

Conflicts of Interest Policy

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| Policy Level: | 3 | Responsible: |
| Effective Date: | December 2022 | VP, General Counsel and Corporate Secretary |
| | | Accountable: |
| Last Update: | March 2023 | VP, General Counsel and Corporate Secretary |

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1. Introduction

1.1 Purpose

Project Management Institute, Inc. (“PMI”) believes business decisions should be made with integrity and not influenced by a conflict of interest (“COI”). A conflict arises when personal, business, or financial interests, duties, obligations, or activities are, or may be, in conflict with the interests of PMI. The purpose of the Conflicts of Interest Policy (the “Policy”) is to prevent unmitigated COIs, which may expose the decisions and actions of PMI to increased scrutiny and criticism and can undermine PMI’s credibility, reputation, and relations with others. The policy provides volunteers and staff a clear understanding of how to address COIs.

1.2 Scope

PMI volunteers working on Volunteer Groups (“Volunteers”) are bound by the Policy including but not limited to: members of the PMI Board of Directors, Board Support Committees, Insight Teams, Task Teams, and other groups chartered by the PMI Board of Directors (as defined in the Rules of the Board), Project Action Teams (PATs), Award Committees, Editorial Boards, Standards Program project teams, Certification Department item writing sessions, Research Groups and open working sessions.

The requirements of Section 3 of this policy apply to all employees of PMI. In certain cases, they apply to actions involving relatives of employees and persons in the same household. It is PMI’s intent to administer this policy in accordance with applicable federal, state, and local employment laws.

1.3 Violations

Apparent violations of this Policy by Volunteers, including but not limited to the failure to make adequate and full disclosure, will be forwarded to the appropriate individual as described in **PMI’s Policy on Complaint, Dispute, and Grievance Resolution** or to the Ethics Review Committee under **PMI’s Member Ethics Case Procedures**, as applicable.

Any PMI employee who violates this policy will be subject to disciplinary action, as described in this policy and further set forth in your local jurisdiction PMI employee handbook.

2. Volunteer Conflicts of Interest

Volunteers must conduct themselves with un-conflicted loyalty to the interests of PMI and its communities. This accountability supersedes any conflicting loyalty, such as loyalty to other advocacy or interest groups, membership on other boards, and professional responsibility to an employer. It also supersedes the personal interests of any Volunteer. Further, no Volunteer shall use their position or knowledge gained from participation in a manner that conflicts with the interests of PMI or any of its components.

Other applicable documents include the **PMI Code of Ethics and Professional Conduct**, which requires that individuals will abide by the bylaws, policies, rules, requirements, and procedures of PMI, and will not knowingly engage or assist in activities that meeting compromise the integrity, reputation, property, and/or legal rights of PMI.

2.1 Identification of Volunteer Conflicts of Interest

A COI refers to any personal or business-related activity, including a financial interest, that:

1. could potentially interfere with our responsibilities or judgment on behalf of PMI or our communities; or
2. conflicts, or appears to conflict in any way, with the interests, or damages the reputation, of PMI.

Examples of Volunteer COI's may include, but are not limited to:

- An individual, PMI member or non-member, who has a financial interest in a company that would benefit from the output of the Volunteer Group they are working on;
- An individual, PMI member or non-member, who works for a project management consulting company participates in the development of a standard that specifies how companies should do some aspect of project management;
- An individual, PMI member or non-member, who works for a company conducting PMP® Exam preparation training courses, participates in a PMP Exam item writing session;
- An individual, PMI member or non-member, who is an officer, director, or in a position of responsibility in another PM organization;
- An individual, PMI member, or non-member, who is on an awards committee and reviews the application for an award submitted by a company that competes with the company by whom the individual is employed;
- An individual's Relative or friend would benefit from the output of the group they are working on;
- An individual PMI member uses his Volunteer position with PMI in promoting his personal business.

2.2 Requirements

1. **Policy Acknowledgment:** Participation on a Volunteer Group constitutes acceptance of the terms of the Conflict of Interest Policy for Volunteer Groups and its requirements.
2. **Questionnaire:** At least annually or at the beginning of participation on any Volunteer Group, unless otherwise specified, all Volunteers to which this Policy applies (as identified in [Section 2.1.2](#) of the Policy) will complete the **PMI Conflicts of Interest Questionnaire**. Members of the Board of Directors, officers, and key employees of PMI will be required to complete the questionnaire on an annual basis, regardless of whether the individual had completed the questionnaire in the previous year.

Volunteers joining an additional Volunteer Group who have already completed a questionnaire do not need to complete another during the same year unless:

- a. the information given in the original questionnaire is no longer current, or

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- b. participation in the additional Volunteer Group(s) requires disclosure of additional information.

