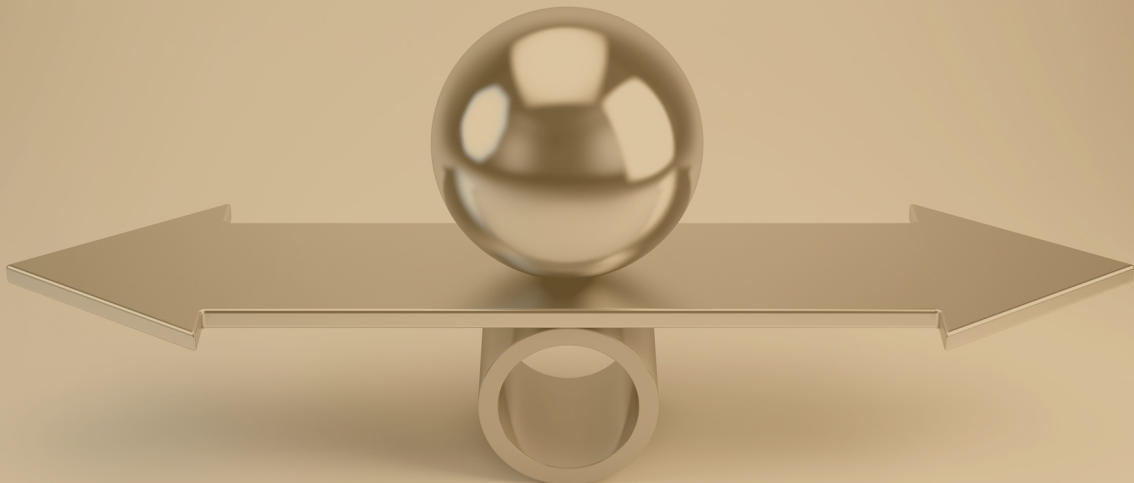


# B

## BICG

BALTIC INSTITUTE OF  
CORPORATE GOVERNANCE



BALTIC INSTITUTE  
OF CORPORATE  
GOVERNANCE

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# CONFLICT OF INTEREST POLICY

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# I. OVERVIEW

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## — 1. PURPOSE

The purpose of this Conflict of Interest Policy (the “Policy”) is to protect the interests of the BICG, when it is considering taking an action or entering into a transaction that might directly or indirectly benefit the private interests of the President and the Board members (the “BICG management”) instead of meeting the best interest of the BICG .

## — 2. WHY IS A POLICY NECESSARY?

BICG management is accountable to BICG’s members for responsible and proper use of its resources (assets) and for performing own obligations towards the BICG loyally, using its best knowledge and skills and with due diligence, arising from the nature of work. The BICG management has a duty to act in the BICG’s best interests and benefits and may not use its positions for its own financial or personal benefit.

Conflicts of interest must be taken very seriously, since they can damage the reputation of the BICG and expose both the BICG and affiliated individuals to direct legal liability if not handled appropriately. Even the appearance of a conflict of interest should be avoided, as it could undermine reputation of the BICG.

## — 3. TO WHOM DOES THE POLICY APPLY?

This policy applies to all members of the BICG management (the “key persons”).

## II. IDENTIFYING CONFLICTS OF INTEREST

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### — 1. WHAT IS A CONFLICT OF INTEREST?

A potential conflict of interest arises when key person or that person's relative (including parents, grandparents, uncles or aunts, siblings, cousins, children, grandchildren or the person with whom he/she lives and / or otherwise maintains a close relationship with), or business (a) stands to gain a financial benefit (or other benefits) from an action BICG takes or a transaction into which BICG enters; or (b) has another interest that impairs, or could be seen to impair, the independence or objectivity of the key person in discharging their duties to the BICG.

### — 2. WHAT ARE SOME EXAMPLES OF POTENTIAL CONFLICTS OF INTEREST?

It is impossible to list all the possible circumstances that could present conflicts of interest.

However, potential conflicts of interest include situations in which a key person or that person's relative or business:

- has an ownership or investment interest in any BICG's supplier, customer, partner, competitor or any other third party (the "third party") that the BICG deals with or is considering dealing with;
- serves on the Board of, participates in the management of (as an (co)owner, (co)founder, managing director, member of the supervisory or management board or other council), or is otherwise employed (authorised) by or volunteers with any third party that the BICG deals with or is considering dealing with;
- receives or may receive compensation or other benefits in connection with a transaction into which the BICG enters;
- receives or may receive personal gifts or loans from third parties dealing with the BICG;

- has a close personal or business relationship with a participant in a transaction being considered by the BICG;
- engages or intends to engage in any situation which is outside of the normal professional business relationships maintained in the ordinary course of business within the BICG, creates or is likely to create any link, direct or indirect financial or other interest, with the third party;
- would like to pursue a transaction being considered by the BICG for his/her direct or indirect personal benefit or participates otherwise in BICG's decision-making, as well as participates in decision-making negotiations, provides advice regarding decisions, adopting decisions and other similar actions where a matter for which the employee and / or close contact has (had or will have) any direct or indirect personal interest;
- does not inform about a situation where she/her has worked for a third party and / or has valid obligations regarding non-competition, non-disclosure of confidential information, etc.

### — 3.

In situations where you are uncertain, err on the side of caution and disclose the potential conflict as set forth in Section III of this policy.

