

## **DIACARTA, LTD.**

### **Policy and Procedures with Respect to Related Person Transactions**

#### **A. Policy Statement**

The Board of Directors of DiaCarta Ltd. (the "Company") recognizes that Related Person Transactions (as defined in Section B below) present a heightened risk of conflicts of interest or improper valuation (or the perception thereof) and therefore has adopted this policy, which shall be followed in connection with all related party transactions involving the Company. It is the Company's policy to enter or ratify Related Person Transactions only when the Audit Committee of the Board of Directors (the "Committee" or "Audit Committee") determines that the Related Person Transaction in question is in, or is not inconsistent with, the best interests of the Company and its stockholders. Such transactions include, but are not limited to, those in which the Company:

- may obtain products or services of a nature, quantity, or quality, or on other terms, that are not readily available from alternative sources; or
- provides products or services to a Related Person (as defined in Section B below) on an arm's length basis and on terms comparable to those provided to unrelated third parties or on terms comparable to those provided to employees generally.

This policy has been approved by the Committee, which policy will be reviewed and may be amended from time to time by the Committee.

#### **B. Related Person Transactions**

For the purposes of this policy, a "Related Person Transaction" is a transaction arrangement or relationship (or any series of similar transactions, arrangements, or relationships), in which the Company

(including any of its subsidiaries) was, is or will be a participant and the amount involved exceeds \$120,000, and in which any Related Person had, has, or will have a direct or indirect material interest.

For purposes of this Policy, a "Related Person" means:

- any person who is, or at any time since the beginning of the Company's last fiscal year was, a director or executive officer of the Company or a nominee to become a director of the Company.
- any person who is the beneficial owner of more than 5% of any class of the Company's voting securities (a "Significant Holder"); and
- any immediate family member (which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law) of any of the foregoing persons listed in 1 and 2 above and any person (other than a tenant or employee) sharing the household of any of the foregoing persons listed in 1 and 2 above.

For purposes of this policy, a Related Person who has a position or relationship with a firm, corporation, or other entity that engages in a transaction with the Company shall not be deemed to have an "indirect material interest" if the interest arises only from such Related Person's:

- position as a director of another corporation or organization that is a party to the transaction.
- direct or indirect ownership (combined with the interest of all Related Persons), in the aggregate, of less than a 10% equity interest in another person (other than a partnership) which is a party to the transaction; or
- position as a limited partner in a partnership in which all Related Persons have an interest, in the aggregate, of less than 10%, and

the Related Person is not a general partner of and does not hold another position in the partnership.

### **C. Identification of Related Persons**

On an annual basis, the Company shall collect from each director, executive officer and nominee for director, as part of the questionnaire submitted to such persons in connection with the preparation of the Company's annual proxy statement, the following information: (a) in the case of a natural person, a list of his or her immediate family members (as defined in Section B above); (b) the person's employer and job title or brief job description; (c) each firm, corporation or other entity in which such person is a partner or principal or in a similar position; (d) each firm, corporation or other entity (other than a publicly traded entity in which such person owns no more than 5% of any class of outstanding capital stock) in which such person is not a partner or principal or in a similar position, but in which such person holds more than 2% of any class of outstanding capital stock; and (e) each charitable or non-profit organization for which the person is actively involved in fundraising or otherwise serves as a director, trustee or in a similar capacity.

Any person nominated to stand for election as a director shall submit to the Company the information described in this Section C above no later than the date of his or her nomination. Any person who is appointed as a director or an executive officer shall submit to the Company the information described in this Section C above prior to such person's appointment as a director or executive officer or as soon as reasonably practicable following the appointment. Directors and executive officers of the Company shall notify the Company of any updates or changes to the information described in this Section C above as soon as reasonably practicable following such update or change.

### **D. Dissemination of Related Person Master List**

The Company shall compile the information collected pursuant to the procedures described in Section C above and create a master list of Related Persons. The master list shall be distributed to all personnel with authority to approve transactions with the direction that any transaction to be entered into with a Related Person on behalf of the Company be brought to the attention of the Audit Committee Chairman. In addition, the master list of Related Persons will be maintained by the Secretary of the Company and available for review by any personnel considering a new transaction, arrangement, or relationship for the Company.

#### **E. Approval Procedures**

The Board of Directors has determined that the Audit Committee is best suited to review and approve Related Person Transactions that are identified as such prior to the consummation thereof or amendment thereto and the same shall be consummated or amended only if the following steps are taken:

1. Prior to the Company's entry into a transaction with a Related Person, (a) the director, executive officer, nominee or Significant Holder who has a material interest (or whose immediate family member has a material interest) in the transaction or (b) the business unit or function/department leader responsible for the potential transaction with a Related Person shall provide notice to the Committee Chairman of the material facts and circumstances of the potential transaction with a Related Person and such information concerning the transaction as the Committee Chairman may reasonably request.
2. If the Audit Committee Chairman determines that the proposed transaction is a Related Person Transaction, the proposed Related Person Transaction shall be submitted to the Committee for consideration at the next Committee meeting. In those instances, in which the Committee Chairman determines that it is not practicable or

desirable for the Company to wait until the next Committee meeting, the Committee Chairman shall possess delegated authority to act between Committee meetings.

3. The Audit Committee shall consider all the relevant facts and circumstances available to the Committee, including (if applicable) but not limited to: (a) the benefits to the Company; (b) the availability of other sources for comparable products or services; (c) the terms of the transaction; and (d) the terms available to unrelated third parties or to employees generally. No member of the Committee shall participate in any review, consideration, or approval of any Related Person Transaction if such member, or any of his or her immediate family members, is the Related Person. The Committee or Chair, as applicable, shall convey the approval or disapproval of the transaction to the Chief Executive Officer or Secretary, who shall convey the decision to the appropriate persons within the Company.

4. The Chairman of the Audit Committee shall report to the Committee at the next Committee meeting any approval under this policy pursuant to delegated authority.

## **F. Ratification Procedures**

In the event the Company becomes aware of a Related Person Transaction that has not been previously approved or previously ratified under this policy, and such transaction is pending or ongoing, it will be submitted to the Audit Committee or Chair, as applicable, promptly, and the Audit Committee or Chair shall consider all the relevant facts and circumstances available to the Audit Committee or the Chair as provided in Section E above. Based on the conclusions reached, the Audit Committee or Chair, as applicable, shall evaluate all options, including but not limited to, ratification, amendment, or termination of the Related Person Transaction.

## **G. Disclosure**

All Related Person Transactions that are required to be disclosed in the Company's filings with the Securities and Exchange Commission, as required by the Securities Act of 1933, the Securities Exchange Act of 1934 and their respective rules and regulations, shall be so disclosed in accordance with such laws, rules, and regulations.

The material features of this policy shall be disclosed in the Company's annual report on Form 10-K or in the Company's proxy statement, as required by applicable laws, rules and regulations.

## **H. Contact Information**

### **Chairman of the Audit Committee**

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