3.2 – Conflict of Interest

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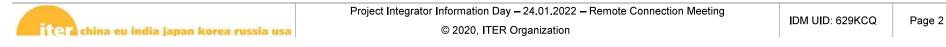
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What are we talking about today?

- In a competitive solicitation process, a "bidder conflict of interest" is a situation that may give a bidder an unfair advantage over the other bidders, such as having access to information that is not available to other bidders.
- In a competitive solicitation process, an "organizational conflict of interest" is a situation in which multiple bidders/involved parties are part of the same corporate group raising the risk of collusion and sharing information.

Here, it is not a question of a conflict between the private interests and the official responsibilities of a person



What do we want to avoid?

We want to avoid a breach of the client's duty of fairness

- that could compromise the integrity of the procurement process
- and could possibly:
 - lead to bid rejection
 - or result in a legal challenge from a losing bidder complaining about the winning bidder's unfair advantage





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What do we want to put in place?

- We want to ensure that the definition of conflict of interest is made clear to the bidders from the outset.
- The Project Integrator must remain as much as possible unbiased and not influenced by the contractors in charge of the other work packages.



That has been acknowledged by a vast majority of the respondents to the Market Survey launched last year

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What do we want to preserve?

- ITER needs the best experienced companies to meet the high level expectations and requirements of such a gigantic and complex project.
- ITER Organization wants to allow bidders to participate both in the PI contract and some HCC technical work packages contracts under specific conditions





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Principle 1

With consideration to the collaborative contracting approach, a company awarded the PI contract is allowed to participate in the HCC technical work-packages contract for the cases with a \checkmark



| | | Position of a company in PI competition | | | | | | |
|---|---|---|------------------------|-------------------------|---|--|---------------|--|
| | | Group Leader of a consortium | Member of a consortium | Single existing company | Controlling owner of a legal entity | Non controlling owner of a legal entity | Subcontractor | |
| Position of a company in technical work-package competition | Group Leader of a consortium | × | ~ | × | × | ~ | ~ | |
| | Member of a consortium | \checkmark | \checkmark | \checkmark | \checkmark | \checkmark | \checkmark | |
| | Single existing company | × | ~ | × | × | ~ | ~ | |
| | Controlling owner of a legal entity | × | ~ | × | × | < | ~ | |
| | Non controlling owner of a legal entity | ~ | ~ | \checkmark | ~ | Image: A transmission of the second se | ~ | |
| | Subcontractor | ~ | ~ | \checkmark | ~ | ~ | \checkmark | |
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Conditions of application of Principle 1

With consideration to the collaborative contracting approach, a company awarded the PI contract is allowed to participate in the HCC technical work-packages contract for the cases with a

Provided that the company is able to demonstrate an prove to the Clients:

- Unambiguous independency of organizations, fully demonstrating that the Entity is not taking unfair advantage of the PI contract when bidding to and/or executing other technical work package contract(s);
- Declaration of commitment by the Entity;
- Bespoke conflict of interest management procedure;
- Safeguards on decision-making process;
- Early warning and reporting procedure;
- Unambiguous delimitation and interfaces between PI and WP tasks (notably for review, validation, acceptance, ... topics);
- Any other relevant proposal and/or evidences contributing to this demonstration.



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Principle 2



A company involved in the drafting of any part of the Project Integrator contract tender package is not allowed to bid, as part of any Entity or as a subcontractor, for the Project Integrator contract.



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In conclusion

ITER Organization is keen on increasing the contract opportunities for all companies committing in values of fairness and integrity.

The conflict of interest is a risk that can be managed with the high consideration that ITER is a project scrutinized by the entire world. Let's all be aware, together



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