

Conflict of Interest Policy

The Wistar Institute's policy on disclosure of potential conflict of interest is a comprehensive policy concerning the relationships of all persons serving The Wistar Institute, including members of the Board of Managers, Officers, members of the Scientific Staff and other employees of the Institute. Managers, Officers, Scientific Staff and other employees shall avoid any conflict between their personal interests and the interest of the Institute; furthermore, they shall avoid any situation where it would be reasonable to believe that the person's judgment or loyalty might be adversely affected.

DEFINITIONS

The Wistar Institute – Hereinafter referred to as "Institute."

Board of Managers – This category includes duly elected members of the Board of Managers, including emeritus members (referred to as "Managers").

Officers – This category includes duly elected officers of the corporation (referred to as "Officers"), i.e., President, Vice President, Treasurer, Secretary and Director.

Scientific Staff – The term "Scientific Staff" as referred to later in this policy statement applies to members of the Institute's research or investigative staff who are engaged in scientific pursuits at or under the cognizance of the Institute. This category includes the following classifications: Institute Professor, Professor, Associate Professor, Assistant Professor, Senior Scientist, Staff Scientist, Fellow.

Other Employees – This category applies to all other persons who are employed by the Institute as either full or part-time employees.

Entity – An entity shall mean a corporation, partnership, trust, unincorporated association, firm, sole proprietorship or any other organization, excluding noncommercial sponsors of Institute activities.

Retained Consultant – Refers to a member of the Institute's Scientific Staff or other employee who, in addition to his or her service to the Institute, is retained by an outside entity as a consultant on a term appointment.

President – Refers to the duly elected person serving as President.

Director – Refers to the duly elected person serving as Director.

Individual(s) – A collective term to apply to all persons classified in the categories above.

A significant relationship exists as to an entity if an Individual is a Director, Manager, Officer, employee, partner, member in, or has a financial interest in, the entity in question. As used in this policy, the term “financial interest” shall include, without limitation, ownership (including beneficial ownership under a trust) of stock or securities, stock options, warrants, convertible instruments, units of a limited partnership, or any other instrument used to convey an interest in a company, joint venture, limited partnership or other commercial or non-commercial entity.

A significant relationship exists as to a person if that person is in the immediate family of an Individual subject to this policy. The immediate family may include, for example, spouses and such persons as parents, siblings, offspring (including adopted offspring), and spouses of such persons.

1. General Considerations

(a) If an Individual has any power or influence to approve or disapprove a contract or transaction proposed to be entered into between the Institute and any entity or person having a significant relationship to that Individual, that Individual has a potential conflict of interest and may not participate in the process leading to the approval or disapproval of the contract or transaction unless the underlying facts giving rise to the potential conflict of interest are disclosed and approval for participation is obtained pursuant to the procedures described in Section 2 below.

(b) Likewise, a potential conflict of interest may arise from situations where an entity or person may benefit from information learned from the Individual by virtue of his or her capacity or relationship with the Institute.

(c) An Individual should be particularly aware of potential conflicts of interest in commercial or financial dealings with a pharmaceutical firm or with any other business firm or enterprise with which the Institute has commercial or financial dealings.

(d) Finally, a potential conflict of interest may arise if an Individual or an entity represented by the Individual may benefit directly or indirectly from management of the Institute's affairs.

2. Specific Considerations

A significant relationship with an entity or person may present a conflict of interest for an Individual if (i) the entity or person is engaged in activities which parallel activities in which the

Institute is currently or prospectively engaged, or (ii) the entity or person has a present or prospective relationship with the Institute, e.g., as a supplier of goods or services or as a party to a research agreement or a license agreement. In either of these situations, a member of the Scientific Staff or other employee shall report the facts and circumstances in writing to the Director. An Officer (other than the President) or member of the Board of Managers shall report the facts and circumstances in writing to the President. The President shall report the facts and circumstances in writing to the Board of Managers.

A member of the Scientific Staff or other employee may maintain the significant relationship giving rise to the conflict of interest, or participation in a contract or transaction as described in Paragraph 1(a) above, only on written conditions established by the Director with the concurrence of the President. An Officer (other than the President) or member of the Board of Managers may maintain the significant relationship giving rise to the conflict of interest, or participation in a contract or transaction as described in Paragraph 1(a) above, only on written conditions established by the President with the concurrence of the Board of Managers. The President may maintain the significant relationship giving rise to the conflict of interest, or participation in a contract or transaction as described in Paragraph 1(a) above, only on written conditions established by the Board of Managers.

