

CHAPTER 10 – CONFLICT OF INTEREST

SELCO Foundation is committed to operating within the spirit and letter of all laws and regulations affecting its activities and employees. The employee must exercise the highest level of integrity, ethics, and objectivity in their actions and relationships which may affect the Foundation. Employees must not misuse their authority or the influence of their positions in these relationships. An employee must act in the best interest of the Foundation at all times.

10.1 Scope of Conflict of interest policy

This policy is designed to guide the staff, including part-time employees and associates, consultants, CEO and Board of trustees in the performance of their duties in the best interest of the Foundation.

10.2 DEFINITIONS

“Conflict of Interest” is defined with respect to a transaction or proposed transaction, when any personnel of the Foundation or their family member;

- (a) are in a position to make or influence the Foundation's decisions about whether and how to proceed with the proposed transaction or influence the ability of an employee to act objectively and,
- (b) have an affiliation with any organization that is transacting with the Foundation.
- (c) conflict of interest situation can also arise when there is a conflict between self-interest and interest of the Foundation.

“Family members” includes the spouses, siblings, parents, children, grandchildren, spouses of a sibling, children and grandchildren.

“Affiliation in an organization” exists when a member being Trustee, CEO or Staff of the Foundation is affiliated with an organization where there are transactions including seeking a grant from the Foundation.

Such affiliation exists if the person (i) is a director, trustee, officer, or employee of the other organization, (ii) has an unofficial role such as significant donor, volunteer, or adviser of the other organization (iii) has an ownership or investment interest (iv) receives a compensation.

“Personnel of the Foundation” includes staff, associates, consultants, CEO and the Board of trustees.

“Transactions” include those related to (a) selling or leasing any property or assets to the Foundation (b) Sale of goods and services to the Foundation (c) Lending of money or other extensions of credit by the Foundation.

“Self-Interest” includes getting personal benefits (a) in exchange of information (b) for influencing decision making (c) promoting family business of family members (d) Directly or indirectly renting of property to the Foundation e) Borrowing funds from the Foundation

10.3 CONFLICT OF INTEREST SITUATIONS

To ensure that the interests of the Foundation are paramount, the following conflicts of interest situations and self-dealing must be avoided by all employees, both in letter and spirit. The following are some of the situations considered that can result in a potential conflict of interest:

10.3.1 Holding a Significant Interest in Suppliers, Vendors, Partners, beneficiaries etc.

Employees and their immediate family should not have any ownership interests or board position or position of influence in, or own property with, any of the Foundation's vendors, suppliers, contractors, agencies, partners, beneficiaries and associates or their office employees unless the Foundation determines that such ownership interests do not conflict with the employee's obligations to the Foundation.

These restrictions do not apply to ownership of stocks of a public listed Company merely for personal investment.

10.3.2 Outside Work

Employees are not allowed to work for or conduct any outside business with any other organization or institution if they are full-time employees of the Foundation, without prior written permission from the CEO. Employees may not be engaged in any manner by the Foundation's vendors, suppliers, contractors, agencies, partners, grantees, beneficiaries, and associates (or their office employees).

In order to determine whether an employee's investments or activities create a conflict, each employee is required to list outside businesses, ownership interests and activities which relate to the sustainable/renewable energy fields. This list should include investments and activities involving sustainable/renewable energy, any of our vendors, suppliers, contractors, agencies, partners, grantees, or beneficiaries. If an employee's activities change, it is required that this list be updated. The Foundation will determine if such activities or investments are not consistent with Foundation policies. Any activities or investments which relate to the sustainable/renewable energy fields, but are determined not to conflict with the Foundation's policies, will be verified by the Foundation in writing.

10.3.3 Gifts and Gratuities

- To ensure the highest level of objectivity in dealing with the Foundation's vendors, suppliers, contractors, agencies, partners, grantees, beneficiaries and associates and to avoid the appearance of impropriety, employees and their immediate family are not permitted to accept personal benefits, solicited or unsolicited, of any kind. This includes gifts, free services, discounts, loans, lavish entertainment or other special favours. Gifts

such as shawls presented during functions or any prizes commemorating any special achievement by vendors, suppliers, contractors, agencies, partners, grantees, beneficiaries and associates may be accepted when they have not been solicited and are not being made in return for special consideration or decision. However, the value of such gifts should not exceed Rs.1000.

- While certain nominal gifts may be customary (such as shawls or mementos presented during functions or occasion), any such payments or gifts exceeding Rs. 1000 must be disclosed to Sr. Management and the reason for the gift also explained in writing to ensure that they are appropriate. Records of any such payment or gift (letter submitted) must also be maintained in the employee's HR file.
- The Foundation will not condone the receipt of any payment by an employee that is received in the nature of bribe, kickback, or a commission or an advantage from a third party for obtaining any business or otherwise bestowing a special favour from the Foundation or its employees or for disclosing or using confidential, special, or inside information of or about the Foundation or its clients.

10.4 APPROACHES TO CONFLICT MANAGEMENT

- All Foundation personnel must disclose to the designated authority the names of any organization of which they (including a family member) have an affiliation, including all paid and unpaid roles, whether they are employment, advisory or honorary.
- In order to have an impartial decision making, any conflict of interest or potential conflict of interest must be disclosed to the Foundation before a decision is made on the matter. Such a person should not participate or be present in the discussion of the matter except if clarifications are sought. They should abstain from the decision making the process.
- The Foundation shall obtain an annual declaration from all employees regarding any conflict of interest and the same should be updated in a register available with the purchase committee/accounts department. Should a conflict of interest occur in the course of the financial year, it is the responsibility of the employee to declare the same with the designated authority.
- All employees of the Foundation must be given a copy of this policy at the time of joining employment of the Foundation, along with the HR Policy document and other such policy documents normally given to any new employee. Any violation of the above clauses will be considered as a breach of the employee contract and appropriate disciplinary action will be taken.