

SOP Document Tracker

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9	Holder Name and Designation	Administrative Manager	
10	Authorized Issuer	Mr. Manab Chakraborty, CEO	
11	Signature of the issuer		
12	Place and Date of Signature	Place: Hyderabad	Date: 1/4/2019

PS: *This document replaces all previous versions, if any.

Conflict of Interest Policy

1 Purpose

The purpose of this policy is to help employees and members of the Board of Directors of Partners in Prosperity (“the company”) to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of PnP and manage risk.

2 Objective

The objective of this Policy aims to ensure that employees and board members 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 PnP Scope

This policy applies to all employees and Board of Directors of the company.

3 Definition of conflict of interest

A conflict of interest occurs when a person’s personal interests conflict with their responsibility to act in the best interests of the company. Personal interests include direct interests as well as those of close relatives, friends, or other organisations a person may be involved with or have an interest in (for example, as a shareholder). It also includes a conflict between the employee’s or Board members’ duty to the company and another duty that the employee or Board member has. 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 charity and must be managed accordingly.

4 Definition of conflict of interest

This policy has been developed because conflicts of interest commonly arise, and do not need to present a problem to the company if they are openly and effectively managed. It is the policy of the company as well as a responsibility of the board and all employees, 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 the company.

PnP will manage conflicts of interest by requiring employees 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.

4.1 Responsibility of the board

The board is responsible for:

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

All board members must disclose any actual or perceived material conflicts of interests.

4.2 Identification and disclosure of conflicts of interest

As per section 184(1) of Companies Act, 2013, every director shall at the first meeting of the Board in which he participates as a director; and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be prescribed.

For employees, once an actual, potential or perceived conflict of interest is identified, it must be communicated to the Administrative Manager, and entered into the personnel file of the individual. The communication may include the nature and extent of the conflict of interest and any steps taken to address it.

5 Action required for management of conflicts of interest

5.1 Conflicts of interest of board members

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 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.

5.2 Conflicts of interest of employee

Once the conflict of interest has been appropriately disclosed, the CEO must consider the potential of damage to the company. Further action, if any shall depend on the gravity of the situation.

In exceptional circumstances, such as where a conflict is very significant or likely to prevent an employee from discharging their duties, it may be worth the CEO considering whether it is appropriate for the person conflicted to resign from the board.

5.3 What should be considered when deciding what action to take regarding conflicted board member

- 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 company's objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the charity.

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.

6 Compliance with this policy

If the board has a reason to believe that a Board member subject to the policy has failed to comply with it, it will investigate the circumstances. Likewise, the CEO shall cause investigation of circumstances wherein the employee has conflicted on interests.

If it is found that this person has failed to disclose a conflict of interest, the board (or CEO in the case employee) may take action against them. In all cases, the matter of conflict would be discussed with the concerned persons before undertaking any action, including termination of the individual board member/employee's relationship with the company.