

# Climate-KIC Conflicts of Interest and Gifts Policy for Employees



Last Update: May 2017

## 1. Why do we have a Conflicts of Interest and Gifts Policy?

- 1.1 Any company needs an ethical reference and because of our special public-private partnership and our unique construction in terms of governance, operations and resources, Climate-KIC needs to ensure that business ethics and integrity are structural attributes of our identity. Climate-KIC is committed to ensuring its decisions are fair and unbiased by the existence of conflicts of interest and in line with the principles of equal treatment, fair competition, transparency and non-discrimination.
- 1.2 This policy applies to each Climate-KIC employee (**Climate-KIC person**, collectively **Climate-KIC people**) and sets out guidelines and procedures for identifying, monitoring and managing actual and potential or perceived conflicts of interest.
- 1.3 For the avoidance of doubt (i) Climate-KIC people who are members of the executive board (**Executive Board**) of Climate-KIC Holding B.V. (**BVH**) are subject to this policy as well as the further terms and conditions set out in the BVH articles and bylaws and (ii) regardless of the guidelines and procedures set out herein, each Climate-KIC person shall have an overriding obligation to comply with applicable local laws and regulations at all times.
- 1.4 Climate-KIC people (i) acknowledge that high standards of ethical conduct and integrity by all those professionally involved in Climate-KIC activities are crucial for ensuring Climate-KIC's excellence and reputation and (ii) when performing any Climate-KIC activities, are under a duty to act in the best possible interests of Climate-KIC and its mission, independent of any academic, institutional, industrial, political or other specific interests. When making decisions, all Climate-KIC People must be alert to the possibility that they, or their colleagues, could be affected by a conflict of interest (actual, potential or perceived).

## 2. What is a conflict of interest? How to Identify Conflicts?

- 2.1 Although it is difficult to lay down prescriptive rules to cover every single eventuality, in general, a conflict of interest can be defined as a direct or indirect personal or non-Climate-KIC interest that conflicts with the interests of Climate-KIC and its business. A conflict of interest or potential or perceived conflict of interest in any event exists if Climate-KIC intends to enter into a transaction with a legal entity: (i) in which a Climate-KIC person personally has a material financial interest; (ii) which has a managing person who has a material family or personal relationship with a Climate-KIC person; or (iii) in which a Climate-KIC person has a managerial or supervisory position. Further guidance on the identification of any conflict of interest or potential or perceived conflict of interest, please see the questionnaire set out in Annex 1 hereto.
- 2.2 Actual and potential or perceived conflicts of interest cannot always be entirely avoided and their mere existence does not necessarily imply any wrongdoing. The intention of this policy is not to ban or sanction the holding of interests but to mitigate actual, potential and perceived conflicts of interest.
- 2.3 Each Climate-KIC person acknowledges the duty to immediately declare and disclose to Climate-KIC any actual or potential or perceived conflicts of interest that may arise, to recuse themselves from making conflicted decisions and/or to accept the Climate-KIC's mitigation strategies in accordance with this policy. Specifically, there is a duty (i) not to accept benefits from third parties and (ii) to disclose any interest in a proposed transaction or arrangement with a Climate-KIC group entity and a separate and independent duty to disclose any interest in an existing transaction or arrangement with a Climate-KIC

group entity (transactional conflicts). Further, there is a general duty to avoid conflicts of interest (situational conflicts) unless previously authorised in accordance with the terms of this policy. For the avoidance of doubt, any interest held by a Climate-KIC person in a partner (**partner** is to be defined as an entity who has entered into a partnership agreement with Climate-KIC Holding B.V.) shall be viewed as a disclosable interest with a third party.

### 3. What is the Procedure for Declaring Interests, Gifts and Hospitality?

- 3.1 As part of onboarding, each Climate-KIC person is required to complete a declaration of interests form:
- (a) listing any personal interests or positions that may potentially give rise to a conflict of interests;
  - (b) agreeing to declare any gifts or hospitality that they may receive in their capacity as a Climate-KIC Person the value of which is more than €75;
  - (c) confirming that they are not aware of any conflict, other than those already disclosed, that exists between their role and their personal circumstances or other interests;
  - (d) confirming that they will update the form annually, or sooner if any changes occur; and
  - (e) confirming that they will declare any conflict that arises in the future.
- 3.2 At least once in every 12-month period and when any material changes occur, each Climate-KIC person must review the information relating to him or her contained in the register of interests and declare that the information is correct or make a further declaration if necessary.
- 3.3 It is for the Climate-KIC person concerned to decide which matters to declare but, if in doubt, they should make a declaration.
- 3.4 As part of day to day work, before a Climate-KIC acts, omits to act or makes any other decision, he or she must ask themselves whether there are any conflicts associated with his or her actions, omissions or other decision making. If a Climate-KIC Person considers that he or she has an actual or potential conflict, he should inform HR or the company secretary (or if unavailable, the Executive Board or General Counsel) as soon as possible but no later than reasonably in advance of the point of time in which he or she is to act, omit to act or make a relevant decision which involves the conflict (for the avoidance of doubt, there must be enough time so that the act, omission or decision does not become inevitable).
- 3.5 If a Climate-KIC person considers that another Climate-KIC person or advisor has an actual or potential conflict that has not been declared, he or she should inform HR or the Company Secretary as soon as possible but no later than reasonably in advance of the point of time in which the other Climate-KIC person is to act, omit to act or make a relevant decision which involves the conflict (for the avoidance of doubt, there must be enough time so that the act, omission or decision does not become inevitable). Alternatively, such person may report another Climate-KIC person's actual or potential conflict of interest via the third party whistle blowing service. This service is currently provided by Expolink and is anonymous, free to call (or email) and confidential. Contact details can be found in Annex 2 hereto.
- 3.6 The information provided by Climate-KIC people will be processed in accordance with data protection principles as set out in the Data Protection Laws ("**Data Protection Laws**" shall mean Directive 95/46/EC

