

LOAN SYNDICATIONS AND TRADING ASSOCIATION, INC.

Conflict of Interest and Confidentiality Policy

I. Introduction. As fiduciaries and employees of a non-profit organization, the members of the Board of Directors (a “director” or “Board member”) and the staff of the Loan Syndications and Trading Association, Inc. (“LSTA”) have a duty to conduct the affairs of LSTA in a manner consistent with LSTA’s purposes and to make decisions concerning LSTA solely to promote LSTA’s best interests. This duty dictates that directors and staff not disclose or use any information received in their capacity as directors or employees for purposes other than evaluation of matters relevant to and in the interest of LSTA, and it requires that LSTA be fully informed about those transactions and arrangements in which directors or staff may have an interest.

LSTA recognizes that its directors and employees may have business or other professional interests that may present conflicts with LSTA, including conflicts of interest that arise when the interests of LSTA conflict with the interests of a member firm that is a director’s employer (the “Employer Firm”). The presence of a conflict does not reflect upon the integrity of a director or employee. The duty of loyalty, however, requires that each director and employee be aware of the potential for conflicts of interest and act with candor and care towards LSTA in dealing with such situations. With full disclosure of all conflicts, LSTA can determine the propriety of a particular transaction that may present a potential benefit to a director or employee and identify proper procedures for handling it. LSTA has adopted this Conflict of Interest and Confidentiality Policy to assist LSTA in identifying, evaluating and managing all potential, actual and perceived conflicts of interest (collectively, “Conflicts”).

II. Conflicts Of Interest

(1) General Rule. No director or employee may use his or her position or relationship with LSTA, or his or her access to information about LSTA, to make a personal profit or to gain a financial or other personal or professional advantage for the director or employee, his or her family members, or for a director’s Employer Firm. Directors and employees should pay attention to the appearance of Conflicts as well as actual Conflicts.

(2) Occurrence of a Conflict. Circumstances in which a director or employee may have a Conflict include situations when a director or employee, family member of the director or employee or the director’s Employer Firm:

- (A) is a party or potential party to or has a personal or professional interest in a transaction with LSTA;
- (B) has an actual or potential compensation, employment, ownership, investment or other financial interest in, is an officer, director or employee of, or is a substantial contributor to an entity with which LSTA has negotiated or will negotiate a transaction;
- (C) has a direct or indirect ownership, employment, investment, financial or other interest in any entity that has a potential for gain or loss as a direct result of LSTA’s action on any matter; or
- (D) may receive a financial or other material benefit of any nature from knowledge or confidential information acquired by the director or employee as a result of his or her relationship with LSTA.

(3) Definition of Family Member. The term “family member” as used in this policy refers to the members of the director’s or employee’s household, his or her parents, his or her descendants, and the members of the households of such parents and descendants.

(4) Procedures for Dealing with Conflicts

(A) *Disclosure.* Any director or employee who believes he or she may have a Conflict shall immediately notify LSTA’s General Counsel regarding the existence and nature of the potential Conflict and shall disclose all relevant information and material facts. If the potential conflict involves the General Counsel, such director or employee should instead notify the LSTA’s Executive Director. Whenever a question arises as to whether this policy applies to a particular transaction or situation, a director or employee is encouraged to consult with LSTA’s General Counsel.

(B) *Addressing Conflict Issues.*

(i) *For employees:* After a potential Conflict is disclosed, LSTA’s General Counsel (or Executive Director, as the case may be) will work with legal counsel to decide whether an actual Conflict exists and what course of action, if any, is appropriate. Upon such determination, the General Counsel (or Executive Director, as the case may be) will take the action, if any, that he or she deems appropriate.

(ii) *For directors:* After a potential Conflict is disclosed, LSTA’s General Counsel (or other officer assessing the potential Conflict) will work with disinterested members of LSTA Board of Directors to decide whether an actual Conflict exists and what course of action, if any, is appropriate. Upon such determination, the Board will take the action, if any, that it deems appropriate. If no actual Conflict is found to exist, the minutes of the meeting must record the basis of the Board’s determination.

(C) *Withdrawal and Abstention for Directors.* If the Board determines that a transaction presents a Conflict, the transaction must be approved in advance by only those Board members, if any, who do not have a conflict with respect to the transaction. Any interested director therefore must recuse himself or herself from consideration of the transaction and may not vote on the transaction or be present when the vote is taken. He or she furthermore may not be present during any discussion of the transaction other than to answer questions. Interested persons, however, may be counted for the purpose of determining whether a quorum exists at the meeting even though they are temporarily absent while the transaction is considered.

