



Conflict of Interest Policy

Preamble

The CACNA1A Foundation, Inc. (the Organization) seeks to operate at the highest possible level of public accountability and disclosure. It is therefore necessary for all members of the Board of Directors and any advisors, including members of the Scientific/Medical Advisory Board, to disclose any real or potential conflicts of interest.

The existence of conflict of interests as defined in this policy **does not** necessarily suggest or imply that an individual cannot act as a member of the CACNA1A Foundation's Board of Directors, or as a member of any committee of the CACNA1A Foundation with Board-delegated powers. What is of importance is that all such actual or potential conflicts of interest are appropriately disclosed and managed. However, certain types of conflicts of interest may lead the Board of Directors to determine that an individual is not eligible to become a member of the Board or should be asked to step down as a member of the Board.

Article I - Purpose

The purpose of the conflict of interest policy is to

1. Protect the CACNA1A Foundation's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an officer or director of the Organization or might result in a possible excess benefit transaction.
2. To assure the transparency of the CACNA1A Foundation's processes in all decision-making in accordance with its mission and vision.

This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Article II – Definitions

1. Interested Person

An Interested Person is any director, principal officer, or member of a committee with governing board-delegated powers who has a direct or indirect Financial Interest, as defined below.

2. Financial Interest

A person has a Financial Interest if the individual has, directly or indirectly, any actual or potential ownership, investment or compensation arrangement with the Organization or with any entity that conducts transactions with the Organization.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A Financial Interest is not necessarily a conflict of interest in all cases. Under Article III, Section 2 of IRS Form 1023, a person with a Financial Interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III – Procedures

1. Duty to Disclose

In connection with any actual or potential conflict of interest, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the Board and members of committees with governing board-delegated powers considering the proposed transaction or arrangement.

2. Disclosure Prior to Action

Prior to any Board or Board-responsible committee action on a contract or transaction, an Interested Person having an actual 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.

3. Determination as to Whether a Conflict of Interest Exists

After disclosure of any potential Material Financial Interest and all material facts by the Interested Person, the Interested Person shall leave the board meeting while the remaining Board Members discuss and vote on whether a Conflict of Interest exists.

4. Procedures for Addressing the Conflict of Interest

- a. The Interested Person may make a presentation at the Board meeting, but, after this presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction, arrangement, or policy matter involving the possible Conflict of Interest.
- b. The Chairperson of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to any proposed financial transaction or arrangement.

- c. After exercising due diligence, the Board or committee shall determine whether the Organization can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest. The interested person shall not be present in the room during the discussion and/or determination.
- d. When relevant, if a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a Conflict of Interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the best interests of the Organization, for its own benefit, and whether it is fair and reasonable. Based on these determinations, the Board or committee shall make its decision on whether to enter into the transaction or arrangement.

5. Violations of the Conflicts of Interest Policy

- a. If the Board has reasonable cause to believe an individual has failed to disclose an actual or potential Conflict of Interest, it will 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 member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has failed to disclose an actual or potential Conflict of Interest, it shall take appropriate corrective action.

Article IV – Records of Proceedings

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

1. The names of the persons who disclosed or otherwise were found to have a Financial Interest, the nature of the 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.
2. The names of the persons who were present for discussions and votes relating to the matter, the content of the discussion, including any alternatives to a proposed financial transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V – Compensation

1. Any Interested Person who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
2. Any Interested Person serving as a member of any Board-responsible committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that Interested Person's compensation.
3. Any Interested Person serving as a member of a Board-responsible committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is not prohibited from providing information to any committee regarding compensation.

Article VI – Annual Statements

Every director, 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 Conflict of Interest policy,
- b. Has read and understands the Conflict of Interest policy,
- c. Has agreed to comply with the Conflict of Interest policy, and
- d. Understands that the CACNA1A Foundation is a charitable 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.

If at any time during the year the information in the annual statement changes materially, the Interested Person shall disclose such changes and revise the annual disclosure form.

Article VII – Confidentiality

Every Interested Person shall exercise appropriate care to not disclose confidential information acquired in connection with such status and/or information which might be adverse to the interests of the Organization. Furthermore, an Interested Person shall not disclose or use information relating to the business of the Organization for the personal profit or advantage of the Interested Person or any Family Member.

Article VIII – Periodic Reviews

To ensure that the Organization operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information (if reasonably available), and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management of organizations, if any, conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement or impermissible private benefit or in an excess benefit transaction.

Article IX – Use of Outside Experts

When conducting the periodic reviews as provided for in Article VIII, the CACNA1A Foundation, Inc. may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

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