

DIRECT RELIEF INTERNATIONAL CONFLICT OF INTEREST POLICY

Policy Statement

It is the policy of Direct Relief International (Corporation) to assure that any conflicts of interest or potential conflicts of interest are fully disclosed to the Board of Directors and Executive Committee of the Board before a proposed decision is made or a proposed transaction is completed. It shall be the continuing responsibility of all Directors, Officers, employees and Board committee members to review their outside business interests, philanthropic interests, personal interests, family and other close relationships for actual or potential conflicts of interest with respect to the Corporation, and to immediately disclose the nature of the interest or relationship. The interests of a member of the family of a Director, Officer, employee or Board committee member shall be attributed to such person. Any violation of the provisions of this policy shall not affect the validity or enforceability of any transaction entered into by the Corporation.

Definitions

“Conflicts of Interest”: Conflicts of interest arise when a person involved in making a decision for the Corporation may have a personal interest in the outcome. The personal interest may be economic, that is, it may result in a financial benefit to the person or to a family member, or the personal interest may be sentimental or professional, such as when the person or a family member is on a board of directors or advisory board of the other party seeking to enter into a transaction with the Corporation, or works for such other party. Conflict of interest transactions may result in violations of federal and California law (including but not limited to conflict of interest and self-dealing rules).

“Family members”: For purposes of identifying conflicts of interest or potential conflicts of interest, and applying the rules in this policy, the term “members of the family” shall include the spouse, a “significant other”, children, grandchildren, great grandchildren, spouses of the foregoing, ancestors and spouses of ancestors, and siblings and their spouses.

General Principles

In their dealings with the Corporation, all Directors, Officers, employees and Board committee members must be ever mindful of potential conflicts of interest. To assure compliance with the law, to avoid inadvertent violations, to live up to the public trust and avoid the appearance of impropriety, and to fulfill fiduciary duties, the Corporation expects: (a) full disclosure of relationships and financial and other interests likely to influence a person’s decision-making; (b) recusal by such person with a potential conflict of interest as described below; and (c) careful consideration of the facts and decisions by disinterested members of the Board of Directors, or when appropriate, by the Executive Committee of the Board or designated Officer. In all cases, no Director, Officer, employee or Board committee member with an actual or potential conflict of interest

shall vote on or otherwise take part in any decision of the Corporation that directly or indirectly benefits such person or a member of such person's family. A Director or Board committee member with an actual or potential conflict of interest (financial or otherwise and including mere common directorship) in a matter proposed for action by the Board or any committee of the Board may be counted for a quorum and may provide information and answer questions, but shall not be present during deliberations by the Board or applicable committee and shall not be present at or vote on the matter under consideration.

When a Director, Officer, Board committee member or employee has a conflict of interest or potential conflict of interest in a proposed transaction, the Director, Officer, Board committee member or employee, as applicable, shall recuse himself or herself (i.e., leave the room), and shall not participate in the deliberation on the merits of the proposal or the vote. Additional requirements and procedures involving a conflict of interest concerning a Director, Officer or Board committee member shall be governed by the Corporation's Bylaws, and specifically Sections 5.11.a. and 5.17 thereof.

In all cases, the existence and nature of the relationship or the conflict of interest disclosed, the interested Director's recusal, and the vote of the other Directors shall be reflected in the minutes of the meeting of the Board or applicable Board committee.

When there is a doubt as to whether a conflict of interest exists, the matter shall be resolved by a vote of the Board of Directors (or the Executive Committee if so designated), excluding the person concerning whom the doubt has arisen.

Annual Review and Continuing Duty of Full Disclosure

The Board of Directors shall review this conflict of interest policy annually and submit a copy of the policy to all Directors, Officers and Board committee members within thirty (30) days of the beginning of each fiscal year or the first committee meeting of such fiscal year for Board committee members. At such time, Directors, Officers and Board committee members will also receive and must complete promptly the disclosure form (Attachment A as amended from time to time) regarding possible conflicts of interest. All disclosure statements shall be maintained in confidence and access to financial information (if any) shall be limited to persons who have a reasonable need to know the contents thereof. Disclosure shall also be required of a Director, Officer, employee and Board committee member at any time when the interest of such person (or member of his or her family) could affect the activities, property, employees, or services of the Corporation, or involves any potential conflict of interest. Disclosure shall be made to the President (or, if the President is the one with a conflict, then to the Chair or Vice Chair of the Board). The President (or the Chair or Vice Chair of the Board) shall investigate the facts, seek advice from counsel to the Corporation on legal issues as necessary, and report to the Board of Directors or the Executive Committee of the Board.

