



# POLICY STATEMENT CONFLICT OF INTEREST

It is in the best interest of Petroleum Industry Data Exchange, Inc. (PIDX) to be aware of and properly manage all conflicts of interest and appearances of a conflict of interest. This conflict of interest policy is designed to help directors, officers, employees and executives (members of the Executive Committee) of PIDX identify situations that present potential conflicts of interest and to provide PIDX with a procedure to appropriately manage conflicts in accordance with legal requirements and the goals of accountability and transparency in PIDX's operations.

1. **Conflict of Interest Defined.** In this policy, a person with a conflict of interest is referred to as an "Interested Person." For purposes of this policy, the following circumstances shall be deemed to create a Conflict of Interest:
  - a. A Specified Individual or his or her employer is a party to a Contract or Transaction with PIDX for the purchase or sale of goods or services.
  - b. A Specified Individual or his or her employer has a Material Financial Interest in a Transaction between PIDX and an entity in which such Specified Individual or his or her employer is also a director, officer, agent, partner, associate, employee, trustee, personal representative, receiver, guardian, custodian, or other legal representative.
  - c. A Specified Individual is engaged in some capacity or has a Material Financial Interest in a business or enterprise that competes with PIDX.

Other situations may create the *appearance of a conflict*, or present a *duality of interests* in connection with a person who has influence over the activities or finances of PIDX. All such circumstances should be disclosed to the board or Chief Executive Officer, as appropriate, and a decision made as to what course of action the organization or individuals should take so that the best interests of PIDX are not compromised by the personal interests of stakeholders in PIDX.

Gifts, Gratuities and Entertainment. Accepting gifts, entertainment or other favors from individuals or entities can also result in a conflict or duality of interest when the party providing the gift/entertainment/favor does so under circumstances where it might be inferred that such action was intended to influence or possibly would influence the interested person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of PIDX and which are not repeated on a regular basis.

2. **Definitions.**
  - a. A "**Conflict of Interest**" is any circumstance described in Part 1 of this Policy.
  - b. An "**Interested Person**" is any person serving as an officer, employee, committee chair, or member of the Board of Directors or Executive Committee of PIDX who has a Conflict of Interest with PIDX.
  - c. A "**Family Member**" is a spouse, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of an Interested Person.
  - d. A "**Material Financial Interest**" in an entity or a transaction is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect an Interested Person's or Family Member's judgment with respect to transactions to which the entity or Interested Person is a party.

# POLICY STATEMENT CONFLICT OF INTEREST

- e. A “**Contract or Transaction**” is any agreement or relationship involving the sale or purchase of goods or services, the providing or receipt of a loan, the establishment of any other type of financial relationship, or the exercise of control over another organization. The making of a gift, contribution, sponsorship of events, or payment of billed member dues to PIDX is not a Contract or Transaction for the purposes of this Policy.
- f. A “**Specified Individual(s)**” is an individual serving as a director, officer, employee, committee chair or member of the Board of Directors or Executive Committee of PIDX.

### 3. **Procedures.**

- a. Prior to board or committee action on a Contract or Transaction involving a Conflict of Interest, a director or committee member who is an Interested Person and who is, or reasonably may be perceived as being, in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting. If board members are aware that staff or other executives have a conflict of interest, relevant facts should be disclosed by the board member or by the Interested Person him/herself if invited to the board meeting as a guest for purposes of disclosure.
- b. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person is, or reasonably may be perceived as being, an Interested Person shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- c. An Interested Person shall not participate in or be permitted to hear the board’s or committee’s discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- d. An Interested Person with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote.
- e. The Interested Person may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken. Such person’s ineligibility to vote shall be reflected in the minutes of the meeting.
- f. Interested Persons who are not members of the Board of Directors of PIDX, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board or committee action, shall disclose to their supervisor, the CEO, Vice President, or the CEO’s designee, any Conflict of Interest that such Interested Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Interested Person. The Interested Person shall refrain from any action that may affect PIDX’s participation in such Contract or Transaction.
- g. Any individual who is aware of a potential Conflict of Interest shall report it to the CEO, Vice President or the CEO’s designee regardless of whether they are party to the transaction.



# POLICY STATEMENT CONFLICT OF INTEREST

Even in the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to his or her supervisor within PIDX, the CEO or the CEO's designee, who shall retain a confidential file of reported issues, and determine whether full board discussion is warranted or whether there exists a Conflict of Interest that is subject to this policy.

4. **Confidentiality.** Each director, officer, employee, committee chair or member of the Board of Directors or Executive Committee shall exercise care not to disclose confidential information acquired in connection with disclosures of conflicts of interest or potential conflicts, which might be adverse to the interests of PIDX. Furthermore, directors, officers, employees and executives shall not disclose or use information relating to the business of PIDX for their personal profit or advantage or the personal profit or advantage of their Family Member(s).
5. **Review of policy.**
  - a. Each new director, officer, employee, committee chair or member of the Board of Directors or Executive Committee shall be provided with and asked to review a copy of this Policy and to acknowledge in writing that he or she has done so. A controlled file of the Acknowledgements shall be retained by the CEO.
  - b. Annually each director, officer, employee, committee chair or member of the Board of Directors or Executive Committee shall complete a disclosure form identifying any relationships, positions or circumstances in which s/he is involved that he or she believes could contribute to a Conflict of Interest. Such relationships, positions or circumstances might include service as a director of or consultant to another nonprofit organization, or ownership of a business that might provide goods or services to PIDX. Any such information regarding the business interests of a director, officer, employee or executive, or a Family Member thereof, shall be treated as confidential and shall generally be made available only to the CEO and the Board or any Board committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy. The CEO will forward the Disclosure Form (see attached) by March 31<sup>st</sup> of each year, and upon receipt of response forward any responses requiring evaluation to PIDX outside counsel for evaluation. Any exceptions will be reviewed by the Board at the next meeting, unless response requires immediate action, and the Board will determine the action to be taken as provided in paragraph 1 above.
  - c. This policy shall be reviewed annually by the Board of Directors. Any changes to the policy shall be communicated to all officers, employees and executives.



# CONFLICT OF INTEREST DISCLOSURE FORM

Date:

Name:

Position (director/employee/officer/committee chair/executive committee member):

A conflict of Interest, or an appearance of a conflict of interest, can arise whenever a transaction, or an action, of Petroleum Industry Data Exchange, Inc. (PIDX) conflicts with the personal interests, financial or otherwise, of that of a board member, Executive Committee member, officer, committee chair or employee, or an immediate family member or their respective employers (collectively "your personal Interests").

Please describe below any relationships, transactions, positions you hold (volunteer or otherwise), or circumstances that you believe could contribute to a conflict of interest between PIDX and your personal interests, financial or otherwise:

I have no conflict of interest to report

I have the following possible conflict of interest to report:

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, the PIDX Conflict of Interest Policy.

Signature:

Date: