



**PADALA CHARITABLE
TRUST**

Conflict of Interest Policy



Introduction

PADALA CHARITABLE TRUST, a registered TRUST established in 2003, is committed to operating with the highest level of transparency and accountability. This Conflict-of-Interest Policy outlines the measures we take to avoid situations where personal interests of Board Members could conflict with the best interests of the organization.

Policy Objectives

This policy aims to ensure:

- Board Members do not benefit from PADALA CHARITABLE TRUST resources, directly or indirectly.
- Transactions involving Board Members or their families do not create conflicts or raise questions about the organization's impartiality.

Scope

This policy applies to all Board Members and their immediate families.

Potential Conflicts

The following situations may constitute a conflict of interest:

1. **Purchases:** Board Members or their close associates cannot be vendors for goods or services procured by PADALA CHARITABLE TRUST.
2. **Employment:** Family members of Board Members cannot be hired by **PADALA CHARITABLE TRUST** unless qualified and selected through a fair and transparent process.
3. **Contracts:** Services cannot be contracted with Board Members, their families, or their affiliated firms/companies without proper justification.
4. **Facilities:** PADALA CHARITABLE TRUST cannot utilize facilities owned by Board Members or their families without proper justification and arm's-length transactions.

5. Asset Usage: Board Members cannot use PADALA CHARITABLE TRUST assets/facilities for personal gain.

6. Disposal of Discarded Stock: Discarded stock cannot be purchased by Board Members without proper valuation by an independent assessor.

Disclosure and Approval Process

In exceptional circumstances, where engaging a **Board Member** or their immediate family member is unavoidable due to a lack of suitable alternatives, the following procedures will be followed:

- The **HR Director** will prepare a detailed report explaining the need to engage the **Board Member** or their family member. This report will explore all alternative options considered.
- The **HR Director** will review the report and make a final decision after considering all options and potential conflicts.
- If the **HR Director** approves the engagement, the **CEO** will present the case to the Board for full disclosure and discussion. The Board will then vote on a resolution to approve the engagement, ensuring transparency and accountability.
- Resolutions approving such engagements will be for specific purposes and timeframes only, to minimize potential conflicts.

Conclusion

PADALA CHARITABLE TRUST is committed to upholding the highest ethical standards. By adhering to this Conflict-of-Interest Policy, we ensure that decisions are made solely in the best interests of the organization and the communities we serve.

Effective Date

This Conflict-of-Interest Policy shall come into effect from **25-10-2024**, superseding any previous policies or guidelines related to conflict-of-interest management within **PADALA CHARITABLE TRUST**.