

CONFLICTS OF INTEREST POLICY

1. PURPOSE

- 1.1 The Global Legal Entity Identifier Foundation (“**GLEIF**”) is the operational arm of a global Legal Entity Identifier system, and thereby supports on a not-for-profit basis the implementation of a global Legal Entity Identifier (“**LEI**”) in the form of a reference code to identify uniquely legally distinct entities that engage in financial transactions. As described in the GLEIF’s Statutes, the GLEIF ensures that the governance principles of the global LEI system (“**GLEIS**”), are upheld, under the regulatory oversight of the Regulatory Oversight Committee (“**ROC**”), in the broad public interest.
- 1.2 In this crucial role, the GLEIF contributes to global financial stability by, among other things, helping ensure that the GLEIS is implemented in ways that allow interested parties to improve risk management; better assess micro and macroprudential risks; facilitate orderly resolutions; contain market abuse and curb financial fraud; and provide for higher overall quality and accuracy of financial data.
- 1.3 In order to better achieve the Foundation’s objectives, the GLEIF’s statutes create a Board of Directors (the “**Board**”) comprising members drawn from different technical fields, financial sectors, and geographical areas. It is envisioned that Board members may be drawn from industries or entities that may themselves be or become users of the GLEIS or which may have an LEI.
- 1.4 Given this collaborative structure, conflicts of interest – of varying degrees of significance or nature – are an unavoidable reality in the conduct of the GLEIF’s operations. A conflict of interest in and of itself is not wrong and may not be unethical, but those involved in decision-making processes on behalf of the GLEIF must take appropriate action to ensure disclosure of any actual, perceived or potential conflict of interest. As a result, the GLEIF will be able to properly manage conflicts of interest and thus mitigate the operational and reputational risks inherent in such conflicts.
- 1.5 The purpose of this Conflict of Interest Policy (this “**Policy**”) is to protect the integrity and reputation of the GLEIF’s and the Board’s decision-making processes, by establishing procedures to identify, evaluate and address any actual, perceived or potential conflicts that may arise. As a basic principle, such conflicts should be avoided be exercising good judgment, disclosed where they cannot be avoided, and, in the end, must be resolved in favor of the GLEIS.
- 1.6 Taking into account the GLEIF statutes, those involved in decision-making processes on behalf of the GLEIF and/or the Board will be expected to abide by the provisions of this Policy. This Policy would apply to board members (including ex officio members to the extent they are engaged in any decision-making processes).

2. DEFINITIONS

2.1 Terms found in this Policy will have the same meaning as they do within the GLEIF's statutes. Further, the following definitions will apply:

2.1.1 “**Conflict of Interest**” means a situation, including an Organizational Interest, that may occur if an endeavor or activity influences or appears to influence the ability of a GLEIF Person to exercise impartial judgement regarding, or impairs the GLEIF Person's ability to perform, his or her official responsibilities in the best interest of the GLEIF. A GLEIF Person is considered to have a potential conflict of interest when:

- He or she or any Family Member receives a financial or other significant benefit as a result of the individual's position on the Board or at the GLEIF;
- The GLEIF Person has the opportunity to influence the GLEIF's material decisions in a manner that leads to organizational or personal gain or advantage;
- The GLEIF Person has the opportunity to influence the GLEIF's material decisions in a manner that creates the perception that the individual is using his or her position in the GLEIF for organizational or personal financial gain at the expense of the GLEIF; or
- The GLEIF Person has an existing or potential financial or other significant interest which impairs or might appear to impair the individual's judgment in carrying out his or her responsibilities to the GLEIF.

2.1.2 “**Family Member(s)**” means any spouse, domestic partner, parent, sibling, child, or any other relative who resides in the same household, and any other familial relationships that could create the appearance of a conflict of interest.

2.1.3 “**GLEIF Person(s)**” means any member of the Board, and any member of the Secretariat, if one is created by the Board.

2.1.4 “**Organizational Interest**” means an interest that arises when a GLEIF Person is, either personally benefitting from, or an officer, director, trustee, partner or employee of an entity that may benefit financially from a decision that he or she would vote on or otherwise substantially influence.

3. CONFLICTS OF INTEREST ESTABLISHED

3.1 There are several possibilities for determining whether an actual, perceived, or potential Conflict of Interest exists:

3.1.1 A GLEIF Person discloses that (s)he has an actual, perceived or potential conflict;

- 3.1.2 The Chair of a meeting determines an actual, perceived or potential conflict exists;
- 3.1.3 The Board determines an actual, perceived or potential conflict exists;
- 3.1.4 A Board committee determines an actual, perceived or potential conflict exists in the context of its own deliberation;
- 3.1.5 The Chair of the Board determines that a member of the Secretariat has an actual, perceived or potential conflict; or
- 3.2 If any member of the Board or official of the GLEIF comes to the conclusion that a GLEIF Person has an actual, perceived or potential conflict, he or she must disclose it to the Chair of the Board

4. CATEGORIES OF INTEREST

- 4.1 It is not always possible to identify easily either the type of interest that exists or the proper means by which to mitigate the effects of the resulting conflict. In order to structure the management of conflicts, which is the core of a conflict of interest policy, interests can generally be categorized according to the following types:
 - 4.1.1 **Direct** – A direct interest in any Board decision, policy or contract may be established when a GLEIF Person directly benefits from such decision, policy or contract through an Organizational Interest or personal financial interest.
 - 4.1.2 **Indirect** – An indirect interest in any Board decision, policy or contract may be established when a GLEIF Person indirectly benefits from such decision, policy or contract through an Organizational Interest or personal financial interest.

