

## CONFLICT OF INTEREST POLICY



**Aiming Change for Tomorrow**

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Recommended by : Management Committee headed by CEO  
Approved by : Board of Directors, ACT-International

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## **1. DRAFT-CONFLICT OF INTEREST POLICY**

Key Principle: "Nobody, whether an individual, a commercial entity, or a company with a relationship to ACT International employee, may improperly benefit from ACT International through his or her relationship with the employee or as a result of the employee's position in the organization. Furthermore, no employee may personally benefit in an improper way."

### **1.1 SECTION 1 PURPOSE:**

Aiming Change for Tomorrow (ACT) International is a nonprofit organization. Consequently, there exists between ACT International and its board, officers, and management employees and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of ACT International honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of ACT International. All these persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with ACT International or knowledge gained there from for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

### **1.2 SECTION 2 PERSONS CONCERNED:**

This statement is directed not only to directors and officers, but to all employees who can influence the actions of ACT International. For example, this would include all who make purchasing decisions, all persons who might be described as "management personnel," and anyone who has proprietary information concerning ACT International.

### **1.3 SECTION 3 AREAS IN WHICH CONFLICT MAY ARISE:**

Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

1. Persons and firms supplying goods and services to ACT International.
2. Persons and firms from whom ACT International leases property and equipment.
3. Persons and firms with whom ACT International is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Donors and others supporting ACT International.
6. Agencies, organizations, and associations which affect the operations of ACT International.
7. Family members, friends, and other employees.

### **1.4 SECTION 4 NATURE OF CONFLICTING INTEREST:**

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with ACT International.

2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with ACT International.
3. Receiving remuneration for services with respect to individual transactions involving ACT International.
4. Using ACT International's time, personnel, equipment, supplies, or good will for other than ACT International approved activities, programs, and purposes.
5. Receiving personal gifts or loans from third parties dealing or competing with ACT International. Receipt of any gift is disapproved except gifts of a value less than PKR 1000, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

#### **1.5 SECTION 5 INTERPRETATION OF THIS STATEMENT OF POLICY:**

The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officers, and management employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of ACT International.

However, it is the policy of the board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

#### **1.6 SECTION 6 DISCLOSURE POLICY AND PROCEDURE:**

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and
4. The [board or a duly constituted committee thereof] has determined that the transaction is in the best interest of the organization.

Disclosure in the organization should be made to the chief executive officer (or if she or he is the one with the conflict, then to the board chair), who shall bring the matter to the attention of the [board or a duly constituted committee thereof]. Disclosure involving directors should be made to the board chair, (or if she or he is the one with the conflict, then to any board member) who shall bring these matters to the [board or a duly constituted committee thereof].

The [board or a duly constituted committee thereof] shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized

as just, fair, and reasonable to ACT International. The decision of the [board or a duly constituted committee thereof] on these matters will rest in their sole discretion, and their concern must be the welfare of ACT International and the advancement of its purpose.

## 2. CONFLICT OF INTEREST DISCLOSURE STATEMENT

Preliminary note: In order to be more comprehensive, this statement of disclosure/questionnaire also requires you to provide information with respect to certain parties that are related to you. These persons are termed "affiliated persons" and include the following:

- A. your spouse, domestic partner, child, mother, father, brother or sister;
- B. any corporation or organization of which you are a board member, an officer, a partner, participate in management or are employed by, or are, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities; and
- C. any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

1. NAME OF EMPLOYEE OR BOARD MEMBER: (Please print)

\_\_\_\_\_

2. CAPACITY: \_\_\_\_\_ board of directors' \_\_\_\_\_ executive committee

\_\_\_\_\_ officer \_\_\_\_\_ committee member \_\_\_\_\_ staff (position): \_\_\_\_\_

3. Have you or any of your affiliated persons provided services or property, engaged in business or delivered any voluntary or paid facilities to ACT International in the past year?

\_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, please describe the nature of the services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

\_\_\_\_\_

\_\_\_\_\_

4. Have you or any of your affiliated persons purchased services or property from ACT International in the past year?

\_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, please describe the purchased services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

\_\_\_\_\_

\_\_\_\_\_

5. Please indicate whether you or any of your affiliated persons had any direct or indirect interest in any business transaction(s) in the past year to which ACT International was or is a party?

\_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, describe the transaction(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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6. Were you or any of your affiliated persons indebted to pay money to ACT International at any time in the past year (other than travel advances or the like)?

\_\_\_ YES \_\_\_ NO

If yes, please describe the indebtedness and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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7. In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal benefits from ACT International or as a result of your relationship with ACT International, that in the aggregate could be valued in excess of PKR 100,000, that were not or will not be compensation directly related to your duties to ACT International?

\_\_\_ YES \_\_\_ NO

If yes, please describe the benefit(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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I, hereby, confirm that I have read and understand ACT International's conflict of interest policy and that my responses to the above questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify [designated officer or director] immediately.

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Signature Date [name of organization]

### **3. GIFT POLICY AND DISCLOSURE FORM**

As part of its conflict of interest policy, ACT International requires that directors, officers and employees decline to accept certain gifts, consideration or remuneration from individuals or companies that seek to do business with ACT International or are a competitor of it. This policy and disclosure form is intended to implement that prohibition on gifts.

Section 1. "Responsible Person" is any person serving as an officer, employee or a member of the board of directors of ACT International.

Section 2. "Family Member" is a spouse, domestic partner, parent, child or spouse of a child, or a brother, sister, or spouse of a brother or sister, of a Responsible Person.

Section 3. "Contract or Transaction" is any agreement or relationship involving the sale or purchase of goods, services or rights of any kind; receipt of a loan or grant, or the establishment of any other pecuniary relationship. The making of a gift to ACT International is not a "contract" or "transaction."

Section 4. Prohibited gifts, gratuities and entertainment. Except as approved by the Chairman of the Board or his designee or for gifts of a value less than PKR 1000 which could not be refused without discourtesy, no Responsible Person or Family Member shall accept gifts, entertainment or other favors from any person or entity which:

1. Does or seeks to do business with ACT International or,
2. Does or seeks to compete with ACT International or,
3. Has received, is receiving, or is seeking to receive a Contract or Transaction with ACT International

#### **4. GIFT STATEMENT**

I certify that I have read the above policy concerning gifts, and I agree that I will not accept gifts, entertainment or other favors from any individual or entity, which would be prohibited by the above policy. Following my initial statement, I agree to provide a signed statement at the end of each calendar year certifying that I have not received any such gifts, entertainment or other favors during the preceding year.




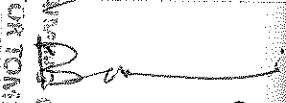
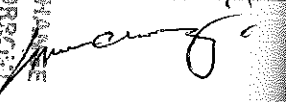
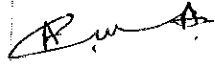
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Signature Date [name of organization]

This Policy enters into force on 1<sup>st</sup> September 2014. It shall be implemented by all ACT International affiliates subject to mandatory legal considerations. All the Line Management is responsible for the implementation of this Policy at all levels in field, district offices and headquarter.

**SUBJECT TO APPROVAL OF THE BOARD OF DIRECTORS**

Conflict of Interest Policy approval by Board of Directors, August 31<sup>st</sup>, 2014

No	NAME	CNIC	Status	Signature
1	Ch.Israr-ul-Haq	61101-1982262-7	Chairperson	
2	Mubashar Nabi	61101-9146195-7	BOD Member	
3	Suhrab Khan	51603-4893375-5	BOD Member	
4	Dr.Bushra Aizaz	82203-1135528-6	BOD Member	
5	Dr.Manzoor Awan	13101=4914853-9	BOD Member	
6	Kalsoom Raiz	17301-6741549-4	BOD Member	
7	Masood Ahmed Murtaza	41204-0419350-1	BOD Member	
8	Adeel Gul	822-3=0511699-3	BOD Member	

CHAIRMAN  
 BOARD OF DIRECTORS  
 FOR TOMORROW



