

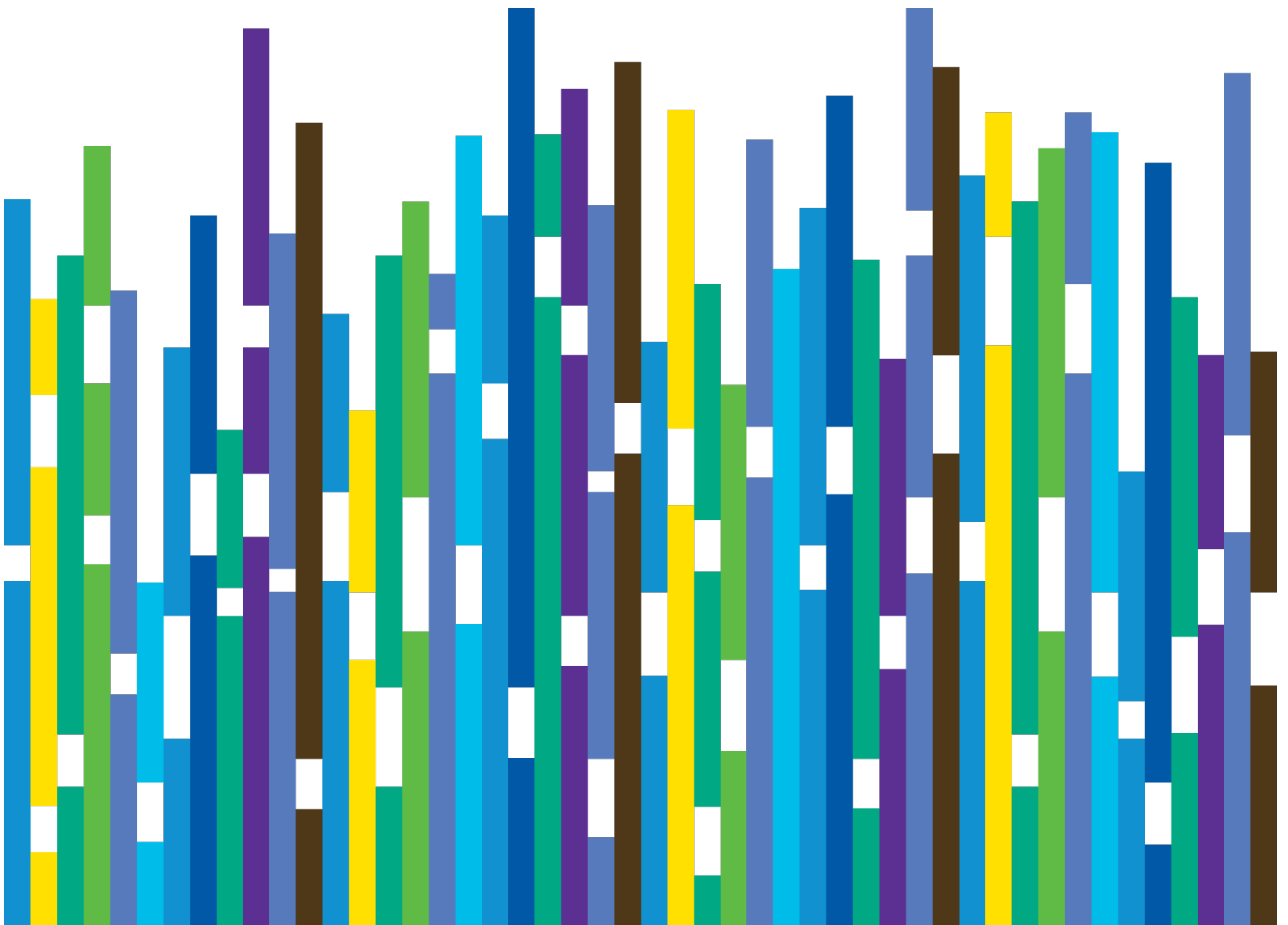
CONFLICT OF INTEREST POLICY

Global Risk & Compliance (RAC)

Policy Type – Critical

[Version 5.0]

[Approval Date: 31 August 2023]



CONFLICT OF INTEREST POLICY

Global Risk & Compliance (RAC)

Policy Owner:	Rene Beasley, Director, Global Risk & Compliance
Policy Approver:	Sheri Littlefield, Managing Director, Chief Legal Officer
Category:	Critical
Approval Date:	31 August 2023

This Policy has been developed and will be maintained in accordance with the CFA Institute [Policy Framework](#) and aligns with the [Enterprise Risk Appetite](#). [Policy Exceptions](#) will be granted in accordance with the Policy Framework.