When the Board of Managers or any body (i.e., Committee) on which a Manager or an Officer serves considers a contract or transaction or any other step that raises a potential conflict of interest for a Manager or Officer, that Individual shall disclose the potential conflict to the President. No Individual with a potential conflict of interest with respect to a contract or transaction or any other potential conflict of interest may vote to approve or disapprove the contract or transaction, but the Individual may be counted in determining the presence of a quorum once proper disclosure has been made. If proper disclosure has been made and if the chairman of the meeting determines it to be useful, the Individual with a potential conflict of interest may participate in the discussion of the contract or transaction. If the conflict of interest involves the chairman of the meeting, he or she shall make disclosure and relinquish the chair to another member of the Board of Managers or Committee who shall preside for the purpose of discussion and/or resolution of the matter in question.

The minutes of the meeting of the Board of Managers or of the Committee on which the Manager or Officer having a potential conflict is serving shall reflect that disclosure was made as to a particular contract or transaction and that the contract or transaction was approved or disapproved by others without an interest in the contract or transaction.

All disclosures made to the President shall be reported to the Board of Managers by the President in an appropriate manner.

3. *Retained Consulting Arrangements*

With regard to retained consultant arrangements by members of the Scientific Staff, such Individuals, before being retained as consultants to outside entities in projects which overlap the subject matter of the current research being conducted by the Institute, shall obtain approval of the Director in accordance with the terms of this policy.

When reporting retained consulting arrangements to the Director, an Individual shall provide the Director with a copy of the proposed consulting agreement, and such other related information as the Director may request. An individual need not disclose the value of the consulting fees that he or she will receive unless such fees will exceed by more than twenty percent (20%) the Individual's annual salary from the Institute. Individuals must disclose the value of all other compensation (stock or securities, royalties, etc.) that may be received from the outside entity.

Moreover, with regard to retained consulting arrangements, such involvements shall not, in general, exceed one day per week.

Further, the Institute will not share in any fees received by the Individual who is a consultant retained by an outside entity, nor will the Institute be a party to a contract wherein a staff member becomes a retained consultant for an outside entity.

4. *Administration*

Each Individual shall sign a statement signifying acceptance of the terms of this Policy at the time of its approval by the Board of Managers. Thereafter, individuals shall sign a statement upon commencing service at the Institute.

The resolution adopting this Policy replaces and hereby rescinds the resolution on conflicts of interest by the Board of Managers on September 1984.

If the Director identifies problems with the implementation of this Policy as it applies to Institute employees, he shall seek advice from the Scientific Advisory Committee.

Final authority for the administration and interpretation of The Wistar Institute Policy on Conflict of Interest rests with the Board of Managers.

This Policy shall be administered in accordance with the provisions of the Pennsylvania Nonprofit Corporation Law of 1972 or any successor statute.

5. Procedure

Each Individual shall be given a copy of the Conflict of Interest Policy Statement at the time of its approval by the Board of Managers, and thereafter upon election as an Officer, election to the Board of Managers, or upon commencing employment at Wistar, as the case may be.

The following procedure shall be observed in providing copies of the Conflict of Interest Policy Statement to an Individual.

(a) Board of Managers and Officers. The Conflict of Interest Policy Statement shall be transmitted to the appropriate Individuals by letter from the President.

(b) Scientific Staff and Other Employees. The Conflict of Interest Policy Statement shall be transmitted to the appropriate Individuals by letter from the Director.

In both instances, the letter of transmittal shall advise that it is the recipient's responsibility to inform the President or the Director, as the case may be, of any existing or potential conflict of interest.

Finally, the transmittal letters should request that the addressee acknowledge receipt of the Conflict of Interest Policy Statement. This acknowledgment may be accomplished by requesting the addressee to acknowledge receipt by signing and returning a copy of the letter of transmittal provided with the original.

6. Review Procedure

Annually (as of the beginning of the fiscal year), a disclosure certification will be sent according to procedures outlined above in Paragraphs 1(a) and (b) by transmittal to all concerned requesting information about possible conflict of interest situations.

In order to facilitate the review, there will be appended to the transmittal letter a list of entities with which the Institute has patent licenses or research agreements or which are major providers of goods or services to the Institute.