Effective Date.

The written Conflict of Interest Policy is effective upon adoption by the Executive Committee of the Board of Directors at a meeting held on August 20, 2008.

ATTACHMENT 1: Conflict of Interest Declaration Form

Attachment 1

DIRECT RELIEF INTERNATIONAL CONFLICT OF INTEREST DECLARATION FORM

This questionnaire is made pursuant to the Conflict of Interest Policy of Direct Relief International of Santa Barbara, California, a copy of which is attached to this Form for your reference. Please read each question carefully and after having done so, set forth your answers briefly and concisely in the space following each question. In the event that you have any doubts as to what the question means as applied to you, you should answer the question to the best of your ability and also set forth the reasons as to why you are in doubt.

You will note that the questions ask for information during a period of one year preceding the date the questionnaire is answered. As used herein, the following terms mean:

- A. **Competitor:** A person offering for sale or selling or otherwise donating or providing products and/or services similar to those products and/or services provided by Direct Relief International.
- B. **Member of Family:** Spouse, “significant other”, children, grandchildren, great grandchildren, spouses of the foregoing, ancestors and spouses of ancestors, siblings and their spouses.
- C. **Person:** Includes an individual, firm, partnership, trust, corporation or other entity.
- D. **Purchaser:** Any person who buys, rents, or otherwise procures, has bought, rented or procured or in any way has received (by way of donation or otherwise) from Direct Relief International any goods, materials, wares, merchandise, supplies, machinery, equipment, real estate, credit or insurance or services, professional or otherwise, to or on behalf of Direct Relief International.
- E. **Supplier:** Any person that for a price/fee or other valuable consideration provides, supplies, delivers, sells or rents goods, materials, wares, merchandise, supplies, machinery, equipment, real estate and services, professional or otherwise to Direct Relief International.

1. Ownership, Entertainment, Gifts, Loans, Etc.

1.1 Do you or any member of your family directly or indirectly own, or during the past twelve months preceding the date hereof, have you or any member of your family owned, directly or indirectly, any interest whatsoever in, or in the profits or income, of any Supplier, Purchaser, or Competitor?

Yes _____ No _____

(In answering this question, you may disregard investments in securities of any Supplier, Purchaser or Competitor which are listed on a stock exchange or publicly traded in a recognized over-the-counter market.)

1.2 During the twelve months preceding the date hereof, have you or any member of your family received, directly or indirectly, compensation, entertainment, gifts, credits, loans, or anything of value whatsoever from any Supplier, Purchaser or Competitor?

Yes _____ No _____

(In answering this question, you may omit holiday gifts and entertainment of a nominal nature and extent.)

1.3 If your answer to either of the above questions is in the affirmative, indicate the number of the question or questions in the space below, attaching a separate sheet if necessary. As to each such Supplier, Purchaser, and/or Competitor, state the name and address of the Supplier, Purchaser, and/or Competitor, the name of the person owning such interest and/or the nature and extent of such income, money or thing of value received, entertainment furnished, and the circumstances under which such transactions or events occurred.

<u>Question No.</u>	<u>Name of Person with Interest and Relationship to You</u>	<u>Address of Person with Interest</u>	<u>Description</u>

2. Employment Status

2.1 Are you or any member of your family presently an officer, director, employee or consultant of or otherwise employed or retained by any Supplier, Purchaser, or Competitor?

Yes _____ No _____

2.2 During the twelve months preceding the date hereof, have you or any member of your family been an officer, director, employee or consultant of or otherwise employed by any Supplier, Purchaser, or Competitor?

Yes _____ No _____

2.3 If your answer to either of the above questions is in the affirmative, as to each instance, state full details, including name and address of such person and the nature of any remuneration received.

<u>Question No.</u>	<u>Name of Person with Interest and Relationship to You</u>	<u>Address of Person with Interest</u>	<u>Description and Nature of Remuneration Received</u>

3. Related Employees

3.1 Are any present directors, officers, employees or committee members of Direct Relief International related to you, either by blood or marriage?

Yes _____ No _____

3.2 If your answer to the above question is in the affirmative, state the name and position of such employee.

<u>Name of Related Person</u>	<u>Title/Position of Related Person</u>	<u>Relationship to You</u>

Acknowledgement and Agreement:

I confirm that I have read the Conflict of Interest Policy of Direct Relief International, and I agree to comply with its terms. I certify that the above questions have been answered to the best of my ability, and of my own free will, and in the interest of cooperating with Direct Relief International.

Date

Name (Please Print)

Signature