

CONFLICT OF INTEREST POLICY



National Productivity Organization
Ministry of Industries & Production, Government of Pakistan

Conflict of Interest Policy

1. Purpose

This policy applies to and is mandatory for NPO, all of its projects and all employees affiliated with NPO or any of its projects. This policy provides an overview of NPO's conflict of interest definition, and explains the basic requirements that NPO employees shall follow to avoid the conflict of interest practices throughout their business activities for NPO.

2. Introduction

Following circumstances shall be deemed to create a Conflict of Interest:

- a) A director, employee or volunteer, including a board member (or family member of any of the foregoing) is a party to a contract, or involved in a transaction with NPO for goods or services.
- b) A director, officer, employee or volunteer, (or a family member of any of the foregoing) has a material financial interest in a transaction between NPO and an entity in which the director, officer, employee or volunteer, or a family member of the foregoing, is a director, officer, agent, partner, associate, employee, trustee, personal representative, receiver, guardian, custodian, or other legal representative.
- c) A director, officer, employee or volunteer, (or a family member of the foregoing) is engaged in some capacity or has a material financial interest in a business or enterprise that competes with NPO.

3. Procedures

1. Whenever a director or officer has a financial or personal interest in any matter coming before the board of directors, the affected person shall
 - a) Fully disclose the nature of the interest
 - b) Withdraw from discussion, lobbying, and voting on the matter

Any transaction or vote involving a potential conflict of interest shall be approved only when a majority of disinterested directors determine that it is in the best interest of the corporation to do so. The minutes of meetings at which such votes are taken shall record such disclosure, abstention and rationale for approval.

2. Whenever a director or officer has a financial or personal interest in any matter coming before the board of directors, the board shall ensure that:
 - a) The interest of such officer or director is fully disclosed to the board of directors.

- b) Such transaction is duly approved by the board of directors not so interested or connected as being in the best interests of the organization.
 - c) Payments to the interested officer or director are reasonable and do not exceed fair market value.
 - d) No interested officer or director may vote or lobby on the matter or be counted in determining the existence of a quorum at the meeting at which such transaction may be authorized.
 - e) The minutes of meetings at which such votes are taken shall record such disclosure, abstention, and rationale for approval.
3. Employees are expected to avoid any situation and refrain from any activity or investment which creates a conflict of interest between the employee and the company, or which affects, adversely to the company, the employee's exercise of judgment in conducting the business of the company.
 4. Employees are to refrain from using information obtained from the company, which the company has not made generally available to the public, for personal profit or in any manner which adversely affects the company's interests.
 5. Employees are to refrain from any commitment of time to any outside activity which adversely affects the performance of his/her duties of employment.
 6. All employees are expected to proactively disclose any information which may be categorized as conflict of interest by the company. They are also expected to voluntarily refrain from participation and decision making in such matters which may be categorized as conflict of interest at any time.