However, upon joining the additional Volunteer Group, the individual is required to complete the “information release” portion of the questionnaire which allows the Volunteer Group Leader of the new Volunteer Group to access the questionnaire from the Legal Department’s files.

Disclosure: Volunteers accountable under this Policy must identify those situations where they have a conflict of interest or where a reasonable person might conclude that they had a conflict of interest in the activity in which they are participating or about to participate. For the avoidance of doubt, such disclosure should include, at a minimum, disclosure of the Volunteer’s current employer and any significant ownership or involvement in any entity that is active in the field of project management. Such disclosure should be made immediately to the Volunteer Engagement Liaison (“VEL”).

2.3 Disclosure Review

The Volunteer Conflict of Interest Questionnaire, to be completed by the Volunteer participating on a Volunteer Group, will be reviewed by the responsible Volunteer Group Leader for his/her knowledge and understanding and then forwarded to the VEL who is responsible for the Volunteer Group, or in the case of a Board sponsored group, to PMI’s Vice President, General Counsel and Corporate Secretary (PMI General Counsel). It is anticipated that the standard form attached will apply in most cases, however, if a leader believes that modification would serve the interests of PMI to make their group more productive, the form may be tailored with the explicit concurrence of PMI General Counsel, or the designated representative from the PMI Legal Department.

PMI’s General Counsel, or designee, will review the Volunteer Conflict of Interest Questionnaires of all PMI Board Members and members of Board chartered Committees and bring COI’s and possible COI’s to the attention of the PMI Chair and Chief Executive Officer for resolution.

2.4 Possible Conflict of Interest Remedies

Remedial action for disclosed COI’s or possible COI’s may include but are not limited to the following:

- Recusal from any discussion and vote on the applicable topic.
- Recusal from the part of the process where a conflict exists, such as not reviewing a competitor’s award submittal.
- Resignation or removal from the group.
- Participation as a subject matter expert but not in discussions or deliberations.

3. Employee Conflicts of Interests

A potential or actual COI occurs whenever a PMI employee is in a position to influence a decision that may result in a personal gain to the employee or an Immediate Family. If faced with these types of situations, the PMI employee must adequately disclose it in writing. Employees may seek guidance from their supervisor, Global Talent or Legal, as applicable.

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PMI employees must complete an Employee Conflict of Interest Disclosure form when any of the following conditions apply (see [Section 1.4](#) for the process):

- a. employee has identified a potential COI with PMI’s business interest, an activity that interferes with the fulfillment of job responsibilities, or an activity that may adversely affects PMI’s reputation or relations with others (see [Section 3.1 Examples of activities that may cause a COI](#));
- b. the employee’s manager, Global Talent or Legal has directed the employee to undergo the COI review process for a determination;
- c. apart from employee-driven disclosures, PMI may solicit COI disclosures in the following situations (non-exhaustive list):
 - Onboarding of new hires
 - Changing of employee roles
 - Selection of a Third Party
 - Change in direct manager
 - Restructuring of organization charts
 - Employee volunteer opportunities
 - Support of a PMI volunteer group as a VEL, manager or executive sponsor
 - Joint ventures or mergers and acquisitions.

3.1 Examples of Activities that May Cause a COI

The following are examples of some possible situations where it is common for COI’s to arise among staff. This list of potential COI’s is not exhaustive. Even if a particular situation is not expressly mentioned, but potentially may result in a direct or indirect COI between the employee and PMI’s general welfare or have the appearance of impropriety, or which might otherwise damage PMI’s reputation, or interfere with PMI’s business or the proper performance of the employee’s duties for PMI, the employee should disclose the situation.

1. Business Activities with Third Parties (i.e. Competitors, Suppliers, Customers, Partners)

Employees must avoid COI from Financial Interest with Third Parties, such as suppliers, customers and competitors. Further, any other organization or business with whom employees or their Relatives’ have a direct or indirect interest or relationship such that their relationship might affect or potentially affect their independence or objectivity in fulfilling their duties to PMI or making any business decision must be disclosed. If a direct or indirect interest is found to exist by PMI in its sole discretion, the employees will not be permitted to be involved in the relevant procurement decision(s).

2. Self-Dealing

Employees may not provide or commercially market products or services to others that compete with PMI’s product offerings. Such activities are “commercial” if employees receive direct or indirect payment of any kind for such services. Employees may not cause PMI to purchase services or products from our family members or businesses in which we or our family

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have a controlling interest, without disclosure of the relationship and approval from Legal prior to agreement.

a. Talks and Papers by Employees

When PMI intellectual property is added to a non-PMI presentation, speech or publication, it is the employee’s responsibility to ensure PMI’s intellectual property and confidential information is not inadvertently disclosed or used for personal gain. The following types of information require a [Permissions Form](#) (instead of a COI Disclosure Form): PMI branded documentation, resources, digital offerings and materials, any PMI copyrighted or trademark publications, standards, and materials, including PMI branded templates and PMI Standards/Publications. Refer to the [L2. Intellectual Property Policy](#) for detailed information about use of PMI marks and materials.