### — 4.

A potential conflict is not necessarily a conflict of interest. A person has a conflict of interest only if the BICG Board decides, pursuant to Section IV of this policy, that a conflict of interest exists.

## III. DISCLOSING POTENTIAL CONFLICTS OF INTEREST

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### — 1.

You must disclose to the best of your knowledge all potential conflicts of interest as soon as you become aware of them and always before any actions involving the potential conflict are taken. Submit a written statement disclosing all the material facts to the Board of the BICG.


### — 2.

You must file an annual disclosure statement in the form attached to this policy not later than January 15<sup>th</sup> each year. **If you are a member of the BICG Board**, you must also file this statement prior to your initial election. Submit the form to the Chair of the Board of BICG.

## IV. DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS

### — 1.

After there has been disclosure of a potential conflict and after gathering any relevant information from the concerned key person, the Board of the BICG shall determine whether there is a conflict of interest. The key person shall not be present for deliberation or vote on the matter and must not attempt to influence improperly the determination of whether a conflict of interest exists.



## — 2.

In determining whether a conflict of interest exists, the Board of the BICG shall consider whether the potential conflict of interest would cause a transaction entered into by the BICG to raise questions of bias, inappropriate use of the assets, or any other impropriety.

## — 3.

A conflict always exists in the case of a **related party transaction** - a transaction, agreement or other arrangement in which a **related party** has a financial interest and in which the BICG is a participant.

# V. PROCEDURES FOR ADDRESSING A CONFLICT OF INTEREST

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## — 1.

When a matter involving a conflict of interest comes before the Board, the Board may seek information from the key person with the conflict prior to beginning deliberation and reaching a decision on the matter. However, a conflicted person shall not be present during the discussion or vote on the matter and must not attempt to influence improperly the deliberation or vote.

## — 2. **ADDITIONAL PROCEDURES FOR ADDRESSING RELATED PARTY TRANSACTIONS**

**a.** After good faith disclosure of the material facts by the key person, the BICG may not enter into a related party transaction, unless the Board of BICG determines that the transaction is fair, reasonable and in the best interest of the BICG at the time of such determination.

- b.** If the related party has a substantial financial interest, the Board of the BICG shall:
- i. prior to entering into the transaction, consider alternative transactions to the extent available;
  - ii. approve the transaction by a vote of not less than a majority of the Board members present at the meeting; and
  - iii. contemporaneously document in writing the basis for its approval, including its consideration of any alternative transactions.

## VI. MINUTES AND DOCUMENTATION

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### — 1.

The minutes of any Board meeting at which a matter involving a conflict of interest or potential conflict of interest was discussed or voted upon shall include:

- a.** the name of the interested party and the nature of the interest;
- b.** the decision as to whether the interest presented a conflict of interest;
- c.** any alternatives to a proposed contract or transaction considered by the Board;  
and
- d.** if the transaction was approved, the basis for the approval.

# VII. RIGHTS OF THE BOARD

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## — 1.

In case of the identified conflict of interest, the Board has the right to take the following decisions:

- a.** to oblige the person not to take part (participate) in the situation of the conflict of interest or to terminate all action that directly or indirectly causes or ought to cause conflict of interest;
- b.** to restrict certain information by technical means so that it cannot be accessed by the person in a conflict of interest situation and / or delete specific information from the person's computer or otherwise destroy the information. In making this decision, the Board must recommend specific types of information which must be restricted or deleted; or
- c.** to take any proportionate action that to be deemed as necessary to avoid conflict of interest.
- d.** [...].



# BALTIC INSTITUTE OF CORPORATE GOVERNANCE (THE "BICG") CONFLICT OF INTEREST DISCLOSURE POLICY

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**By signing below, I affirm that:**

1. I have received and read a copy of the Conflict of Interest Policy (the "Policy");
2. I agree to comply with the Policy;
3. I have no actual or potential direct or indirect conflicts as defined by the Policy or if I have, I have previously disclosed them as required by the Policy or am disclosing them below.

**Disclose here, to the best of your knowledge:**

1. Any entity (including but not limited to, BICG's supplier, customer, partner, competitor or any other third party) in (from/with) which you:
  - a. participate (as an (co)owner, (co)founder, member of the supervisory or management board or council, employee, authorised representative or member) with which the BICG has a relationship;
  - b. have other ownership or investment interest;
  - c. receive or may receive compensation or other benefits in connection with a transaction into which the BICG enters;
  - d. receives or may receive personal gifts or loans;
  - e. have a close personal or business relationship;
  - f. had worked and / or have valid obligations regarding non-competition, non-disclosure of confidential information, etc.
2. Engage or intent to engage in any situation which is outside of the normal professional business relationships maintained in the ordinary course of business within the BICG creates or is likely to create any link, direct or indirect financial or other interest, with the third party.
3. Would like to pursue a transaction being considered by the BICG for his/her direct or indirect personal benefit or participate otherwise in BICG's decision-making, as well as participates in decision-making negotiations, provides advice regarding decisions, adopting decisions and other similar actions where a matter for which the employee and / or close contact has (had or will have) any direct or indirect personal interest.
4. Any transaction in which the BICG is a participant as to which you might have a conflicting interest; and
5. Any other situation which may pose a conflict of interest.

By signing this Statement, I hereby certify that all the above information is true and correct. I undertake to notify the BICG immediately of any change in the Statements contained in the Statement.

Name: .....

Position: .....

Signature: .....

Date: .....

**Approved by the Board of BICG**

**2021 04 21**