of the European Parliament and Directive 2002/58/EC (as amended by Directive 2006/24/EC and Directive 2009/136/EC), any local legislation implementing such Directives (including the Data Protection Act 1998)). Data will be processed only for the purposes set out in this policy and not for any other purpose.

#### **4. Maintaining the Register of Director Interests**

HR and the Company Secretary will be responsible for maintaining the register of interests, and will:

- (a) record in the register all conflicts, interests, gifts and hospitality declared;
- (b) note any mitigation agreed as per the Procedure for Managing Conflicts (see below); and
- (c) coordinate with the Executive Board and General Counsel as required.

#### **5. Procedure for Managing Conflicts**

5.1 For reported and declared conflicts, the Executive Board or those with delegated authority from the Executive Board will then:

- (a) assess the nature of the conflict;
- (b) assess the risk or threat to Climate-KIC decision-making;
- (c) decide whether the conflict is non-trivial (that is, it is material or has the potential to be detrimental to the conduct or decisions taken by the relevant Climate-KIC person); and
- (d) decide what steps to take to avoid or manage the conflict.

5.2 The conflicted Climate-KIC person must not take part in the discussion or decision.

5.3 The Executive Board or those with delegated authority from the Executive Board (absenting those who are themselves conflicted) will consider whether it is necessary to seek the advice of the General Counsel on whether the conflict is non-trivial and/or on how to manage the conflict declared.

5.4 The Executive Board or those with delegated authority from the Executive Board (absenting those who are themselves conflicted) consider that the conflict is non-trivial, such persons will determine what action is appropriate in light of the nature and extent of the conflict. A number of steps can be taken to deal with the conflict, including:

- (a) excluding the conflicted Climate-KIC person from discussions in relation to the matter to avoid inadvertently influencing the decision;
- (b) excluding the conflicted Climate-KIC person from decision-making in relation to the matter while the conflict exists;
- (c) delegating the conflicted Climate-KIC person's vote or authority on the matter on which he or she has a conflict to one of the non-conflicted Climate-KIC people;
- (d) delegating the matter to a sub-committee of non-conflicted Climate-KIC people;
- (e) seeking independent advice, for instance, a covenant review, to help with a decision;
- (f) appointing an alternative, non-conflicted Climate-KIC person;

- (g) appointing an independent Climate-KIC person (perhaps for a limited duration or restricted to a particular decision making process); and
  - (h) resignation of the conflicted Climate-KIC person where the conflict is acute or pervasive.
- 5.5 The Executive Board or those with delegated authority from the Executive Board (absenting those who are themselves conflicted) will inform the conflicted Climate-KIC person of their decision. If the matter is decided at an Executive Board meeting, the Company Secretary will note in the minutes of the meeting the conflict declared, an outline of the discussion and the actions taken to manage the conflict. If the matter is not decided at an Executive Board meeting, HR or the Company Secretary will note the actions taken as a file note to be stored with the conflicts of interest register.

## **6. Third Party Contracts and Business Conflicts, Advisor Approval**

- 6.1 In respect of existing third party arrangements (and the monitoring, management and amendment thereof), entry into new third party arrangements or the termination of any third party arrangements, each Climate-KIC person shall consider and declare any actual or potential conflict in accordance with the terms of this policy. For the avoidance of doubt, this extends to any interactions with partners.
- 6.2 Even in the absence of a conflict, in respect of third party advisors, each Climate-KIC person shall first (i) for actuarial, investment, consultancy, auditor and all other advisors (with the exception of legal), obtain Group CFO pre-approval and (ii) for legal advisors only, obtain General Counsel pre-approval. Each Climate-KIC person shall have an obligation to consider whether any advisor with whom they interact has any actual or potential conflict (and if there is a conflict, disclose it accordingly).
- 6.3 All advisors will be appointed under terms that include:
- (a) an obligation to inform Climate-KIC if any circumstances arise in which they are or may be conflicted;
  - (b) an obligation to address any conflicts that arise in the work they do for Climate-KIC; and
  - (c) a requirement to cease to act for Climate-KIC if a conflict arises.

