



# 2019 Conflicts of Interest Report

## **Conflict of Interest Requirements and Code of Business Conduct**

The policies, principles, and procedures related to Conflict of Interest Requirements described in Section 5.7 of the usTLD Rebid Proposal (“Proposal”) remain fully in effect. No changes have been made to the policies and procedures described in Section 5.7 of the Proposal and there are no major events or issues to report related to the Conflict of Interest Requirements.

The Code of Business Conduct referenced and summarized in the proposal remains in effect for all Registry Services employees and is publically available at <https://www.about.us/policies/ustld-registry-operator-code-of-conduct>.

## **Conflicts of Interest Involving the usTLD Stakeholder Council**

Registry Services has implemented the usTLD Stakeholder Council Conflicts of Interest Policy for all members of the usTLD Stakeholder Council. A copy of the Conflicts of Interest Policy is published on the Stakeholder Council Website and provided to each councilor. At the beginning of their terms, each Councilor is required to complete a Statement of Interest that included providing a signature certifying compliance with the usTLD Stakeholder Council Conflicts of Interest Policy. In completing their statements of interest all councilors certified compliance with the usTLD Stakeholder Council Conflicts of Interest Policy.

Registry Services identified two employees who currently work directly with the usTLD Stakeholder Council including participation on calls, or involvement in other Council activities: Kristin Johnson and Crystal Peterson. Each of these employees have completed a certification of compliance with the usTLD Stakeholder Council Conflicts of Interest Policy.

Registry Services will continue to require Statements of Interest, including a certification of compliance with the usTLD Stakeholder Council Conflicts of Interest Policy, for any new members that join the usTLD Stakeholder Council or for any new employees that are assigned to work directly with the usTLD Stakeholder Council.

An updated version of the usTLD Stakeholder Council Conflicts of Interest Policy has been incorporated herein.



## usTLD Stakeholder Council Conflicts of Interest Policy

### Article I: Purpose and Administration

#### Section 1.1

The purpose of the Conflicts of Interest Policy (the “Policy”) is to ensure the integrity and independence of the usTLD Stakeholder Council (the “Stakeholder Council”) and to ensure that the deliberations, decisions, and work product of the Stakeholder Council are objective, fair, and made in the interests of the usTLD community and the global Internet community as a whole.

#### Section 1.2

No member of the Stakeholder Council, nor any person engaged by or on behalf of the Stakeholder Council to provide services to the Stakeholder Council (a “Covered Person”) may use his or her position with respect to the Stakeholder Council, or confidential corporate information obtained by him or her relating to the usTLD or the Registry Operator for the usTLD, in order to achieve a financial benefit for himself or herself or for a third person, including another nonprofit or charitable organization.

#### Section 1.3

This Policy is intended to supplement but not to replace any applicable laws governing conflicts of interest.

#### Section 1.4

The Chair of the Stakeholder Council shall administer and monitor compliance with this Policy, except with respect to a Potential Conflict of Interest involving the Chair, in which the Vice Chair of the Stakeholder Council shall administer and monitor compliance.

### Article II: Definitions

As used in this Policy, the following terms shall have the meanings set forth below.

A “CONFLICT OF INTEREST” arises when the Stakeholder Council, following the procedures set forth in this Policy, determines that a Covered Person has a Potential Conflict that may in the judgment of a majority of the disinterested members of the Stakeholder Council, adversely impact the Covered Person’s ability to act fairly and independently and in a manner that furthers the independence, integrity, fairness, and objectivity of the work of the Stakeholder Council.



A “CLOSE PERSONAL RELATIONSHIP” means any relationship other than kinship, spousal or spousal equivalent that establishes a significant personal bond between the Covered Person and such other individual that in the judgment of the Stakeholder Council could impair the Covered Person’s ability to act fairly and independently and in a manner that furthers, or is not opposed to, the best interests of the Stakeholder Council and the usTLD.

The “FAMILY” of any Covered Person shall include the Covered Person’s spouse; domestic partner; siblings and their spouses or domestic partners; ancestors and their spouses or domestic partners; and descendants and their spouses or domestic partners.

A “FINANCIAL INTEREST” exists whenever a Covered Person has or is engaged in discussions to have, directly or indirectly, through business, investment, or Family:

1. an ownership or investment interest in any entity with which the Registry Operator for the usTLD has an existing or proposed transaction, contract, dispute, or other arrangement;
2. a compensation arrangement with any entity or individual with which the Registry Operator for the usTLD has a transaction, contract, dispute, or other arrangement; and
3. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Registry Operator for the usTLD is negotiating a transaction, contract, dispute, or other arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. Transactions, contracts, and arrangements include grants or other donations as well as business arrangements.

