

Conflict of Interest Policy

As of April 14, 2021

I. Purpose

The purpose of the conflict-of-interest policy is to protect the neutrality and interests of IHE-Europe when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of IHE-Europe or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable laws governing conflict of interest for nonprofit organisations under Belgian Law.

II. Definitions

II.1. Interested Person

Any member of the Executive Committee, principal officer, director, staff or member or Chair of a Committee with delegated powers, or an IHE-Europe representative to external bodies who has a direct or indirect financial interest, as defined below, is an interested person.

II.2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a) An ownership or investment interest providing a substantial influence on the management of the concerned entity and/or the appointment of one or more directors of this entity,
- b) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which IHE-Europe is negotiating a transaction or arrangement, or
- c) A compensation arrangement with IHE-Europe or with any entity or individual with which IHE-Europe has a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under III.2., a person who has a financial interest may have a conflict of interest only if the Executive Committee decides that a conflict of interest exists.

III. Procedures

III.1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the members of the Executive Committee considering the proposed transaction or arrangement.

III.2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Executive Committee meeting while the determination of a conflict of interest is discussed and voted upon. The (remaining) Executive Committee members shall decide unanimously if a conflict of interest exists. If the Executive Committee does not agree unanimously on the topic, the Executive Committee shall defer the decision to a simple majority vote of the Steering Committee.

III.3. Procedures for Addressing the Potential Conflict of Interest

An interested person submits a memorandum outlining the potential conflict of interest to the Executive Committee according to III.1. The interested person may be required to present at the Executive Committee meeting.

The Executive Committee may, if appropriate, appoint a disinterested person or Task Force to investigate this matter before making a decision. Then the Executive Committee will make a final decision according to III.2 or will record its inability to come to a unanimous decision. Such decision may contain guidance or appropriate corrective actions in consideration of Annex A, "Guidance Applicable to Corrective Actions". The Executive Committee will then inform the Steering Committee about the outcome of the resolution of the potential conflict of interest.

In the case that the Executive Committee has come to a unanimous decision, the Steering Committee may object the decision.

In the case that the Executive Committee has not come to a unanimous decision, the Steering Committee shall either decide by simple majority or determine the next steps needed for resolution whether or not a conflict of interest exists.

In the case that a conflict of interest has been determined by the Steering Committee, the later shall decide on appropriate corrective actions in consideration of Annex A, "Guidance Applicable to Corrective Actions".

III.4. Violations of the Conflicts of Interest Policy

If the Executive Committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the Executive Committee determines that he/she has failed to disclose an actual or possible conflict of interest, it shall suggest to the Steering Committee corrective action and then the Steering Committee will take appropriate corrective action.

IV. Records of Proceedings

The minutes of the Executive Committee and Steering Committee shall contain:

- a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, and any action taken as outlined in Article III.
- b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

The Executive Committee and Steering Committee will consider the above information confidential and this information will not be disclosed to the public.

V. Statement of Acknowledgement

Each director, principal officer and member or Chair of a Committee with delegated powers shall sign at the beginning of the mandate/contract a statement which affirms such person:

- a) Has received a copy of the conflict of interest policy,
- b) Has read and understand the policy,
- c) Has agreed to comply with the policy, and
- d) Understands IHE-Europe is a non-for-profit organisation.

VI. Periodic Reviews

To ensure IHE-Europe operates in a manner consistent with charitable non-for-profit purposes and does not engage in activities that could jeopardize its neutrality, periodic reviews shall be conducted by the Quality and Security Manager. The periodic reviews shall, at a minimum, include the following subjects:

- a) Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b) Whether partnerships, joint ventures, and arrangements with management organisations conform to IHE-Europe's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

VII. Use of Outside Experts

When conducting the periodic reviews as provided for in Article VI, IHE-Europe may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Executive Committee of its responsibility for ensuring periodic reviews are conducted.

Annex A: Guidance Applicable to Corrective Actions

Compensation

A voting member of the Executive Committee who receives compensation, directly or indirectly, from IHE-Europe for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from IHE-Europe for services is precluded from voting on matters pertaining to that member's compensation.

Members of any Committee without voting rights whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from IHE-Europe, either individually or collectively, are not obliged to provide information to any committee regarding compensation.

Rules Applicable to Paid Staff

Paid staff is defined as any person in the IHE-Europe organisation who has a contract for rendering operational services with the organisation. The following rules apply to paid staff in IHE-Europe. The list below is non-exhaustive and may be revised periodically by the Executive Committee.

- a) Paid staff should not be the Chair or Deputy Chair of any Committee or the IHE-Europe organisation. Any exceptions of this rule must be suggested by the Executive Committee to the Steering Committee and approved by the Steering Committee.
- b) Paid staff has no voting rights in their own committee.
- c) Paid staff has no voting rights in the Steering Committee, unless they also represent an IHE-Europe member in which case they vote according to the IHE-Europe member voting rights they represent.
- d) In case a paid staff has voting rights in the Steering Committee, the staff has to abstain in voting procedures on topics that influence their own committee or own performance.
 - a. This will be clearly noted in the meeting's minutes, e.g. "Mr./Ms. XXXXXXXX in his/her capacity of YYYYYYYY (e.g. EU-Affairs Committee Chair) declares to have a conflict of interest, either actual, perceived or potential, concerning the matter under discussion and therefore Mr./Ms. XXXXXXXX will abstain from voting."
- e) Paid staff cannot be elected for any Chair, Co-Chair or Financial Officer position (unless resigning the paid function immediately after being elected).
- f) In case of instances of conflict of interest that cannot be resolved, this person shall abstain from voting and it will be clearly noted in the meeting's minutes. For example: "Mr./Ms. XXXXXXXX in his/her capacity of YYYYYYYY declares to have conflict of interest, either actual, perceived or potential, concerning the matter under discussion and therefore Mr./Ms. XXXXXXXX will abstain from voting."

- g) The Financial Manager cannot be a Director or Chair of a Committee, and viceversa.
- h) Paid staff, with the exception of the Financial Manager, may act as paid staff in other roles within the organisation (e.g., Director of another Committee).