

# The Complete Compliance and Ethics Manual 2023

## Model Conflicts of Interest Policy

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Function	Effective Date	Pages	Revision Date
Global Compliance	[Effective Date]	5	[Revision Date]

### Scope

This policy applies to [COMPANY NAME] and its subsidiaries (collectively, “[COMPANY NAME]” or the “Company”) and the directors, officers, and employees of such entities, as well as those acting for or on behalf of such entities (collectively, “Covered Persons”).

### Purpose

Covered Persons are responsible for making decisions in the Company’s best interests, independent of any outside influences. Covered Persons must be able to perform their duties and exercise judgment on behalf of the Company without being negatively affected by conflicts of interest or the appearance of conflicts of interest. The purpose of this policy is to prevent and eliminate potential damage to the Company from both the appearance of and actual conflicts of interest.

### Definitions

**Conflict of interest:** A conflict of interest occurs when a personal or outside (non-Company) interest conflicts with, or appears to conflict with, what is in the best interest of the Company.

A conflict of interest can take many forms. For example, it could be having a financial interest in a Company’s supplier or competitor, having a personal relationship with someone that could inappropriately affect your judgment or decision-making when you are performing responsibilities for the Company, or seeking personal benefit from a transaction at the Company’s expense.

Judgment or decision-making could be inappropriately influenced when an outside interest:

- Affects your ability to make decisions based on what is best for the Company;
- Affects your impartiality (e.g., in choosing between two suppliers or two potential employees); or
- Introduces personal or nonbusiness issues into what should be a business decision.

If an outside interest is substantial enough to affect your judgment or in any way interfere with your duty to act in the best interest of the Company, you have a **conflict**.

Even if you are certain that your judgment will not in any way be affected by an outside interest, if others might

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reasonably think your judgment could be affected, then the **appearance of a conflict** exists.

Examples of a potential conflicts of interest include, but are not limited to:

- **Ownership interests or outside employment or affiliations with other businesses:** Owning a substantial interest in, or serving as an employee, officer, director or partner, or otherwise being affiliated with any entity that does or seeks to do business or enter into transactions with the Company. Examples include, but are not limited to having invested in or acting as an officer, director, partner, or employee of a supplier or vendor that provides goods or services to the Company or accepting money or benefits of any kind as compensation or payment for advice or services provided to a customer, supplier, or anyone else doing business with the Company.
- **Business arrangements with the Company:** Participating in a joint venture, partnership, or other business arrangement with the Company.
- **Outside employment or activities with a competitor:** Owning a substantial interest or serving as a director of a competitor of the Company, including marketing of products or services in competition with the Company's current or potential business activities, or otherwise engaging in competition with the Company.
- **Immediate family members or close friends in the industry:** An immediate family member or close friend in the industry is a competitor or supplier of the Company or is employed by one or seeks employment or project work with the Company.
- **Misappropriation of corporate opportunities:** Taking personal advantage of opportunities that properly belong to the Company, such as purchasing, selling, or leasing real estate or other facilities that you know or have reason to know the Company may be interested in or may need in the future.
- **Excessive business courtesies:** Accepting or providing business courtesies that are excessive (with a value of more than \$100 USD) or inappropriate can be viewed as attempts to influence the performance of duties and, in some cases, could create a conflict of interest. For detailed information on the Company policy governing gifts and entertainment, please refer to the Gifts and Entertainment Policy, which can be found here [INSERT LINK TO POLICY].
- **Public service and charitable activities:** If an organization a Covered Person is involved with seeks to do business with the Company, such as a charity that is contemplating buying the Company's products or retaining the Company's services, it may create the appearance of a conflict of interest. Contributions of Company time and financial resources to a charity can also create potential conflict.

**Corporate opportunity:** A corporate opportunity is a potential business transaction that a Covered Person discovers through the use of Company resources, technology, information, or their position with the Company.

**Substantial interest:** A substantial interest is an economic interest that could, or might reasonably be thought to, influence someone's judgment or action. (Note: An investment representing less than 1% of a class of outstanding securities of a publicly held corporation is not considered to be a substantial interest.)

**Immediate family:** Immediate family members include a Covered Person's spouse and children (as well as their spouses); father, mother, and siblings of the Covered Person or the Covered Person's spouse; and any family members living in the same household as the Covered Person.

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