Compliance with this Policy will be monitored. Failure to adhere to the policy may result in disciplinary action.

1.0 Policy Statement

Conflicts of interest in any organization are almost inevitable. What is important is to ensure there are well-defined criteria and related processes in place to manage any such conflicts (actual, potential, or perceived).

The Conflict-of-Interest Policy sets out obligations of the applicable stakeholders as it relates to conflicts of interest, its declaration and management. It is every employee's responsibility to identify actual, potential, or perceived conflicts of interest to uphold good corporate governance and organizational integrity.

2.0 Policy Purpose

Law/Regulation Name: The organization must remain compliant with global laws that address conflicts of interest, corruption, required disclosures, and other related laws wherever the organization operates and conducts business. Amongst the multiple laws that are applicable, these are the two key laws we want to highlight: U.S. Foreign Corrupt Practices Act (FCPA) and U.K. Bribery Act.

Business Risk Description: Conflicts of interest can compromise the organization's pursuit of mission and integrity. Conflicts if not managed properly could result in negative impacts to corporate culture and reputation, confidential information disclosure, steep fines, and legal recourse.

Other (Please List): CFA Institute recognizes that not all conflicts of interest are inherently problematic, and it is the policy of the organization to seek to identify and manage all actual and potential conflicts of interest with transparency and integrity.

3.0 Policy Scope

Area:

Global

Americas

APAC

EMEA

Office/Country (Please List): _____

Personnel Type:

Employees Contingent Workers Volunteers
 Board Members Other (Please List): _____

4.0 Policy Standards

While it may be difficult to describe every possible relationship, situation or circumstance that may pose or lead to a conflict with one's duty to CFA Institute, the spirit of this policy applies to any situation where an actual conflict, a potential conflict, or a perceived conflict may arise.

4.1 Definitions

Conflict of Interest

A conflict of interest occurs when an individual has a personal or outside (non-CFA Institute) interest that is substantial enough to affect a person's judgment or in any way interfere with his or her duty to act in the best interests of CFA Institute. An outside interest is considered a conflict when it:

- Affects a person's ability to make decisions based on what is best for CFA Institute;
- Affects a person's ability to be impartial and objective and/or
- Introduces personal or non-business issues into what should be a business decision.

There are three types of situations of conflict of interest, and irrespective of the situation faced by the employees, contingent workers, etc., we must ensure that transparency is always maintained:

- 1) Actual conflict – a situation/relation where an actual conflict is occurring,
- 2) Potential conflict – a situation/relationship where a particular relationship may, in the future or present, have a situation of conflict,
- 3) Perceived conflict – a situation where a relationship/circumstance may seem to have a conflict.

Disclosure

A disclosure on the CoI Declaration Form is required with the different situations as defined below.

Authorship & Production

A situation where employees who are considering authoring or producing articles, essays, books, videos, or other media content, including web content, relating to the finance industry and any other area for which CFA Institute offers products, services, or information and learning outside the scope of their duties at CFA Institute, whether the work is remunerated or performed gratis.

Other Employment

Secondary employment, including self-employment or other activities that will materially encroach on the time or attention which should be devoted to the employee's duties, adversely affect the quality of work performed, compete with

CFA Institute activities, imply sponsorship or support by CFA Institute of the outside employment or organization, or adversely affect the reputation of CFA Institute.

Oversight Positions

An opportunity to serve in an oversight capacity on or for the board of an industry-related or unrelated organization.

Personal Relationships

Personal relationships include family relationships, sexual relationships, very close friendships with other employees or member of the CFA Institute, that could inappropriately affect one's judgment or decision-making when performing responsibilities for CFA Institute.

Related Parties

Related parties are any of the family members, business partners, personal friends, or other close associates whom one has a relationship, financial interest, or otherwise, with any supplier, contractor, consultant, customer, competitor, or charitable recipient of CFA Institute.

Political Involvement

It is a situation where employees make political contributions within legal limits, unless such a contribution is otherwise prohibited by other policies of CFA Institute.

CFA Institute will not reimburse any employee for political contributions, and employees should not attempt to receive or facilitate such reimbursements. Generally, no contribution may be made with the expectation of favourable government treatment in return. Any political activity or contribution by an employee which might appear to be an endorsement or contribution by CFA Institute must be approved in advance by the General Counsel & Chief Legal Officer. Employees must not use CFA Institute resources to seek any public office and must not solicit contributions on CFA Institute property.

Contacting government agencies or legislative bodies and certain advertising and public relations activities may be considered lobbying and may have reporting or financial consequences for CFA Institute. The rules governing such activities are quite complex; please consult with Legal for guidance.

Society Involvement

CFA Institute employees may only serve on the committee of a CFA Institute Member Society in a liaison or advisory role and should not participate as a voting member or in other oversight roles. In addition, CFA Institute employees are not allowed to serve on the board of any CFA Institute Member Society, nor should any employee appoint or approve any representative to serve on a CFA Institute Member Society board.

Exam Program Participation

A situation wherein employees wishing to enroll in the CFA and CIPM Programs are required to request permission and receive approval from Exam Security prior to completing the enrolment process. Depending on the employee's position with CFA Institute, restrictions may be placed on network and building access, and a waiting period may be imposed. Some positions will not permit enrollment. Refer to the [CFA Program Conflicts of Interest Policy](#) for more information.

Other Disclosures

Other disclosures are situations that may require declaration; however, they do not fit within the ambit of the definition provided above. Any activities, interests, and associations in which personal interests or involvement could cause a conflict, or may reasonably appear to be a conflict, with the interests of CFA Institute should be considered in other disclosures.

4.2 Policy

CFA Institute should take all reasonable steps to identify conflicts that arise or may arise in the course of its business. When mitigation can be used to manage a conflict, CFA Institute will do so with transparency and documentation as well as with regular independent review. If mitigation is inadequate to manage a conflict, CFA Institute may choose to avoid or terminate the conflict.

If a conflict cannot be removed or its removal is not in the best interest of CFA Institute, it is permissible for the organization to move forward with such existing conflict. However, it is important that the Conflict is adequately disclosed (refer to [Col Declaration Form](#)) and managed with ongoing controls as well as with review and oversight of the adjudicating committee (refer to section 4.3 below).

Even if a person is certain that his or her judgment will not in any way be affected by an outside interest, if others might reasonably think the interest is substantial, the appearance of a conflict may exist which would require disclosure. No policy can possibly provide complete guidance; therefore, it is important to rely on one's good sense of what CFA Institute values call for. As employees, contingent workers, and other voluntary committee members, we owe a duty of loyalty and faithfulness to CFA Institute to advance its legitimate interests when the opportunity to do so arises and not to advance our own interests at the expense of CFA Institute. To maintain the highest degree of honesty, transparency, and integrity in conducting the business of CFA Institute, everyone must ethically handle any activities, interests, and associations in which personal interests could cause a conflict, or may reasonably appear to be a conflict, with the interests of CFA Institute. Refer to [Col Declaration Form](#).

International Conflict

As CFA Institute conducts business internationally, one needs to be mindful of the responsibilities of complying with the Foreign Corrupt Practices Act and the anti-bribery and anti-corruption laws of the countries in which CFA Institute conducts activities. Interacting with government officials presents unique challenges. The Foreign Corrupt Practices Act prohibits a U.S. corporation or person from making or offering a payment to a foreign government official in order to obtain or retain business. The Foreign Corrupt Practices Act also contains various recordkeeping provisions that need to be rigorously supported. Regardless of the interaction with these officials, one must always remember to reflect the mission and values of CFA Institute. Please refer to the [Policy on Interacting with Government Officials](#) for additional information. Any interaction with government officials must be done in consultation with Legal. In case a situation demands based on the legal provisions, Legal must approve such an interaction.

Corporate Opportunities

Employees, contingent workers, board members, and other voluntary committee members may not take for themselves corporate opportunities that are discovered using corporate property (including intellectual property), information, or position, nor may they use corporate and intellectual property, information, or position for personal gain. These are considered confidential corporate opportunities, and they belong to CFA Institute unless CFA Institute determines not to pursue them.