5. TRANSPARENCY, DUTY TO DISCLOSE AND RECUSAL

- 5.1 A GLEIF Person must disclose an Organizational Interest or Conflict of Interest, including those that derive from Family Members, and the nature of such interest whenever he or she becomes aware that a conflict exists, could be perceived to exist, or is reasonably likely to occur. Such interests will be disclosed to the Chair e. GLEIF Persons are encouraged to consult the Chair, or other official the Board has assigned the role of providing such guidance, if they have questions about disclosure requirements.
- 5.2 The CEO or the Chair, as applicable, will advise the Board of any such disclosures made pursuant to this Policy.
- 5.3 Annually, each member of the Board and members of the Secretariat with signature authority will complete and submit a statement regarding their actual or potential conflicts of interests to the Chair of the Board, to be distributed to the Board and to the ROC.

6. BOARD AND BOARD COMMITTEE MEETINGS

- 6.1 Though Board members bring their experience and affiliations to bear for the benefit of GLEIF, they recognize their fiduciary responsibility to put the interests of the GLEIF before other interests when taking decisions on behalf of the GLEIF. Concurrently, when discharging their duties, Board members are not required to take decisions that conflict with the constitution, regulations, rules and policies of the organization providing that member to the Board. Therefore, participation in and disclosure of any actual, perceived or potential Conflict of Interest relevant to a Board or Board Committee decision should be guided by the provisions of this Policy, with any such conflict identified and declared.
- 6.2 During the course of a Board or Board Committee meeting, a GLEIF Person with an actual, perceived or potential Conflict of Interest will disclose the conflict to the Chair of the meeting as soon as possible upon learning of a possible Conflict of Interest and in no event later than at the beginning of discussion of the pertinent agenda item.
- 6.3 Unless the Chair determines otherwise, a conflicted member's participation in the portion of the Board meeting relating to the Conflict of Interest will be limited to an explanation of the Conflict of Interest. Unless the Chair determines otherwise and a conflicted member will not vote in the matter giving rise to the Conflict of Interest. The minutes of the meeting will reflect the conflicted member's disclosure and whether the conflicted member participated in the discussion and/or abstained from voting.
- 6.4 The Chair will be entitled but not obliged to, prior to the decision referred to above, consult with GLEIF's internal counsel or with other Board members.

7. PROCURING AND CONTRACTING

- 7.1 All GLEIF Persons engaged in GLEIF procurement processes and contracting activities that have, or may have, any direct or indirect outside interest, financial or otherwise, or relationship that might conflict, potentially conflict, or appear to conflict with the procurement interests or contracting of the GLEIF must disclose this conflict to the Chair or the CEO, as appropriate, who will take mitigating measures, if necessary.

8. OUTSIDE EMPLOYMENT

- 8.1 When negotiating for or entering into an arrangement concerning employment outside of the GLEIF for themselves or for a Family Member, GLEIF Persons who are members of the Secretariat should not allow such circumstances to affect the performance of their duties. Any Conflict of Interest that arises in the course of negotiations for or entering into an arrangement concerning outside employment should be disclosed to the Chair or the CEO, as appropriate.

9. FAILURE TO DISCLOSE

- 9.1 Should any GLEIF Person have reasonable cause to believe that another GLEIF Person has failed to disclose an actual, perceived or potential Conflict of Interest, he or she should contact the prospective conflicted member to gather information and address the issue. In the event such dialogue proves insufficient, the reporting GLEIF Person will inform the Chair, of the basis for such belief so as to afford the GLEIF Person an opportunity to explain the alleged failure to disclose. The reporting GLEIF Person should have reasonable grounds for suspecting a violation and must do so in good faith. Knowingly reporting false or frivolous information is contrary to this Policy.
- 9.2 Failures to disclose ,or disputes over whether a Conflict of Interest exists, may be referred to the Board for resolution. Failures to disclose a personal interest by a representative Board member will be addressed in consultation with the organization providing that member.
- 9.3 Where a reporting GLEIF Person is an employee of GLEIF or a member of the Secretariat, it is the GLEIF's policy to protect all employees from reprisal, retaliation or other adverse action when reporting alleged failures to disclose if such reporting is done in good faith and with reasonable grounds for suspicion.

10. EFFECTIVE DATE AND REVIEW OF POLICY

- 10.1 This Policy comes into effect as of _____.
- 10.2 This Policy will be reviewed and updated at least yearly (as per the recommendation of the Governance Committee), and is subject to Board approval.