”). For purposes of this policy, “**Family Member**” means a spouse, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.

- b. A Responsible Person competes with DBAF: (i) in the area of fundraising; (ii) in the rendering of services similar to those performed by DBAF; or (iii) when that Responsible Person has a Material Financial Interest (whether individually or as an Outside Representative) in connection with a person or entity that competes with DBAF in the area of fundraising or the provision of similar services. As used in this Policy, the term “**Material Financial Interest**” means a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person’s or Family Member’s judgment with respect to the contract or transaction in question. A Responsible Person will not be deemed to be competing with the DBAF if he or she is engaged in fundraising that will ultimately benefit the DBAF.
- c. A Responsible Person accepts gifts, entertainment or other favors (which are not of a nominal or insignificant value) from any individual or entity that: (i) does or seeks to do business with, or is a competitor of DBAF; (ii) has received, is receiving or is seeking to receive a loan or grant, or to secure other financial commitments, from DBAF; or (iii) is a charitable organization under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties.

### **Interpretation of this Statement of Policy**

The DBAF Board of Directors shall make all determinations concerning Conflicts of Interests under this Policy and all interpretations of the provisions of this Policy made by the Board shall be final.

The fact that a Conflict of Interest exists or may exist, does not mean that: (a) such Conflict of Interest is material enough to be of practical importance; or (b) if material, that upon full disclosure of all relevant facts and circumstances, that it may not be approved by DBAF.

However, it is the policy of DBAF that the existence of any Conflict of Interest shall be disclosed on a timely basis and always before any relationship has begun or any transaction is consummated. It shall be the continuing responsibility of the Responsible Persons to scrutinize their transactions and outside business interests and relationships for potential Conflicts of Interests and to immediately make such disclosures.

### **Disclosure Procedure**

All Responsible Persons must comply with the following procedures regarding all actual or potential Conflicts of Interest.

- a. Responsible Persons who have an actual or potential Conflict of Interest shall disclose to DBAF Executive Director Dawn Baumgardner or DBAF Board Member Rebecca DeGross (the “**Contact Person**”) such potential Conflict of Interest. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Contact Person will then present the potential Conflict of Interest to DBAF Board of Directors for approval. The Responsible Person shall refrain from any action with regard to such Conflict of Interest

until the DBAF Board of Directors has given the Responsible Person permission to do so. In the event it is not entirely clear that a Conflict of Interest exists, the Responsible Person shall disclose the circumstances to the Contact Person, who shall determine whether there exists an actual or potential Conflict of Interest that is subject to this Policy.

- b. A Responsible Person who has an actual or potential Conflict of Interest shall not participate in or be permitted to hear the DBAF Board of Director's discussion of the matter, except to disclose material facts and to respond to questions. Such Responsible Person shall not attempt to exert his or her personal influence with respect to the Conflict of Interest, either at or outside the deliberations of the matter.

### **Confidentiality**

Each Responsible Person shall exercise care not to disclose information concerning the actual or potential Conflict of Interest until the DBAF Board of Directors approves or disapproves the Conflict of Interest. Furthermore, a Responsible Person shall not disclose or use information relating to the business of DBAF for the personal profit or advantage of the Responsible Person or a Family Member.

Any confidential information regarding business interests of a Responsible Person disclosed to the Contact Person or the DBAF Board of Directors shall be treated as confidential by DBAF and shall generally be made available only to the Contact Person and the DBAF Board of Directors, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.

### **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 result in an actual or potential Conflict of Interest arising.
- c. This Policy shall be reviewed annually and amended, if necessary, by the DBAF Board of Directors. Any changes to the Policy shall be communicated promptly by the DBAF Executive Director Dawn Baumgardner to all Responsible Persons.