

# Conflict of Interest Policy of Global Mining Guidelines Group (GMG)

The Global Mining Guidelines Group (GMG) facilitates global mining collaboration on solutions to common industry problems, needs and technology through guidelines, white papers and best practices. GMG operates on the principles of inclusivity, collaboration, accessibility and encouragement.

## Purpose

The purpose of this Conflict of Interest Policy (the “policy”) is to define GMG’s policies with regard to conflicts of interest, in a manner consistent with encouraging the highest ethical standards and to protect GMG’s interests when it is considering taking an action or entering into a transaction that might benefit the private interests of an officer or key person, result in the payment of excessive compensation to an officer or key person; or otherwise violate laws governing conflicts of interest.

## Covered Persons

This policy shall apply to all officers, employees and other persons who are acting on behalf of GMG whether or not such persons are remunerated. Persons acting on behalf of GMG shall include the contractors, and individuals commissioned to undertake research on behalf of GMG.

## Definition of Conflict of Interest

A conflict of interest is a situation where a reasonable<sup>1</sup> person would consider a covered person to have an interest that may conflict with the covered person’s ability to act in good faith and in the best interest of GMG. Conflicts of interest arise whenever the financial or personal interests of a covered person are, or appear to be, inconsistent or at odds with the interests of GMG. An appearance of a conflict of interest exists when it is reasonably likely that an observer may perceive a conflict of interest. A conflict of interest exists when a covered person has an existing or potential interest in any entity, transaction or arrangement in which GMG also has an existing or potential interest, or when a covered person will derive a financial or other benefit directly or indirectly from GMG.

---

<sup>1</sup> a hypothetical person in society who exercises average care, skill, and judgment in conduct and who serves as a comparative standard for determining liability.

## Why is a policy necessary?

GMG is accountable to both government agencies and its members for the responsible and proper use of its resources. Officers and employees have a duty to act in GMG's best interests and may not use their positions for their own financial or personal benefit.

Conflicts of interest must be taken very seriously since they can damage GMG's reputation and expose both GMG and affiliated individuals to legal liability if not conducted appropriately. Even the appearance of a conflict of interest should be avoided, as it could undermine public support for GMG.

## What are some examples of potential conflicts of interest?

While it is impossible to list all the possible circumstances that could present conflicts of interest, potential conflicts of interest include situations in which an officer or key person or that person's relative or business:

- has an ownership or investment interest in any third party that GMG deals with or is considering dealing with;
- receives or may receive compensation or other benefits in connection with a transaction into which GMG enters;
- receives or may receive personal gifts or loans from third parties dealing with GMG;
- has a close personal or business relationship with a participant in a transaction being considered by GMG;
- would like to pursue a transaction being considered by GMG for their personal benefit.

In situations where you are uncertain, err on the side of caution and disclose the potential conflict.

## To whom does the policy apply?

This policy applies to all officers and key persons. Key person means a person, other than an officer, whether or not an employee of GMG, who:

- is a member or participant in a working group or project where the content could be influenced to promote a product or service;
- has responsibilities, or exercises powers or influence over GMG as a whole similar to the responsibilities, powers, or influence of officers;
- manages GMG, or a segment of GMG that represents a substantial portion of the activities, assets, income, or expenses of GMG; or
- alone or with others controls or determines a substantial portion of GMG's capital expenditures or operating budget.

## Financial and Business Transactions

Covered persons shall avoid financial transactions between themselves and GMG, themselves and a third party, or GMG and a third party that may adversely affect the performance of their duties. This includes transactions involving entities of which a covered person is an officer, trustee, committee member or key employee.

## Disclosing Conflicts of Interest (actual or potential)

A covered person must make a timely and full disclosure of the facts and circumstances of the matter in writing in any situation where they have a conflict of interest or an appearance of a conflict of interest. Covered persons also have a duty to report suspected violations of the Policy. Officers shall make disclosures and refer questions to the Chair of the Governance Committee while other employees and those acting on behalf of GMG shall make disclosures and refer questions to the Managing Director who may escalate as required.

