

2018

SATHI SAMUHA

Conflict of Interest (CoI) Policy

2018

COI POLICY
BINOD GURUNG

SATHI SAMUHA
Kathmandu, Nepal

SATHI's Conflicts of Interest (CoI) Policy

1. Purpose

The purpose of this policy is to help board members & management committee (M.C) members of **SATHI SAMUHA (SATHI)** to understand and to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest (CoI) in order to protect the integrity of SATHI and manage risk.

2. Objective

The **SATHI Executive Board** also known as **Executive Committee** (*called the 'board' in this policy*) aims to ensure that board members and members of the M.C are aware of their obligations to disclose any conflicts of interest that they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of SATHI.

3. Scope

This policy applies to all board members & members of the M.C. of SATHI.

4. Definition of conflicts of interests

A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests of the organization. Personal interests include direct interests as well as those of family, friends, or other organisations a person may be involved with or have an interest in. It also includes a conflict between board member's & M.C. member's duty to SATHI and another duty that the board & M.C. members have (*for example, to another organization*). A conflict of interest may be actual, potential or perceived and may be financial or non-financial.

These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of the organization and must be managed accordingly.

4.1 Conflicts of interests

As a member of the Board & or M.C, I recognize that I owe a fiduciary duty of loyalty to SATHI SAMUHA (**SATHI**). This duty requires me to avoid conflicts of interest and to act at all times in the best interests of SATHI. The purpose of the CoI policy (*set forth below*) is to help inform the Board and M.C. about what constitutes a conflict of interest, assists the Board & M.C in identifying and disclosing any actual, potential or perceived conflicts, and helps ensure the avoidance of conflicts of interest where necessary. This policy may be enforced against individual Board & M.C. members as described below:

1. Board & M.C. Members have a fiduciary duty to conduct themselves without conflict to the interests of SATHI. In their capacity as Board and M.C. members, they must subordinate

personal, individual business, third-party, and other interests to the welfare and best interests of SATHI.

2. A conflict of interest is conduct, a transaction or relationship that presents or might conflict with a Board & or M.C member's obligations owed to SATHI and their personal, business or other interests.
3. All conflicts of interest are not necessarily prohibited or harmful to SATHI. However, full disclosure of all actual, potential & perceived conflicts and a determination by the disinterested Board members – with the interested Board & M.C. member recused from participating in debates and voting on the matter – are required.
4. All actual, potential & perceived conflicts of interests shall be disclosed by the Board & M.C. members to SATHI Executive Committee through the annual disclosure form whenever a conflict arises. Disinterested members of SATHI Executive Committee shall make a determination as to whether a prohibited conflict exists and what subsequent action is appropriate (*if any*). The Board shall retain the right to modify or reverse such determination and action, and shall retain the ultimate enforcement authority with respect to the interpretation and application of this policy.
5. On an annual basis, all Board & M.C members shall be provided with a copy of this policy and is required to complete & sign the acknowledgment and disclosure form below. All completed forms shall be provided to and reviewed by SATHI Executive Committee, as well as all other conflict information, if any, provided by the Board & M.C. members.

5. Policy

This policy has been developed because conflicts of interest commonly arise, and do not need to present a problem to the organization if they are openly and effectively managed. It is the policy of SATHI as well as a responsibility of the board & management committee, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (*where they do arise*) do not conflict with the obligations to SATHI.

SATHI will manage conflicts of interest by requiring the board & management committee members to:

- avoid conflicts of interest where possible,
- identify and disclose any conflicts of interest,
- carefully manage any conflicts of interest, and
- follow this policy and respond to any breaches.

5.1 Responsibility of the board

The board is responsible for:

- establishing a system for identifying, disclosing and managing conflicts of interest across the organization,
- monitoring compliance with this policy, and
- reviewing this policy on an annual basis to ensure that the policy is operating effectively.

5.2 Identification and disclosure of conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, it must be entered into SATHI's **Register of Interests**, as well as being raised with the board. Where all of the other board members share a conflict, the board should refer to governance standard of SATHI to ensure that proper disclosure occurs. The register of interests must be maintained by the **Administration Officer** and record information related to a conflict of interest (*including the nature and extent of the conflict of interest and any steps taken to address it*).

5.3 Confidentiality of disclosures

Only the members of the Executive Board of SATHI will have an access to the information disclosed and all information disclosed will be treated as strictly confidential thus they will not be shared to any other individual or third party.

6. Action required for management of conflicts of interest

6.1 Conflicts of interest of board members and members of management committee (M.C)

Once the conflict of interest has been appropriately disclosed, the board (*excluding the board member disclosing and any other conflicted board member*) must decide whether or not those conflicted board members & or members of the M.C. should:

- vote on the matter (*this is a minimum*),
- participate in any debate, or
- be present in the room during the debate and the voting.

In exceptional circumstances, such as where a conflict is very significant or likely to prevent a board member from regularly participating in discussions, it may be worth the board considering whether it is appropriate for the person conflicted to resign from the board.

6.2 What should be considered when deciding what action to take?

- In deciding what approach to take, the board will consider whether the conflict needs to be avoided or simply documented,
- whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making,
- alternative options to avoid the conflict,
- the organization's objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of the organization.

The approval of any action requires the agreement of at least a majority of the board (*excluding any conflicted board member/s*) who are present and voting at the meeting. The action and result of the voting will be recorded in the minutes of the meeting and in the register of interests.

7. Compliance with this policy

If the board has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances.

If it is found that this person has failed to disclose a conflict of interest, the board may take action against them. This may include seeking to warn them via providing a written notice, asking them for a written clarification or justification or terminate their relationship with the organization.

If a person suspects that a board member has failed to disclose a conflict of interest, they must discuss with the person in question, notify the board or the person responsible for maintaining the register of interests.

8. Effective Date of this Policy

This CoI Policy of SATHI will be in effect immediately after the annual general assembly (AGM) of SATHI for the fiscal year 2074/75 endorses it.

CONFLICTS OF INTEREST ACKNOWLEDGMENT AND DISCLOSURE FORM

I have read the conflicts of interest policy set forth above and agree to comply fully with its terms and conditions at all times during my service as a SATHI Board Member and Management Committee (M.C) member. If at any time following the submission of this form I become aware of any actual, potential or perceived conflicts of interest, or if the information provided below becomes inaccurate or incomplete, I will promptly notify the SATHI Board of Directors in writing.

Disclosure of Actual, Potential or Perceived Conflicts of Interest:

I acknowledge and agree that my selection for service on the Board and or in the management committee and the opportunities made available to me by serving on the Board & in M.C. constitute good and valuable consideration for entering into this agreement, the receipt and sufficiency of which I hereby acknowledge.

In my individual capacity and in good faith:

Signature: _____

Name: _____

Designation: _____