A Financial Interest is a Potential Conflict but is not necessarily a Conflict of Interest. A Financial Interest does not become a Conflict of Interest until the Stakeholder Council, following the procedures set forth in this Policy, determines that the Financial Interest constitutes a Conflict of Interest.

A “PERSON” includes an individual, corporation, Limited Liability Company, partnership, trust, unincorporated association, or other entity.

A “POTENTIAL CONFLICT” means any one or more of the following:

1. A direct or indirect Financial Interest of a Covered Person or a member of a Covered Person’s Family, in a transaction, contract, dispute, or other arrangement involving or being considered by the Registry Operator for the usTLD or
2. A close personal relationship between the Covered Person, or a member of a Covered Person’s Family, with an individual who is, directly or indirectly through business, investment, or Family, a party to a transaction, contract or arrangement involving or being considered by the Registry Operator for the usTLD.



## **Article III: Procedures Regarding Conflicts of Interest**

### **Section 3.1 Duty to Disclose**

A Covered Person shall promptly disclose to the Stakeholder Council the existence of his or her Potential Conflict or the Potential Conflict of another Covered Person that may give rise to a Conflict of Interest with respect to the work of the Stakeholder Council. All matters identified on the Declaration of Interests and Affirmation regarding Conflicts of Interest Policy (“Declaration of Interests”) shall be considered when disclosing the existence of a Potential Conflict. Any time there is a change in circumstance that would require an update to a Covered Persons’ Declaration of Interests or would lead to the development of a new Potential Conflict, that update and further disclosure shall be made as soon as possible.

### **Section 3.2 Determining Whether a Conflict of Interest Exists**

Any disclosure made under 3.1 of this Policy shall be distributed to the members of the Stakeholder Council.

At the request of any member of the Stakeholder Council, the Stakeholder Council shall have a discussion with the Covered Person regarding the material facts with respect to the Potential Conflict and the Covered Person may make a presentation to the Stakeholder Council regarding the facts, transaction, contract, dispute, or arrangement that gives rise to the Potential Conflict.

Thereafter, in the absence of the Covered Person who has disclosed a Potential Conflict, disinterested members of the Stakeholder Council shall determine whether or not the circumstances regarding the Potential Conflict constitute a Conflict of Interest.

The determination by the disinterested members in this regard is conclusive and may not be challenged by the Covered Person.

### **Section 3.3 Duty to Abstain**

No member of the Stakeholder Council shall vote on any matter with respect to which he or she has been determined by the Stakeholder Council to have a Conflict of Interest.

In the event of such an abstention, the abstaining Stakeholder Council member shall state the reason for the abstention, which shall be noted in the notes of the meeting in which the abstention occurred.

No member of the Stakeholder Council shall participate in deliberations on any matter in which he or she has been determined by the Stakeholder Council to have a Conflict of Interest.

### **Section 3.4 Violations of the Conflicts of Interest Policy.**



If any member of the Stakeholder Council has reasonable cause to believe a Covered Person has failed to disclose an actual or Potential Conflict of Interest, the Chair of the Stakeholder Council (or, if the Covered Person is the Chair, then the Vice Chair) shall inform the Covered Person, and initiate the procedures described in this Policy.

#### **Article IV: Records of Proceedings**

The written or electronic records of the Stakeholder Council relating to Conflicts of Interest shall contain:

1. The names of Covered Persons who disclosed or otherwise were found to have a Potential Conflict in connection with a proposed transaction, contract, or arrangement;
2. The nature of the Potential Conflict;
3. Any action taken to determine whether a Conflict of Interest was present;
4. The Stakeholder Council's decision as to whether a Conflict of Interest in fact existed;
5. The names of the persons who were present for discussions and votes relating to the transaction, contract, disputes, or arrangement giving rise to the Conflict of Interest;
6. The content of the discussion; and
7. A record of any votes taken in connection therewith.

#### **ARTICLE V: Statement of Interest**

Each Covered Person shall sign a statement that affirms such Covered Person: (i) has received a copy of this Policy; (ii) has read and understands this Policy; and (iii) has agreed to comply with this Policy.



## Statement of Interest

I, \_\_\_\_\_, have reviewed the usTLD Stakeholder Council Conflicts of Interest Policy and agree to comply with the terms of the usTLD Stakeholder Council Conflicts of Interest Policy.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Employer: \_\_\_\_\_

Signature: \_\_\_\_\_