

Ecosystem Credit Registry

Conflict of Interest Code

Draft Version June 24, 2008

Overview

This document describes the conflict of interest code for the Ecosystem Credit Registry (Registry), with particular focus on conflicts between Registry clients and verifiers. After becoming an accredited verifier and as an agreement is reached between a verifier and client, the verifier must submit a Conflict of Interest Form with a Notice of Verification Services to the Registry. The purpose of this form is to protect the integrity of the verification process and the quality of a Credit Owner's offsets by identifying and avoiding situations in which a verifier may be viewed as having an impaired ability to objectively review a potential participant's estimated offsets, usually from a pre-existing business or personal relationship.

If there is low risk of a conflict of interest, the verifier can initiate verification activities. If the risk of conflict of interest is substantial, a verifier can either abandon the proposed agreement or work with the Registry to identify measures to alleviate conflict of interest risk areas, or appeal the decision. The Registry will periodically audit Conflict of Interest Forms.

An approved verifier may perform Registry-related verification services for a client for up to five consecutive reporting years. A complete conflict of interest form is needed the first year of an agreement. In years 2-5, the verifier does not need to submit forms unless changes occur in organization, staffing, business practices or relationship with the client from previous years.

Policy

Complex relationships may exist between a verifier and a client. Thus it may be difficult to make an obvious judgment regarding potential conflict of interest. For the Registry, a conflict of interest is a situation in which a verifier has competing professional and/or personal interests that could impede their ability to objectively review and evaluate a Credit Owner's estimated offsets. A conflict of interest could also involve a situation where the appearance of impropriety could undermine confidence in the verifier's ability to assess the estimated offsets.

The Registry will use objective criteria and professional judgment to formulate conflict of interest opinions and will work with all interested parties to resolve problem areas. If the Registry determines a conflict might exist, it will request the verifier demonstrate how it can be avoided, eliminated, or otherwise mitigated. As necessary, the Registry may request additional information to assist in making this determination. Factors for

evaluating potential conflict of interest include the nature of past and present relationships, prior and existing service commitments, magnitude of financial relationships, and the sensitivity of proposed work.

Cause for automatic determination of conflict of interest

- **A verification body and client share any management**
- **Preparation of a Credit Owner's Credit Report.** A verifier is prohibited from consulting on or preparing any part of a Credit Owner's Credit Report, regardless of the point in time that that may have occurred. The verifier must declare all of its previous, existing, and planned involvement with a Credit Owner's credit monitoring, accounting, and reporting activities.
- **A financial stake in credits being sold from the project.** A verifier is prohibited from having any financial stake in the quantity of credits sold from a project. A verifier is also prohibited from providing verification services to any client who provided more than 3% of the verifier's annual revenue in any year over the prior 3 years.
- **Duration of verification relationship.** Verifiers can only provide services to a client for five consecutive reporting years. After this cycle, the client must contract with a different verifier. The original verifier cannot provide services to that client for a three year off-cycle period.

Potentially conflicting services

The following list of services may cause a conflict of interest. The list is not exhaustive, nor do these services automatically constitute a conflict of interest.

- Designing or developing credit information systems
- Developing credit calculation methodologies
- Designing projects to explicitly create credit
- Brokering, advising, or assisting in any way in ecosystem markets
- Preparing or producing credit-related manuals for the participant
- Legal and expert services unrelated to Registry verification

Appeal process

If a verifier receives a notice of conflict of interest from the Registry, it can mitigate its conflict or appeal the notice. A mitigation plan must be submitted to the Registry for review and at minimum include: Demonstration that any conflicted individuals have been removed or insulated from the project; Explanation of any changes to organizational structure or verification team; Other circumstances that specifically address conflicts.

A verifier can also appeal a notice of conflict of interest to the Registry Dispute Resolution Committee. The committee is made up of **PEOPLE**. All information will be kept confidential. It will determine a final answer by majority vote and their decision will be binding.

Rescission of Accreditation

If the verifier is found to have intentionally violated the conflict of interest code, the Registry reserves the right to rescind a verifier's accreditation for any appropriate period of time.



Ecosystem Credit Registry

VERIFICATION NOTICE & CONFLICT OF INTEREST FORM

Last updated June 19, 2008. For questions, contact: David Primozich at Primozich@verizon.net.

Date:

Credit Owner Name:

Company/Agency:

Title:

Telephone:

Email:

Mailing address:

Seller account number:

Verifier Name:

Company/Agency:

Title:

Telephone:

Email:

Mailing address:

Verifier accreditation number:

Valid until:

The parties listed above have entered into a verification services agreement to verify the following credits at these sites: _____

Serial #	Quantity	Type	Service area
1			
2			

To the best of my knowledge, I _____ (*printed name*) attest that the information provided in support of this conflict of interest form is true and complete and that I have complied with the Registry's current *Conflict of Interest Code*.

Date

Verifier signature

Based on the information provided in the following pages, we believe our risk of Conflict of Interest for verification of the following site(s) is:

High Medium Low

For Registry purposes only:

Date received:

Date application found to be complete: