

GNI Conflict of Interest Policy



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Article 1 Purpose

The purpose of this Conflict of Interest Policy is to protect the interests of the Global Network Initiative (GNI) by seeking to avoid any real or apparent conflicts of interest when it is contemplating entering into any transaction or arrangement, or taking any formal decision, that might benefit the private interest of a member of the Board of Directors of GNI (Director), an officer or staff member of GNI (Officer or Staff Member) or a participant of GNI (Participant). This policy is intended to supplement, but not replace, any applicable state or federal laws governing fiduciary duties for nonprofit charitable organizations.

Article 2 Definitions

- Conflict of interest

For the purposes of this policy, a conflict of interest arises when an interested person's ability to exercise judgment in the interest of GNI as a whole is impaired due to such person's financial interest or other disclosable relationship.

A financial interest or other disclosable relationship is not necessarily a conflict of interest, although it may present the appearance of a conflict to a reasonable third party that could harm the reputation of the GNI. Under Article 3, Section 2, the board, or a designated board committee will be responsible for evaluating the potential conflict and determining an appropriate course of action.

- Interested person - Any Director, Officer or Staff Member, or Participant, is an interested person. For purposes of this policy, the term "person" includes both natural persons and legal entities. Individuals representing legal entities have an obligation to consider conflicts of interest raised by the legal entity, regardless of whether the individual has a personal conflict.

- Financial interest

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

- an ownership, investment interest or compensation arrangement with GNI, any GNI member, or any entity with which GNI has a financial transaction or arrangement
- a present or potential ownership or investment interest in or compensation arrangement with any entity or individual or entity with which GNI is negotiating a transaction or arrangement.
- A financial interest would include organizations within GNI approaching the same entities as GNI for specific grant monies when a call for proposals

from particular Foundations has been made. It does not include more general discussions regarding funding that many NGO and academic members of GNI will be engaged in.

- Individuals associated with a member organization (for example an employee) do not have an inherent conflict if they are participating on behalf of that member when GNI activities or discussions may affect the member. These individuals do have an obligation to disclose any potential conflicts presented by the member organization that would not otherwise be known to the board.
- Other disclosable relationships

A person has an other disclosable relationship if:

- such person has an immediate family member who is, or is being considered to become, an employee or independent contractor of GNI, or a GNI member; or
- such person is an immediate family member of any other interested person; or
- such person and any other interested person are employees of the same person or entity; or
- such person, either directly or indirectly through an entity in which he or she has an ownership or financially material interest (meaning either employment or an investment that is financially material to the person), has a proposed or current transaction or arrangement with another interested person; or
- such person and any other interested person are each a director, trustee, officer, or greater than 5% owner in the same entity.
- such person is acting in an advisory role or capacity for a participant organization
- such person is hired by GNI to carry out work for GNI
- such person is currently engaged in discussions that would create any of the above disclosable relationships

Article 3 Procedure

1. Duty to disclose

In connection with any actual or possible conflict of interest, an interested person must immediately disclose to the Board or Board committee with delegated Board power the existence and nature of his or her financial interest or other disclosable relationship giving rise to such conflict of interest. If a person is uncertain if his or her interest constitutes a financial interest or other disclosable relationship under this policy, he or she shall disclose such a possible financial interest or other disclosable relationship to the Board or Board committee with delegated Board power.

- All newly appointed or elected Board members, Officers or Staff Members, or Participants shall:
 - upon assumption of their duties or membership, disclose all existing financial interests (as defined by this policy) or other disclosable relationships; and
 - if a new financial interest or other disclosable relationship develops, immediately disclose to the Board or the Board committee with delegated Board power such financial interest or other disclosable relationship.
- A Director, Officer or Staff Member, or Participant must disclose, on at least an annual basis, all other disclosable relationships.

2. Determining whether a conflict of interest exists

After an interested person has disclosed the existence of a financial interest or other disclosable relationship, or a possible financial interest or other disclosable relationship, to the Board of Directors or the Board committee with delegated Board power, the Board or Board committee with delegated Board power shall determine whether a conflict of interest exists, or whether the appearance of a conflict of interest is presented that would justify further action. If the interested person is a Board member, then such interested person shall not participate in the discussion of or decision whether such financial interest or other disclosable relationship gives rise to a conflict of interest, or the appearance of a conflict of interest.

In determining whether a conflict exists, the Board shall work on a case-by-case basis.

3. Procedures for Addressing the Conflict of Interest

No interested person shall take part in any discussion, decision, or vote in which such interested person may impermissibly benefit, as determined by the Board.

After exercising due diligence, the Board or Board committee with delegated Board power, excluding any Directors with a conflict of interest, shall determine whether any contemplated decisions have been tainted by the conflict of interest, or would raise the appearance of a conflict of interest, and whether GNI can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or Board committee with delegated Board power shall determine by a majority vote of the non-conflicted Directors whether the transaction, arrangement or decision is in GNI's best interest, for its own benefit, and whether it is fair and reasonable.

In conformity with the above determinations, the Board or Board committee with delegated Board power, excluding any conflicted Directors, shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest policy

If the Board or Board committee with delegated Board power has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts

of interest, it shall inform the interested person of the basis for such a belief and afford him or her an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the interested person and making further investigation as may be warranted in the circumstances, the Board or Board committee with delegated Board power determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, the Board or Board committee with delegated power shall take appropriate disciplinary and corrective action to protect GNI. In serious cases this could result in members being asked to leave GNI.

Article 4

Record of the proceedings

The minutes of the Board or the Board committee with delegated Board power shall contain:

- the names of the persons who disclosed or otherwise were found to have a financial interest or other disclosable relationship in connection with an actual or possible conflict of interest, the nature of the financial interest or other disclosable relationship, and any action taken to determine whether a conflict of interest was present; and
- the names of the persons who were present for discussions and votes relating to the transaction, arrangement or decision and the content of the discussion including any alternatives to the proposed transaction, arrangement or decision and a record of any votes taken in connection to the conflict of interest.
- The Board Chair shall present a summary of these records to the full Board on an annual basis, and at any meeting where discussions or relevant votes will be taken.

Article 5

Annual Statements

Each interested person shall annually sign a statement that affirms that such person:

- has received a copy of this policy;
- has read and understands this policy;
- has agreed to comply with the policy;
- understands that GNI is a charitable organization and that in order to maintain its federal tax exemption and the trust of the public it must diligently avoid conflicts of interest or the appearance of any conflict, and must engage primarily in activities that accomplish one or more of its tax-exempt purposes; and
- will disclose any financial interest or other disclosable relationships which may present or contribute to a conflict of interest.

This policy shall be reviewed annually for the information and guidance of interested persons. Any new interested person shall be advised of this policy upon becoming an interested person and shall file an annual statement as set out above.

Global Network Initiative

Annual Conflict of Interest Disclosure statement for all Directors, Officers or Staff Members, and Participants



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I hereby affirm that I:

- have received a copy of the GNI conflict of interest policy
- have read and understood the policy
- agree to comply with the policy
- understand that GNI is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or most of its tax exempt purposes
- will disclose any relationships positions or circumstances that may present or contribute to a conflict of interest as defined in GNI's conflict of interest policy

Name:

Signed:

Date: