



**Conflict of Interest (COI) Policy
Board Members/Staff/Contractors**

**Ver 1.0
Date 08/2021**

ARTICLE I Conflict of Interest Statement (COI) Policy

The purpose of the conflict of interest policy is to protect the interest of Universal Water Offset Unit Private Limited (UWR or Organization) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director or an advisor within the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and central laws governing conflict of interest applicable to the Organization.

The Universal Water Registry (UWR) Standard and Platform (UWR RoU Standard or Programme) is owned and managed by Universal Water Offset Unit Private Limited - an independent private limited company registered in India.

ARTICLE II Definitions

Interested Person. Any director, principal officer, employee or member of a committee/board/team with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

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 in any entity with which the Organization has a transaction or arrangement;
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement; or
- c. A potential ownership, membership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Interested Party: An interested party is an entity who is or will likely be seeking approval from the Programme's framework or is or will likely be seeking business from the Programme.

Compensation includes direct and indirect remuneration as well as gifts or favours that are not insubstantial. **A financial interest is not necessarily a conflict of interest.** Under Article IV, a person who has a financial interest may have a conflict of interest **only if the appropriate governing board or committee decides that a COI exists.**

ARTICLE III Staff/Employees

Staff or Employees or Advisors have an ethical obligation to act in the best interests of the Programme and its stakeholders and to avoid any potential conflicts of interest. A conflict of interest is a situation in which an employee's personal or economic interests interfere with, or appear to interfere with, the employee's ability to carry out his or her duties and responsibilities for the Programme or its stakeholders, or one in which an employee may gain a personal or economic advantage at the expense of the Programme or its stakeholders. Conflicts of interest can arise in dealings with any individual or entity with whom or with which the Programme conducts business, especially those entities seeking approval for activities that are applying for certification under the Programme or are seeking business from the Programme.

Common areas of potential conflicts of interest include, but are not limited to, personal investments, outside employment, outside board membership, business opportunities found through employment at the Programme or personal relationships at work.

The Programme recognizes that employees may take part in legitimate financial, business and other activities outside their jobs. The Programme further recognizes that employees may have spouses or other immediate family members who are employed by entities with which the Programme conducts business. These situations do not necessarily create a conflict of interest. Staff or Employees must make their best determination as to whether a certain situation (e.g., acceptance of a gift) poses a conflict of interest and proceed accordingly, including, as appropriate, disclosing any such activities or relationships to the Board or Program Heads, so that the situation can be assessed for any possible conflicts. Violation of this policy may result in disciplinary action, up to and including termination of employment. Employees who engage in and fail to resolve a conflict of interest and/or fail to report a possible conflict of interest may be disciplined, up to and including termination of employment.

Situations That May Pose a Conflict of Interest

The following examples help illustrate circumstances where a Programme employee may encounter a conflict of interest and circumstances that would not constitute conflicts of interest.

- 1) Being asked for advice on developing a “project” that would monetize the RoUs it produces. Can the employee provide such advice?
→ You can provide such advice, but only to the same extent the Programme would provide support to a Project Proponent or Developer, meaning that under no circumstances can an employee offer any guarantee on registration and issuances (e.g. timelines, internal procedures etc), or invest in the documentation preparation fee or auditing process fees for such a “project” or buy and retire its RoUs, other than to offset his or her own personal emissions.
- 2) At a seminar/workshop/conference/retreat, I am invited to or part of a large meeting dinner or lunch where we discuss work-related issues and those at the meal have an interest in working with the Programme and the bill is paid by the organiser, can I accept it?
→ If paying your way is impractical or could appear impolite, you may accept the meal.

Field trips paid for by third parties **do not pose a conflict of interest** since they are designed to help with project registration and/or implementation.

ARTICLE IV Procedures

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 directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

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 governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

Procedures for Addressing the Conflict of Interest.

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, **if appropriate**, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Organization 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.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

ARTICLE V Personal Investments

No employee or member may invest in, develop, buy, sell or retire any form of RoUs except for the purpose of offsetting their own personal or family water footprint. This requirement is not applicable to investments in Digital assets and distributed ledger technologies (blockchain RoU token plays) and third-party decentralized exchanges related to real world asset (RWA) altcoins or value digital tokens using RoUs.

ARTICLE VI Honorariums

The Programme employees from time to time may be invited to speak at conferences or seminars, or offered writing or reviewing assignments, and may be offered honorariums for such engagements. Provided the entity making such payments is not seeking approval from the Programme and has no pending decisions awaiting the Programme's action, such honorariums do not constitute a conflict of interest and can be accepted.

ARTICLE VII Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy;
2. Has read and understands the policy;
3. Has agreed to comply with the policy; and
4. Understands the Organization's objective in engaging primarily in activities which accomplish one or more of its purposes

Violations of the Conflicts of Interest Policy.

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action to avoid, mitigate or neutralize the potential or actual conflict of interest.