

POLICY ON CONFLICT OF INTEREST

This policy will be read in conjunction with PEEF Administration and HR Manual Chapter General and Administrative Policies and Section 1.5 Employee Discipline.

WHAT DO WE MEAN BY A CONFLICT OF INTEREST?

Anyone associated with PEEF has a conflict of interest when he/she is in a position of authority which requires him/her to exercise judgment or make decisions, or to participate in Board or committee which makes decisions, on behalf of PEEF and also has (personal, financial or other) interests or obligations that might interfere with or influence the exercise of his or her judgment.

A conflict of interest can:

- i) Be actual (i.e. there is an obvious or demonstrable conflict of interest) or perceived (i.e. an onlooker may reasonably assume there is a conflict);
- ii) Be based on personal and/or financial matters; and/or
- iii) Arise from the interests of persons or entities related to or associated with you;
- iv) Arise from duties which you owe to persons or entities other than PEEF.

Policy Intent and PEEF Expectations

Identifying and dealing with conflicts of interest is an integral part of establishing an ethical culture at PEEF. It is the responsibility of Executives and Board of Directors to ensure that these interests do not create a conflict of interest or a perception of a conflict of interest.

Two important points underlying this policy are as follows:

- If you are unsure whether there is a conflict of interest, it is in all instances preferable to declare it. This will protect you and the organization as well.
- When considering whether a conflict of interest exists, consider the situation from the standpoint of an outsider. If it is likely that a reasonable outsider would consider that a conflict exists, you should act as though a conflict does exist.

It is PEEF policy that all Executives and Board of Directors must remain independent, impartial and unbiased when performing their duties. To ensure that the stakeholders perceives you as impartial, effective and fair, you must ensure that your interests and obligations do not conflict, and do not appear to conflict, with your responsibilities as an Executive or member of Board of Directors. Your interests may be of a personal or financial nature, and may extend to interests of persons related or associated with you. You must disclose any conflict of interest in a timely way and take reasonable action as directed by PEEF to deal with any conflict.

Each Executive and BOD is required to familiarise themselves with, and act in accordance with, the contents of this policy.

EXAMPLES OF CONFLICT OF INTEREST SITUATIONS

A clear example of a conflict of interest is where an Executive's or BOD's position or authority may be used to influence or make decisions that lead to any form of financial or personal gain for the Executive or BOD, or for an Associated Entity.

Financial interests

Financial interests may cover such things as directorships, or trusts that have the potential to conflict with official duties.

An example of this type of conflict could be where an Executive or BOD holds shares in a private company and his or her duties require decisions which could result in benefits or concessions for that company. Where this situation arises, the Executive or BOD should advise the relevant Company Secretary and withdraw from the decision making process in regard to decisions concerning the company in which the Executive or BOD has an interest.

Personal and other interests

Personal and other interests may arise from social or cultural activities as well as from family, personal or other relationships. In carrying out their duties, PEEF Executives and BOD should not allow themselves to be improperly influenced by family or other personal relationships. For example, situations may arise where a decision has to be made by the Executive or Directors and that decision would directly affect a person who has a personal relationship with the decision maker. In these cases, Executives and Directors should declare the conflict and refer the matter to the Company Secretary.

While it is not uncommon or wrong for couples or family members to be working in the same agency, it is not usually appropriate for one to have line responsibility over another. It is important that other employees feel able to raise with more senior managers any concerns about perceptions of conflict of interest resulting from close personal relationships (be it part of a family or not) working in the one agency.

Procurement of goods and services

Executives and Board should ensure fair and ethical conduct in the procurement process and not allow any conflict, actual or perceived, between their duties as employees and their private interests. Dealings with suppliers should at all times be honest, fair and even-handed.

An executive's behaviour in an official capacity should not give the impression that he or she has been influenced by a gift or consideration to show favour or disfavour to any person or organization. Employees must comply with PEEF's policies in relation to the disclosure of gifts.

Accessing and using information

Employees must not access confidential information held by PEEF on matters that are unrelated to their normal duties and responsibilities. Accessing material that is confidential or highly sensitive and not related to their normal work may give rise to a perception that the Employee is accessing material for personal or other inappropriate purposes. If Employees legitimately require access to confidential or sensitive information outside their normal area of work, Employees must first check with the concerned Head of Department.

MANAGING CONFLICT OF INTEREST SITUATIONS

The Directors and Executives of PEEF do not allow a conflict of interest to undermine their objectivity in any of their activities, both professional and private and that they do not use their position in the PEEF to further their private gains in a social or business relationship outside the Company. If a situation arise where an actual or potential

conflict of interest exists, there shall be appropriate identification, disclosure and management of such conflict of interest.

A person shall be deemed to have an interest in a matter if he has any stake, pecuniary or otherwise, in such matter which could reasonably be regarded as giving rise to a conflict between his duty to objectively perform his functions so that his ability to consider and decide any matter impartially or to give any advice without bias, may reasonably be regarded as impaired;

Where a director, executive or other employee has a conflict of interest in a particular matter, such person shall play no part in the relevant discussion, decision or action.

New employees and Directors

Each new Executive and Director will, at the time of their appointment, be required to provide PEEF with a signed declaration. In addition, during the recruitment process, PEEF may seek information about conflicts of interests from applicants.

It is the responsibility of all Executives and Directors who have signed declarations to notify the relevant Head of Department promptly upon becoming aware of any material change of circumstance relevant to their declaration.

All Executives and Directors must disclose, and take reasonable steps to avoid, any conflict of interest in connection with their duties or the services they perform for PEEF. It is the responsibility of Executives and Directors to advise Company Secretary of an actual or potential conflict of interest at the earliest possible opportunity. This includes conflicts of interest which arise in connection with an Associated Entity. Executives and Directors must declare any financial or non-financial interests which are relevant to their capacity or function as an Executive or Director of PEEF.

A "**Register of Interests**" will be maintained by Company Secretary to record all relevant personal, financial and business interests, of directors and executives who have any decision making role in the company, and the same shall be **made publicly available**. Such interests may include, for instance, any significant political activity, including office holding, elected positions, public appearances and candidature for election, undertaken in the last five years;

HEADS OF DEPARTMENT

It is the responsibility of Manager/Heads of Departments to:

- (a) Ensure that Employees are aware of their obligations in identifying and managing conflicts of interest, and potential conflicts of interest;
- (b) Upon receiving a disclosure of a conflict or possible conflict, appropriately investigate the nature and extent of the conflict;
- (c) Having determined that there is, or could be, a conflict of interest, make recommendations to the Chief Executive to address the situation. Any such recommendation could include that:
 - The Employee continue in his or her duties;
 - The Employee be directed to divest him or herself of an interest/obligation;
 - The Employee's duties be rearranged;

- The Employee be reassigned to an equivalent position with duties involving no such actual or potential conflict of interests.

FAILURE TO COMPLY

Failure to comply with this policy by an Employee will result in appropriate response to misconduct as per procedure mentioned in section 1.5.4 of the General & Administrative Policies in Admin and HR Manual of PEEF.