

Christopher & Dana Reeve Foundation

Conflicts of Interest Policy

[Adopted: March 10, 2005]

I. Purpose

The purpose of this conflicts of interest policy is to protect the Christopher & Dana Reeve Foundation's ("the Reeve Foundation") interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, Director, non-Director member of a committee or senior staff of the Reeve Foundation (collectively, the "Persons" and individually referred to as "Person"). This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

The Reeve Foundation is a federally income tax-exempt organization. Maintenance of its tax-exempt status is important for both its continued financial stability and for public support. Therefore, the IRS as well as state regulatory and tax officials view the operations of the Reeve Foundation as a public trust, which is subject to scrutiny by and accountability to such governmental authorities as well as members of the public.

Consequently, there exists between the Persons and the public a fiduciary duty, which carries with it broad and unbending duties of loyalty and care. The interests of the Reeve Foundation must be the first priority in all decisions and actions.

II. Definitions

1. Interested Person

Any Person who has a direct or indirect financial interest, as defined below, is an "interested person."

2. Financial Interest

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

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

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

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

3. Other Interests

A conflict also may exist where a Person obtains a non-financial benefit or advantage that he/she would not have obtained absent his/her relationship with the Reeve Foundation. Examples include, but are not limited to; where:

- a. a Person seeks to obtain preferential treatment by the Reeve Foundation or recognition for himself/herself or another person.
- b. a Person seeks to make use of confidential information obtained from the Reeve Foundation for his/her own benefit (not necessarily financial) or for the benefit of another.
- c. a Person seeks to take advantage of an opportunity or enables another Person or other organization or individual to take advantage of an opportunity that he/she has reason to believe would be of interest to the Reeve Foundation.
- d. the Reeve Foundation adopts a policy that provides a significant nonfinancial benefit to a Person.
- e. a Person receives a gift from parties dealing or competing with the Reeve Foundation. (Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy.)

III. Procedures

1. Duty to Disclose

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his/her financial interest and must be given the opportunity to disclose all material facts to the Office of the Chairman.

2. Procedures for Review of Potential Conflicts

Whenever there is reason to believe that a potential conflict of interest exists between the Reeve Foundation and a Board member, a non-Director committee member or the President, the Office of the Chairman shall determine the appropriate response which shall include, but not necessarily be limited to, invoking the procedures described below with respect to a specific proposed action, policy or transaction. The designated reviewing official has a responsibility to bring a potential conflict of interest to the attention of the board promptly for action at the next regular meeting of the board or during a special meeting called specifically to review the potential conflict of interest.

Where the potential conflict involves a senior staff member of the Reeve Foundation other than the President, the President shall be responsible for reviewing the matter and may take appropriate action as necessary to protect the interests of the Reeve Foundation. The President

shall report to the Chairman the results of any review and the action taken. The Chairman shall determine whether any further Board review or action is required.

3. Procedures for Addressing the Conflict of Interest

Where a potential conflict exists between the interest of the Reeve Foundation and a Person with respect to a specific proposed action, policy or transaction, the Office of the Chairman shall consider the matter during a meeting of such board. The Reeve Foundation shall refrain from acting until such time as the proposed action, policy or transaction has been approved by the disinterested members of the Office of the Chairman. The following procedures shall apply:

A Person who has a potential conflict of interest with respect to a proposed action, policy or transaction of the Reeve Foundation shall not participate in any way in, or be present during, the deliberations and decision-making vote of the Reeve Foundation with respect to such action, policy or transaction. However, such Director shall have an opportunity to provide factual information about the proposed conflict and/or action, policy or transaction. Also, the Office of the Chairman may request that such Director be available to answer questions.

- a. The disinterested Directors may approve the proposed action, policy or transaction upon finding that it is in the best interests of the Reeve Foundation and that it is a fair and reasonable arrangement.
- b. Approval by the disinterested Directors shall be by vote of a majority of Directors in attendance at a meeting at which a quorum is present. A Director with a conflict of interest shall not be counted for purposes of determining whether a quorum is present or for purposes of determining what constitutes a majority vote of Directors in attendance.
- c. The minutes of the meeting shall reflect that the conflict disclosure was made to the Board.

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 has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

IV. Annual Statements/Periodic Review

1. Each Person 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 Reeve Foundation is a charitable organization and that in order to maintain its federal income tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

2. To ensure that the Reeve 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 and benefits are reasonable and are the result of arm's length bargaining.
 - b. Whether partnership and joint venture arrangements and arrangements with Persons or other entities—be they nonprofit or for-profit entities--conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Reeve Foundation's charitable purposes and do not result in inurement or impermissible private benefit.
 - c. Whether agreements to provide education, training or other services and agreements with other organizations or their employees, further the Reeve Foundation's charitable purposes and do not result in inurement or impermissible private benefit.

3. The form of statement to be annually completed by each Person is attached hereto as Exhibit A.

V. Use of Outside Experts

In conducting the periodic reviews provided for in Section VI, the Reeve Foundation may, but need not, use outside advisors. If outside advisors are used their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted. A conflict of interest only exists when the Office of the Chairman or the President, as applicable, decides there is a conflict.

If yes, please describe the nature of the services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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5. Have you or any of your affiliated persons purchased services or property from the Reeve Foundation in the past year?

_____ YES _____ NO

If yes, please describe the purchased services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

6. Please indicate whether you or any of your affiliated persons had any direct or indirect interest in any business transaction(s) in the past year to which the Reeve Foundation was or is a party?

_____ YES _____ NO

If yes, describe the transaction(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

7. Were you or any of your affiliated persons indebted to pay money to the Reeve Foundation at any time in the past year (other than travel advances or the like)?

_____ YES _____ NO

If yes, please describe the indebtedness and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

8. In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal benefits from the Reeve Foundation or as a result of your relationship with the Reeve Foundation, that in the aggregate could be valued in excess of \$1,000, that were not or will not be compensation directly related to your duties to the Reeve Foundation?

_____ YES _____ NO

If yes, please describe the benefit(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

9. Are you or any of your affiliated persons a party to or have an interest in any pending legal proceedings involving the Reeve Foundation?

_____ YES _____ NO

If yes, please describe the proceeding(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

10. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe could be interpreted as a possible conflict of interest, or reasonably could be viewed as having an appearance or a divided interest or loyalty on your part?

_____ YES _____ NO

If yes, please describe the situation(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

11. Have you or any of your affiliated persons accepted gifts, entertainment or other favors from any individual or entity, which would be prohibited by this conflicts of interest policy?

_____ YES _____ NO

If yes, please describe the nature of the gifts, entertainment or other favors, the identity of the individual or entity that provided same, and if any affiliated person is involved, the identity of the affiliated person and your relationship with that person:

I HEREBY CONFIRM that I have read and understand the Conflict of Interest Policy of the Christopher & Dana Reeve Foundation and that my responses to the foregoing questions are complete and accurate to the best of my information and belief. I agree that should I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify the Office of the Chairman or the President, as applicable.

Signature

Dated: December _____, 20____

Print Name