## Failure to Disclose Conflict and Remedies

If the Executive Council, Committee or member, has reasonable cause to believe that a covered person has failed to disclose an actual or possible conflict of interest, it shall inform the Chair of the Governance Committee, who will bring it to the Governance Committee for consideration and make the appropriate recommendations to the Executive Council for approval and execution. Other employees and those acting on behalf of GMG shall make disclosures and refer questions to the Managing Director.

## Administration of the Policy

The Governance Committee of GMG shall:

- be responsible for the administration of the Policy.
- review disclosure reports, receive questions about the application of the Policy from covered persons and provide guidance and instructions in those matters.
- receive reports of suspected violations and make appropriate recommendations to the Executive Council.
- have the ability to retain outside experts as appropriate to ensure that a proposed transaction where a conflict of interest exists does not constitute an act of self-dealing.
- make the determination whether and when a transaction may proceed when a conflict of interest is reported prior to and about a particular transaction.
- review the Policy annually to ensure its continued appropriateness and applicability and report to the GMG Executive Council on any recommendations.

The interpretation of the Policy is one of caution and conservatism. While primary reliance is placed on the good judgment and integrity of covered persons, they are expected to err on the side of strict adherence to the Policy.

Whenever a covered person determines that a conflict of interest or an appearance of a conflict of interest exists or is in doubt about the appropriate application of the Policy, the covered person shall report in writing the facts and circumstances of the matter to the Chair of the Governance Committee or the Managing Director as appropriate and shall govern themselves in accordance with the instructions received. Except as otherwise directed by those instructions, the covered person shall not participate in any discussion or decision relating to such matter.

In the event a conflict of interest or an appearance of a conflict involving a covered person arises, then unless and until such covered person receives contrary instructions from the Chair of the Governance Committee or from the Managing Director as appropriate the following procedures shall apply: the covered person shall not participate in any formal or informal discussion of, any decision or vote on, or attempt to exert influence over the contract, relationship, person or organization with respect to which the conflict or appearance of a conflict may relate. Such a covered person who is an officer may be counted to establish a quorum for meetings.

Annually, the Governance Committee shall require officers, key persons and other employees designated by the Managing Director to complete the annual declaration form.

## Documentation of Conflicts

The minutes of any meeting at which a transaction involving a conflict of interest or an appearance of a conflict of interest is considered shall reflect that:

- The covered person made disclosure, withdrew from consideration of the transaction or recused themselves from the meeting room and abstained from voting; or
- The covered person made disclosure but continued to participate pursuant to written instructions from the Chair of the Governance Committee or from the Managing Director, as appropriate, where those instructions shall be included with the minutes.

## Annual Declaration

The GMG requires each Executive Council member and officer, key person and employees designated by the Managing Director, to annually review the Policy and acknowledge by their signature that they are acting in accordance with the letter and spirit of the Policy.

## CONFLICT OF INTEREST DISCLOSURE FORM

Name:

I have reviewed my current activities and those of recent years as they may relate to the business of GMG. I have also considered the activities of my spouse and immediate family members, employer and any related business in which I have an interest, in so far as they could be viewed to affect my objectivity and impartiality with respect to my participation in this organization.

I would like to bring the following to the attention of the Executive Council as personal interests that could be perceived or real conflicts of interest: (use a signed attachment for details if necessary)

-

-

I hereby certify that, to the best of my knowledge and judgment, I am not in a position of real, potential or apparent conflict of interest except as disclosed above.

I undertake to inform the Executive Council of any change in circumstances or any unforeseen issues that arise in the course of the transaction of this organization's business that may give rise to unforeseen real, potential or apparent conflict of interest.

I undertake not to disclose or otherwise misuse confidential or privileged information, for purposes of personal gain within the spirit of this commitment, to which I may be privy as a result of my involvement in this organization.

Signature:

Date: