

**CONFLICTS OF INTEREST POLICY**  
**OF**  
**THE CURESZ FOUNDATION**

**Article I**  
**Purpose**

The purpose of this policy is to protect the interest of the The Curesz Foundation (the “Foundation”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, Trustee or employee of the Foundation. This policy shall also apply when determining appropriate levels of compensation, direct and indirect, including benefits, reimbursements and perquisites. This policy is intended to supplement, but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

**Article II**  
**Definitions**

**1. Interested Person**

Any Trustee, principal officer, or any person with powers derived from the Board of Trustees who has a direct or indirect financial interest, as defined below, is an interested person (“Interested Person”). If a person is an Interested Person with respect to any affiliate or subordinate entity controlled by the Foundation, he or she is an Interested Person with respect to the Foundation and all other subordinate entities.

**2. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment or family-

- a. a five percent or greater ownership or investment interest in any entity with which the Foundation has a transaction or arrangement, or
- b. a compensation arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement, or
- c. a potential five percent or greater ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement.

“Compensation” includes direct or indirect remuneration, as well as gifts or favors, benefits, perquisites and reimbursements for personal expenses, that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the Board or appropriate committee decides that a conflict of interest exists.

### **Article III Conflicts Procedures**

#### **1. Duty to Disclose**

In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence and nature of his or her financial interest to the Board of Trustees (“Board”) or special committees with Board delegated powers (e.g., conflicts or executive committees) considering the proposed transaction or arrangement, and be given the opportunity to disclose all material facts.

#### **2. Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, the Interested Person shall leave the Board or committee meeting while the financial interest is discussed and the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

#### **3. Procedures for Addressing the Conflict of Interest**

a. The Chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

b. After exercising due diligence, the Board or committee shall determine whether the Foundation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

c. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the Foundation’s best interest and for its own benefit and whether the transaction is fair and reasonable to the Foundation. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

#### **4. Violations of the Conflicts of Interest Policy**

a. If the Board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the member is an Interested Person and has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **Article IV Records of Proceedings**

The minutes of the Board and all committees with Board-delegated powers shall contain-

a. the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.

b. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

#### **Article V Compensation Procedures**

a. No Interested Person shall vote on any matter relating to his or her compensation, irrespective of whether said compensation is received directly or indirectly, from the Foundation.

b. The Foundation shall endeavor to ensure that all compensation arrangements affecting Interested Persons are objectively reasonable, based on the relevant market for persons of comparable skills, training, education and experience and performing similar duties for comparable organizations under similar conditions and circumstances. The Foundation shall consider and give due weight to studies published by third parties regarding rates of compensation whenever and, to the extent that, such studies are reliable and available.

#### **Article VI Annual Statements**

Each Trustee, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms that such person-

- a. has received a copy of the conflicts of interest policy,
- b. has read and understands the policy,
- c. has agreed to comply with the policy, and

d. understands that the Foundation is a not-for-profit organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## **Article VII Periodic Reviews**

To ensure that the Foundation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements are objectively reasonable and the result of arm's length bargaining,

b. Whether sales or acquisitions by the Foundation result in inurement or impermissible private benefit,

c. Whether transactions and arrangements with third parties conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Foundation's charitable purposes, and do not result in inurement or impermissible private benefit, and,

d. Whether the Foundation's expense reimbursement procedures are adequate in terms of required documentation, whether persons seeking reimbursement are complying with these procedures, and whether such expenses relate to furthering the Foundation's not-for-profit purposes and do not result in inurement or impermissible private benefit.

## **Article VIII Use of Outside Experts**

In conducting the periodic reviews provided for herein, the Foundation may, but need not, use outside advisors and consultants. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

The CURESZ Foundation