In addition, they may not engage in any activity that results in competition directly or indirectly with CFA Institute or could advance, or reasonably be expected to advance, the interests of a competitor. Everyone must make prompt and full disclosure in writing of any situation that may involve a conflict of interest, including the pursuit of a corporate opportunity.

4.3 Responsibilities

All employees, volunteers, and contingent workers of CFA Institute must act responsibly in conducting their duties to:

- Avoid transactions (business or financial) or relationships that conflict with the interests of CFA Institute or that divide one's loyalty to the organization;
- Act in good faith, using a degree of diligence, care and skill, which prudent people would use in similar positions and under similar circumstances thereby remaining loyal to and keeping the interests of the organization paramount to all other interests as part of this decision making;
- Bring any situation in which a conflict might arise or has arisen to the immediate attention of Global Risk & Compliance, who will then escalate the matter to the appropriate conflict of interest committee to adjudicate. Refer to the [Col Declaration Form](#).

Adjudicative Group

Conflicts of interest may not always be easy to define or clear-cut in determining. CFA Institute has, however, established a conflict-of-interest adjudicative group structure to have an oversight of the Conflict of interest declarations and addressing any escalation cases that may require sensitive approach, such cases may include but are not limited to confidential cases.

CFA Institute Board of Governors

It is the responsibility of individuals serving as Governors of CFA Institute to exercise a duty of loyalty by disclosing any activity or relationship that may have the appearance of or potential to be a conflict of interest. If CFA Institute makes the business decision, exercised with its best care, skill, and judgment, to accept the disclosed conflict of interest for the greater benefit of the organization, the onus is then on the Board of CFA Institute to mitigate and manage it with transparency and integrity. An appropriately managed conflict does not preclude one from serving on a Board, in most cases.

Additionally, the CFA Institute Board of Governors is responsible for ensuring that CFA Institute

- Adopts, implements, oversees, and enforces compliance with this policy, consistent with processes which set forth adjudicative roles for various types of conflicts of interest;
- Takes all reasonable steps to identify conflicts of interest that arise or may arise in the course of its business, and, if it so chooses, to move ahead in the case of a conflict where it has determined that moving forward is in the best interest of the organization and has disclosed such conflict;
- Maintains and operates effective organizational and administrative arrangements to prevent or mitigate conflicts of interest from constituting or giving rise to a material risk of damage to the interests of CFA Institute stakeholders;

- Maintains records of the kinds of service or activity carried out by or on behalf of the organization to address any conflicts of interest causing a material risk of damage to the interests of CFA Institute;
- Reports any situation in which arrangements made by management in the oversight of conflicts of interest, or waivers sought to such policy (including those involving related parties the), are appropriately deliberated and concluded upon by the Governance Committee of the Board; as per the charter and the Board of Governors ultimately approves mitigations/Exceptions to the policy. Throughout the year governors disclose new/changing external board commitments/employment changes to the Chief Legal Officer and the Corporate Secretary/ Head, Governance.
- Requires that prior to the initial election of any Governor, and annually thereafter, Governors must affirm that they have received a copy of the conflict of interest policy, have read and understood the policy, agreed to comply with the policy, complete, sign, and submit the policy and include where applicable a written statement identifying any potential conflict to be sent to the [Governance team](#). The annual Col disclosure collection is handled by the Head, Governance.

5.0 Additional / Related Information

[Anti-Corruption Policy](#)

[The Benchmark – CFA Institute Code of Conduct](#)

[Gift & Entertainment Policy](#)

[Open Reporting \(Policy of Raising Concern\)](#)

[Enterprise Risk and Compliance Policy](#)

[Col Declaration Form](#)

[CFA Program Conflicts of Interest Policy](#)

[CFA Institute’s Policy on Interacting with Government officials](#)

6.0 Revision History

Date	Revision No.	Modification	Updated by	Section(s)
12/17/2015	1.0	Original policy approved by the Audit and Risk Committee	Emily Grymes	All
12/16/2022	4.2	Updated to reflect new RAC naming convention	Michelle Alexander	All
08/15/2023	4.3	Annual policy renewal	Sachin Mane	All