## **7. Monitoring Compliance and Reviewing This Policy**

- 7.1 Any Climate-KIC person who becomes aware of a breach of this policy shall report it to HR or the Company Secretary as soon as possible. Alternatively, such person may report breach via the third party whistle blowing service (currently provided by Expolink). This service is anonymous, free to call (or email) and confidential. Contact details can be found in Annex 2 hereto.
- 7.2 This policy will be reviewed annually, or sooner if required.

## Annex 1 to Conflicts of Interest and Gifts Policy for Employees

### Declaration of Interest Questionnaire

This questionnaire is designed to assist Climate-KIC people identify any interest as well as any actual or potential or perceived conflict of interest.

It is important to remind all Climate-KIC people that it is not just other directorships, employment, work, advisory and/or paid positions they should consider. Please regard an “**interest**” as a very broad term that includes anything or any connection which could potentially divert a Climate-KIC person’s mind from giving sole consideration to promoting the success of Climate-KIC. A “**connected person**” is defined as a spouse, registered partner or other life companion, foster child, relatives by blood or marriage up to the second degree and/or any other person with whom you have a material family or personal relationship.

1. Are you (or a connected person) a director, employee, trustee, consultant, advisor, shareholder or otherwise involved with any company, entity, group or individual which is (directly or indirectly):

- a partner (or partner group member/Annex 5) (**partner**) organisation of Climate-KIC?
- a beneficiary (**beneficiary**) of EIT or other funding (or other support) as provided/facilitated by the Climate-KIC and/or partners?
- a funder, supplier, customer, competitor, banker/financier, distributor, agent, advisor, consultant or otherwise involved in any other material relationship with Climate-KIC, a partner and/or any beneficiary?
- in partnership, joint venture or otherwise involved with Climate-KIC, a partner and/or any beneficiary?

2. Does any external body with which you are (or any connected person is) associated with have any of the following relationships (direct or indirect) with Climate-KIC, a partner and/or any beneficiary?

- partner,
- beneficiary,
- funder,
- supplier,
- customer,
- competitor,
- banking/financing,
- distribution,
- agent,
- advisor,
- consultant, or
- any other material relationship

3. Are you associated with any advisor to Climate-KIC, partner or beneficiary?

Examples include:

- audit,
- tax,
- legal,
- banking,
- pensions or investments, or

- management and other consultancy
4. Are you a member of a committee, commission, agency or body (including the EC, related agencies and bodies and/or EIT) or do you have a material position with a regulator, any department of government, a trade body, a professional body or a charitable organization which has a material relationship with Climate-KIC?

Examples include where the relevant organisation:

- influences government policy,
  - influences standards or rules, or
  - is preparing guidance
6. Do you know of any other circumstances that could give rise to a potential or actual Conflict of Interest or duties?

### **Tips on using the Questionnaire**

To identify situational conflicts, Climate-KIC persons may find it helpful to ask themselves the following questions:

- (i) Is your role/connection with party ABC likely to prevent you, when acting for Climate-KIC, from giving sole consideration to the interests of Climate-KIC?
  - (ii) Is your role/connection with party ABC likely to involve consideration of actions that could be adverse to Climate-KIC's interests or to put you in a position where information that you know as a result of being at the Company would be relevant to the decision to be taken?
  - (iii) Are you part of the decision making process of party ABC?
  - (iv) Particularly in relation to any perceived conflict, what is the justification for Climate-KIC to authorise it?
  - (v) Do the interests of the two entities (party ABC and Climate-KIC) compete, either in their interests or in relation to strategic opportunities?
  - (vi) Would the activities undertaken in one role be likely to have a material impact on the other?
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## Annex 2 to Climate-KIC Conflicts of Interest and Gifts Policy for Employees

### Whistle Blower Scheme



- Expolink is independent to Climate-KIC and allows for directors and employees to make anonymous and confidential reports
- How to make a report

Web – <https://wrs.expolink.co.uk/climate-kic>

Email – [climate-kic@expolink.co.uk](mailto:climate-kic@expolink.co.uk)

Phone-

Germany: 0800 182 3246

Hungary: 06800 14863

Italy: 800 783776

Poland: 00800 442 1245

Spain: 900 944401

Switzerland: 0800 563823

The Netherlands: 0800 022 9026

United Kingdom: 0800 374 199

Please see list of toll free phone numbers below

<http://www.expolink.co.uk/whistleblowing-hotline/PDF/International-Freephone-listing.pdf>



## Declaration of Interest

### Annex 3 to Climate-KIC Conflicts of Interest and Gifts Policy for Employees

#### Declaration Form

In July 2017, we introduced an online Declaration of Interest form, please see link [here](#). All paper form Declaration Forms have now ceased, this means that if you have already filled out a paper form Declaration Form for 2017, please complete the online form. The request to fill out the online form takes place once a year and this is a compulsory requirement for all Climate-KIC staff. For new starters, a link will be sent as part of the onboarding process.

Any questions, please contact the Interest Declaration team at [interestdeclaration@climate-org.com](mailto:interestdeclaration@climate-org.com).