(5) Distribution of Policy and Submission of Disclosure Statements. To manage Conflicts properly, LSTA’s Board and senior staff must be fully informed about LSTA transactions in which directors or employees may have an interest. To ensure that all directors and employees are aware of this Conflict of Interest and Confidentiality Policy and that LSTA is informed of relevant information, the policy will be distributed to each director and employee annually together with a disclosure statement. Each director and employee will complete and return the disclosure statement to LSTA’s General Counsel, except that the General Counsel shall return the disclosure statement to the LSTA’s Executive Director. If any individual becomes a director or employee after the annual distribution, LSTA will provide the director or employee with a copy of this Conflict of Interest and Confidentiality Policy promptly upon such individual’s becoming a director or employee. If a director or employee’s personal, business and organizational affiliations change in a manner that may give rise to a Conflict, the director or employee should update the disclosure statement. LSTA will retain all disclosure statements with its records in a manner that reasonably protects any confidential information from disclosure (except as may be necessary to enforce this policy).

(6) Violation of The Conflict of Interest Policy. If a director or employee has reasonable cause to believe that another director or employee has failed to disclose a Conflict, that director or employee will

inform LSTA's General Counsel in writing upon learning such information. Upon receiving notification, the General Counsel will determine how to deal with the alleged failure to disclose a Conflict.

III. Confidentiality

(1) *Confidential Information.* LSTA's board meetings will include discussions on potential collaborations and transactions, as well as positions to be taken by LSTA in matters that are the subject of actual or potential litigation and other important and sensitive matters. Communication between LSTA staff and directors, as well as communication among staff or directors, whether in person or via teleconference, electronic mail or regular mail, will also involve such matters. Each director and employee recognizes that he or she may have access to confidential information, including information on transactions, legal proceedings or other activities undertaken or contemplated by LSTA ("Confidential Information"). Subject to limited exceptions, Confidential Information must be kept confidential. No director or employee may disclose, directly or indirectly, to any third party (including a director's Employer Firm) or use for any purpose (except as required to perform duties for LSTA or as expressly authorized in writing by LSTA) any Confidential Information learned by the director or employee as a result of his or her relationship with LSTA. In determining whether certain information is subject to this policy, a rule of reason and good judgment should prevail.

If information was acquired by a director or employee independent of his or her position as a director or employee of LSTA, or if the information is publicly available, it is not Confidential Information. However, if the disclosure or dissemination of such information will be contrary to the best interests of LSTA, a director or employee may be in violation of the duty of care or loyalty if he or she discloses or disseminates such information. Accordingly, directors and employees are urged to act judiciously and prudently when disclosing and disseminating any information that pertains to LSTA, even if the information is publicly available or was not acquired on account of a director or employee's relationship with LSTA.

(2) *Legal Process.* If a director or employee is ever required by operation of law, court order or other legal process to disclose Confidential Information, the director or employee will give LSTA's General Counsel prompt written notice and consult with the General Counsel prior to any disclosure, or in the case of the General Counsel, such notice shall be given to the LSTA's Executive Director.

(3) *Return and Destruction of Materials.* Unless LSTA expressly approves in writing, no director or employee may copy any materials containing Confidential Information relating to LSTA or its activities. Before a director or employee terminates his or her relationship with LSTA, the director or employee must return to LSTA, without retaining any copies or notes, all Confidential Information and other materials belonging to or pertaining to LSTA.

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ANNUAL ACKNOWLEDGMENT AND DISCLOSURE STATEMENT

Please complete Parts A and B, sign them, and return this form to LSTA's General Counsel.

Part A. Acknowledgment

I hereby acknowledge that I have received a copy of LSTA's Conflict of Interest and Confidentiality Policy and that I have read and understand it. I agree to comply with the policy and all procedures described in it.

Printed Name: _____

Signature: _____ Date: _____

Part B. Disclosure Statement

In the space below, disclose any entities in which you or the members of your household have a substantial interest, including:

(1) Entities in which you or a member of your household serves as a director, officer, employee, member, partner or trustee (list name of each entity and position held; if necessary, attach additional sheets):

(2) Entities that do or may do business with LSTA and in which you or a member of your household has a substantial financial interest other material or professional interest (list name of each entity and nature of interest; if necessary, attach additional sheets):

I certify that the above information is correct to the best of my knowledge.

Printed Name: _____

Signature: _____ Date: _____