

Conflict of Interest Policy and Statement

Terra Mar Applied Sciences, LLC

Research, analysis, advising, and other professional services offered and conducted through **Terra Mar Applied Sciences, LLC** (“**Terra Mar**”) will conform to this summary on Conflict of Interest. When and wherever appropriate, any individual(s) working on behalf of **Terra Mar** may be required to sign a Conflict of Interest Statement (see page 5). The completed Statement is to be submitted to **Terra Mar**’s President, designated Vice-president, or project director. All personal information therein will be held strictly confidential.

I. CONFLICT OF INTEREST DEFINED

In general, conflicts of interest relate to the potential for self-gain usually, but not always, of a fiscal nature. Potential for self-gain can serve to undermine the judgment of individuals such that **Terra Mar**’s mission and commitment to deliver objective results to clients become compromised. Furthermore, not only bias, but the appearance of bias in research and analysis may undermine public trust in the enterprise of research and technical analysis writ large, and such bias may also prove harmful to the individual's personal or professional reputation. Obligations to the organization are likely to be compromised when either an actual or a potential conflict of interest exists.

In particular, governing members, principles, contractors, and sub-contractors who represent **Terra Mar** must disclose fully any and all direct financial, managerial, or ownership interests that are held either in conventional or in alternative (e.g., “green”) energy companies, businesses, and fiscal instruments. For example, direct ownership and trading of individual energy stocks, or even energy-focused mutual funds held in a retirement account, must be disclosed fully.

Generally speaking, individuals working under the auspices of **Terra Mar** will strive to not hold such direct financial, managerial, or ownership interests in ways that might preclude their rendering impartial professional advice on the environmental, social, or economic consequences of energy-related activities. Moreover, **Terra Mar** individuals will follow any conflict of interest policies and guidelines that are established by and required of their clients. **Terra Mar** will also fully disclose any conflicts or perceived conflicts that may be required by professional journals during the routine process of submission, peer review, and editorial appraisal of member’s technical and research findings in the public domain.

II. ILLUSTRATIVE CONFLICTS OF INTEREST

Not all outside interests and financial relationships place the individual in conflict with the organization. Not all conflicting interests are necessarily impermissible. Timely and complete disclosure of potential conflicts of interest may be a satisfactory remedy, thereby protecting the individual from suspicion and accusations of breach of

professional integrity. Below is an illustrative list of situations and actions that should be disclosed because they might be viewed as potential conflicts of interest.

1. Influencing the negotiation of contracts between **Terra Mar** and outside organizations with which the individual has a financial interest or other relationship.
2. Accepting gratuities or special favors from companies or individuals who might be affected by the individual's judgment in the course of his/her business association with **Terra Mar**.
3. Giving well-paid lectures for companies or organizations whose economic or political interests might be affected by the individual's evaluative work in the course of his/her business association with **Terra Mar**.
4. Undertaking evaluative research as a consultant when the individual or the individual's immediate family has a financial, managerial, or ownership interest in the company sponsoring the research, or in the company advocating a particular regulatory or statutory outcome.
5. Purchasing by the individual, with the costs to be paid or reimbursed by a federal, state, or local government entity, of equipment, instruments, or supplies from a firm in which the individual has a significant financial or other interest.
6. Hiring, or influencing the hiring of, a member of the individual's family as a participant on a **Terra Mar** project.

The above examples are by no means exhaustive of all situations that may conceivably arise. Nevertheless, they are exemplary of some categories of potential conflicts of interest that must be disclosed, foresworn, or otherwise resolved prior to the conflict materializing during the course of **Terra Mar**'s routine business conduct and forging of project relationships.

III. PROCEDURES FOR CONFLICT OF INTEREST

A. 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 at least one **Terra Mar** director or member having the delegated powers relevant to the proposed transaction or arrangement.

B. 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 deliberative meeting while the determination of a conflict of interest is discussed and voted upon. The remaining **Terra**

Mar directors or members shall then make a determination if any conflict of interest exists.

C. Procedures for Addressing the Conflict of Interest

1. An interested person may make a presentation at the meeting of **Terra Mar** members, 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.
2. The chairperson of the meeting of members shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the voting member(s) of **Terra Mar** 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.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the presiding members shall determine by a majority vote whether the transaction or arrangement is in **Terra Mar**'s best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination **Terra Mar** shall make its decision as to whether to enter into the transaction or arrangement.

D. Violations of the Conflicts of Interest Policy

1. If the presiding **Terra Mar** member(s) have reasonable cause to believe a fellow member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford that member an opportunity to explain the alleged failure to disclose.
2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the presiding members determine that the fellow member has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action(s).

IV. RECORDS OF PROCEEDINGS

The minutes of the members who have been vested powers by and through **Terra Mar Applied Sciences, LLC**, shall contain:

- A. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the presiding members' decision as to whether a conflict of interest in fact existed.

B. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

CONFLICT OF INTEREST STATEMENT FOR INDIVIDUALS WORKING
ON BEHALF OF **TERRA MAR APPLIED SCIENCES, LLC**

I have read the list of illustrative conflict of interest situations and actions on the reverse of this page. I have carefully reviewed my own situations in light of these illustrations. (Check appropriate box below.)

To the best of my knowledge and belief, I am involved in no situations or actions that might be regarded as a potential conflict of interest with my anticipated duties with **Terra Mar Applied Sciences, LLC**.

It appears that I am involved in some situations or actions that might be regarded as a potential conflict of interest with my expected duties with **Terra Mar Applied Sciences, LLC**. Details of each of these situations and/or actions taken are as follows (if necessary, continue on another sheet).

1.

2.

3.

I agree to notify **Terra Mar Applied Sciences, LLC** promptly, through the designated governing member, if any new situation or action that might be regarded as a potential conflict of interest with my duties with **Terra Mar** were to develop at any time during my work for and on behalf of **Terra Mar**.

SIGNATURE _____ DATE _____

NAME (Please print or type) _____

HOME ADDRESS _____

PRIMARY (OUTSIDE) EMPLOYER _____

ADDRESS _____

To be completed by **Terra Mar** president, vice-president, or project director:

SOURCE OF FUNDS (GRANT) _____