Non-public financial information may not be used in any circumstance without the CFO’s approval. Restriction of the use of intellectual property and confidential information extends beyond employment with PMI.

Any honoraria or other payments received for authorized teaching, lecturing, writing, consulting, or other activities as a representative of PMI, for which preparation occurred within the employee’s scope of work for PMI, or for which PMI provided financial support, such as travel funds or other reimbursements, shall be paid directly to PMI or transferred to PMI immediately upon receipt by the employee.

3. Personal Advantage of Business Opportunity Belonging to Company

Employees may not take for themselves or family members any opportunities that PMI could have an interest in that are discovered through the use of their PMI position, information or property.

4. Outside Employment

PMI recognizes the right of employees to engage in activities outside of their employment that are of a private nature and unrelated to PMI business, if such employment is consistent with the conditions stated in your local jurisdiction PMI Employee Handbook. “Employment,” as stated in the Employee Code of Conduct, includes not only paid positions but also positions taken as a volunteer on the Boards of other nonprofit organizations, as well as business interests that involve the employee’s economic or personal interests.

Our job at PMI should be our first work priority. Employees may not participate in any activity (whether for personal profit, civic, or charitable organization affairs) if it is likely to involve continued and unreasonable use of their time during normal PMI business hours, interferes with their work for PMI, utilizes company assets or information, or supports direct competition against PMI. Any outside employment, or preparation for its performance, must be carried on entirely outside of the normal working hours established by PMI for its employees, or during the employee’s approved sabbatical leave, and may not result in the employee losing time or being distracted from their work for PMI. No PMI resources, assets or the use of any trade

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secret or confidential information may be used in preparing for or carrying out duties of the outside employment. The outside employment must not require or result in a COI, the disclosure of information concerning PMI, its policies, its personnel, or its procedures, or any other business matters that PMI treats as confidential or proprietary. No employee may exploit or use PMI's name or the employee's relationship with PMI to secure outside employment. The employee must not claim, or permit statements that imply, that the employee or such activities are in any way associated with PMI.

a. Employment with Suppliers/Customers/Competitors

Employees must avoid employment with or consulting for a vendor, customer or volunteer with whom the Company conducts business or with one of the Company's competitors.

b. Board Memberships Outside of Company

Employees may only serve on the boards of community and non-profit organizations or trade associations if the affiliation does not diminish our ability to perform your responsibilities to the Company.

Project Management Institute Inc disallows all employees from serving on the board of directors of a company or organization that raises the potential for a significant COI (e.g., certain competitive, supplier or customer relationships). If considering board membership (including advisory boards), employees must first disclose all relevant information and obtain approval from PMI. If approved for serving on the board of directors of an outside company or organization, employees may not conduct outside business during working hours or use company assets or information in any work for another business unless approved in writing by PMI.

5. Direct Supervision/Influence on Hiring

The Company recognizes that all individuals have the opportunity to apply for PMI jobs, and that, in some cases, employees may have Relatives who work for PMI. In these situations, PMI will avoid, where possible, work situations that create a direct or indirect supervisory/reporting relationship between Relatives or that could cause a segregation of duties internal controls concern. Potential COI's should be disclosed at the time of application for the job.

6. Gifts and Entertainment

Soliciting or accepting any cash, gifts, entertainment, or benefits from any competitor, supplier, customer or volunteer that exceed the parameters laid out in the [L2. Gifts and Entertainment Policy](#) or that is given or received in return for a favor, kickback, unauthorized rebate, or an unfair business advantage.

3.2 Process for Employees to Self-Disclose a COI

[Click here to access the Employee Conflicts of Interest Disclosure Form](#). The link to the form is also available on the [Legal Hub Compliance Policies page](#).

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- Within 45 days of identifying a potential COI, employees should submit the Employee Conflicts of Interest Disclosure form according to its instructions.
- Upon receipt of the Employee Conflicts of Interest Disclosure form, Legal will initially review the form to determine, on a case-by-case basis depending on the nature of the disclosure, whether additional mitigation steps, reviews and approvals (i.e. Global Talent, Legal) are required. The employee may be asked to provide additional information or documentation.
- The employee’s manager will be the final approver; except, in the case of the President and CEO, the VP, General Counsel and Corporate Secretary will conduct the review.
- COI determinations are provided in writing. Outcomes include:
 - No conflict of interest
 - Approved subject to mitigation steps
 - Not approved
- A COI determination continues indefinitely or until:
 - i. employee is no longer employed by PMI
 - ii. a subsequent COI determination is made upon changes in the employee's work responsibilities or their outside activity or interest.

Questions relating to this policy should be addressed to compliance@pmi.org.

3.3 Reporting Conflicts of Interest

Employees are encouraged to report any suspected undisclosed COI’s in good faith to their manager, Legal, Global Talent or to PMI’s Whistleblower Hotline (phone numbers and webform is found at the following link: <https://secure.ethicspoint.com/domain/media/en/gui/57228/index.html>).

Supervisors and managers receiving reports should escalate the reports to Legal as appropriate to ensure the reports are captured in the case management system for tracking and monitoring.

4. Policy Distribution

All PMI employees

Volunteer members and public at large

5. Monitoring and Records Management

The PMI Operating Department which sponsors, supports, or manages a Volunteer Group, after completing their review of the submitted questionnaires, will forward the questionnaires to the PMI Legal Department for retention in accordance with PMI’s [L3. Records Management Policy and Procedure](#). The Legal Department will retain the questionnaires during the life of the group and the questionnaires will be archived when the group is disbanded.

PMI Legal is responsible for reviewing all Employee Conflicts of Interest Disclosure Forms that identify a conflict or potential COI, coordinate review with Global Talent and the appropriate staff departments,

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ensuring mitigation plans are adequate, routing the forms for approvals and maintaining COI disclosure records in a centralized location in accordance with the **Records Management Policy and Procedure**.

Legal will provide day-to-day guidance for appropriate conduct under this policy and ensure awareness of the policy. Internal Audit is responsible for auditing the Company's compliance with this Policy.

6. Related Documents

Related procedures, forms, and other support documents enforce, maintain, and verify policy compliance. These procedures and forms support this Policy:

| Document Name | Document Type (Procedure, Form, Template, Manual, User Guide, Guidelines, Governing Document, etc.) |
|--|--|
| L3. PMI Employee Code of Conduct | Governing Document |
| Employee Handbook | Related Policy (<i>varies by jurisdiction</i>) |
| Employee Conflicts of Interest Disclosure Form | Related Form |
| Volunteer Conflicts of Interest Questionnaire | Related Form |
| Permissions Form (IP) | Related Form |
| L3. Conflict of Interest for Volunteers Review Procedure | Related Policy |
| L2. Gifts and Entertainment Policy | Related Policy |
| L2. Intellectual Property Policy | Related Policy |
| Records Management Policy and Procedure | Related Policy & Procedure |

7. Review and Revision History

Changes to this policy are made as necessary under the direction of the preparers and approvers. The change log describes new topics and other changes.

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| Action (Creation, Revision, Review) | Action Date | Changes Made (Detail any changes that may have been made) |
|--|--------------|---|
| Creation | October 2022 | Combined existing COI policy to include specifics with examples as it pertains to PMI Volunteers. |

8. Glossary

This policy uses the following specific terms, acronyms, and abbreviations:

| Term | Definition |
|------------------------------|---|
| Conflict of Interest (“COI”) | A transaction in which, the individual is, either directly or indirectly, a party to the transaction or possible beneficiary of the transaction, where there is or may be a conflict between the individual’s obligations to PMI and the individual’s personal or business interests. There is an implied duty of loyalty that commands those individuals be faithful to an organization’s best interest and not use their organizational position or knowledge to advance a personal agenda at the organization’s expense |
| Financial Interest | For the purpose of this policy, the term “Financial Interest” includes: (i) Any compensation arrangement with any industry company (including any subsidiary or affiliated entity); (ii) Stock or ownership interests in an industry company (including any subsidiary or affiliated entity) amounting to greater than a [insert percent]% ownership interest; (iii) Company issued stock-options in an industry company (including any subsidiary or affiliated entity) regardless of amount or present value; or (iv) Any other compensation, reimbursement, or remuneration that improperly influences, or gives the appearance of improperly influencing business judgment, objectivity, relationships, or business outcomes. |
| Immediate Family Member | For the purpose of this policy, the term “Immediate Family Member” includes an employee’s children, stepchildren, parents, stepparents, spouse, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law and sisters-in-law, and anyone sharing such person’s household (other than a tenant or employee). |

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| Term | Definition |
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| Relatives | For the purpose of this policy, the term “Relatives” includes: (i) Parent, child, sibling, spouse, aunt, uncle, niece, nephew, grandchild, grandparent, cousin of employee; (ii) In-laws of the above types; or (iii) Foster or step-relatives of the above types. |
| Third Party | For the purpose of this policy, the term “Third Party” includes any entity that Project Management Institute Inc does business with, such as suppliers, vendors, contract manufacturers, business partners and affiliates, brokers, distributors, resellers, and agents. |