

JUVENILE DIABETES RESEARCH FOUNDATION INTERNATIONAL

POLICY ON RESEARCH CONFLICTS OF INTEREST

Juvenile Diabetes Research Foundation International ("JDRF"), acting through its Board of Directors, volunteers, officers, employees, committees, and scientific research and other advisory boards, develops and implements research goals, objectives, strategies, policies and procedures; collects, aggregates, and synthesizes information to generate an overview of ongoing Type 1 diabetes research; and evaluates applications for, and makes decisions with respect to, research grants, fellowships, career development awards, contracts and active projects (collectively "Research Investments"). JDRF wishes to ensure that its advisory and evaluation processes are as objective and unbiased as possible and free from conflicts of interest. JDRF recognizes that individuals involved in the research planning process (including the allocation of research investments and the evaluation of research strategy effectiveness), the Research Investment evaluation and selection process, and other research related activities are involved in a variety of organizations and projects, and may hold financial investments, which might create actual or potential conflicts of interest or the appearance of a conflict.

JDRF is committed to assuring that these important, nonpublic information and decisions regarding research planning and development, as well as decisions regarding individual Research Investments, are made by those who are free of actual or potential conflicts of interest and the appearance of conflicts (each a "conflict" or "conflict of interest"). To achieve that result, the following policy is adopted:

1. Applicability. This Policy applies to JDRF's Board of Directors, officers, employees, committee members, advisory board members, all lay and scientific members of any committee or advisory board, and other volunteers, including researchers, who have volunteered to evaluate Research Investment proposals (collectively, "Covered Persons").

2. Determining the Existence of a Conflict. Each Covered Person bears the personal responsibility for initially determining if a conflict of interest exists with respect to such Covered Person. The guidelines set forth below shall be utilized to determine the existence of a conflict. The guidelines are meant to be illustrative and not exclusive; a conflict may exist even though the situation in question is not included below. If a Covered Person has any questions regarding the existence of a conflict, such Covered Person should promptly contact the Chairman of the Board or the chairman of the committee on which he/she serves, as the case may be.

3. Guidelines for Determining Existence of Conflict.

A. Research Investments.

A conflict may exist if the Covered Person, or his/her spouse, parent, child, or other individual with whom such Covered Person has a close personal, business professional relationship (including persons with whom such Covered Person is a partner, shareholder, co-author or other close profes-

sional co-worker or colleague) have one or more of the following relationships with an Applicant.

As used herein, "Applicant" means any person, firm, corporation (nonprofit or for profit), partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, governmental authority, educational institution or any other entity of any kind, which is under consideration by JDRF for Research Investment or other consideration which may inure to the benefit of such entity or person.

- (i) owns, directly or indirectly, any equity interest in the Applicant including the ownership of over 1% of the outstanding shares of publicly traded companies.
- (ii) is an officer, director, employee, consultant, trustee of, or has a significant ownership, governance, or management relationship with the Applicant;
- (iii) owns, directly or indirectly, in whole or in part, any tangible or intangible property that the Applicant uses in the conduct of its business;
- (iv) is owed any amount by the Applicant, owes any amount to the Applicant, or is philanthropically associated with the Applicant;
- (v) is a party to any agreement for future employment or other agreements or arrangements with Applicant;
- (vi) has received any gifts with a value, or payments in excess of, \$100 from an Applicant;
- (vii) has any cause of action against, any dispute with, any long-standing scientific or personal differences with, or any claim whatsoever against, the Applicant;
- (viii) is or was (within the last 1 year) a student or teacher of the Applicant or involved in a scientific collaboration with the Applicant;
- (ix) is under the health care or supervision of the Applicant or has a physician/patient relationship with the Applicant;
- (x) is a close personal friend of Applicant or any person in senior management of Applicant;
- (xi) has a significant ownership, governance, or management relationship with a direct competitor of an Applicant, such that a conflict of interest could be alleged should the Applicant's grant request be rejected; or

(xii) has such other direct or indirect relationship with an Applicant (other than solely as a result of being a member of the JDRF Board of Directors or a committee thereof or a person involved in evaluating Research Investment proposals) that in the Covered Person's reasonable view could be regarded as potentially presenting a conflict of interest.

B. Research Planning/Evaluation.

A conflict may also exist with respect JDRF's activities with respect to the research planning process (including the allocation and prioritization of Research Investments and the evaluation of research strategy effectiveness). Covered Persons need to be aware of potential conflicts that could arise through ownership interests or governance or management relationships with one or more firms involved in diabetes research when serving in any capacity for JDRF in connection with recommending or approving research priorities, including serving on the JDRF Board of Directors or one or more research advisory committees, including the Research Portfolio Committee, Research Program Advisory Committee, Research Development Committee, Lay Review Committee, and successor committees.

4. Disclosure of Conflict; Recusal. If a Covered Person determines that a conflict described in paragraph 3A or 3B exists, then such Covered Person shall notify immediately the Chairman of the Board or the chairman of the applicable Committee, as the case may be. The Chairman of the Board or of the applicable Committee, with input from the Board or Committee, as appropriate, shall determine whether a conflict exists (except that in cases of conflicts involving the Chairman, the Executive Committee shall decide). All disclosures of conflicts shall be maintained in confidence. The decision on any conflict shall be recorded in the minutes. Unless otherwise determined by the Chairman (or, as appropriate, the Executive Committee) in individual cases, if a conflict is found to exist, the affected person may make a presentation on the issue under discussion, but after such presentation, shall leave the meeting during the discussion of and vote on the matter that results in the conflict of interest (such recusal from the meeting to also be recorded in the minutes). Following such discussion and vote, the Covered Person may re-join the meeting.

5. Implementation. Each Covered Person, other than an employee, shall execute a written statement provided by JDRF stating that such Covered Person has read this Policy on Research Conflicts of Interest, understands its terms and agrees to comply with the provisions hereof so long as he/she is a Covered Person. With respect to employees, each employee shall execute a written statement provided by JDRF stating that such employee has read the Employee Handbook, understands its terms and agrees to comply with the provisions thereof. Such written statements shall be signed by an individual upon his/her appointment or other act resulting in him/her being a Covered Person, and periodically thereafter at such times as the Chairman of the Board of Directors determines.