Policy Summary

Conflict of Interest Policy

Friends Affected & Infected Together in Hand (FAITH) — Lalitpur, Nepal
Adopted June 2019

POLICY PURPOSE

This Policy is designed to foster public confidence in the integrity of FAITH and to protect the organization's interest when contemplating a transaction or arrangement. It provides for the identification, disclosure, and resolution of conflicts of interest, and supplements — but does not replace — applicable law governing conflicts of interest for non-profit organizations.

3 Types of conflict: actual, potential, apparent	**5** Categories of Covered Individuals	**Annual** Disclosure cycle, plus on appointment	**5** Standard Annex forms for disclosure & complaints

Responsibility

In line with FAITH's Code of Ethics and Conduct, this policy applies to the Executive Board, its members, and staff who have a legal duty of loyalty to act in FAITH's best interest. The Disinterested Committee adopts and oversees implementation of, and compliance with, this Policy, including the prohibition on entering Related Party transactions unless determined to be fair, reasonable, and in FAITH's best interest.

What Counts as a Conflict of Interest

A conflict of interest arises whenever FAITH's interests come into conflict with a competing interest, loyalty, or obligation of a Covered Individual or their Related Parties — including outside financial interests, outside activities, and the acceptance of gifts, gratuities, or entertainment intended to influence a Covered Individual's duties. This policy covers three levels of conflict:

- **Actual —** a personal interest sufficiently connected to a person's duties that it impairs their exercise.
- **Potential —** a personal interest that could influence performance of duties, even if not yet acted upon.
- **Apparent/Perceived —** a situation where a reasonable, informed person would think a person's decision-making may be adversely influenced, even absent an actual conflict.

Who is Covered

- Each member of the Executive Board.
- Members of the Disinterested Committee.
- Members of committees of the board of FAITH and its partner organizations.
- Members of Top Management (Executive members).
- Any "key person" with comparable influence, management authority, or responsibility to enter transactions/agreements on FAITH's behalf — including volunteers.

Related Parties include a Covered Individual's spouse or domestic partner, children, grandchildren, siblings (and their spouses/partners), and any entity in which a Covered Individual or relative holds direct or indirect ownership or interest.

Core Duties

- **Avoidance —** do not enter into or pursue arrangements reasonably foreseeable to give rise to a conflict of interest.
- **Disclosure —** upon becoming aware of a possible conflict, disclose it promptly to your immediate superior and the Disinterested Committee.
- **Refrain —** take no further action on the matter and refrain from influencing its resolution, including recusing from related Committee discussion or votes.

Conflict Resolution Procedure

- The Disinterested Committee investigates disclosed conflicts; a Covered Individual with a conflict may present facts but may not participate in or influence the Committee's discussion or vote.
- The Committee first considers whether FAITH could obtain a more advantageous arrangement elsewhere that avoids the conflict.
- If not reasonably possible, the Committee may authorize the arrangement by majority vote of unrelated members, only if it is in FAITH's best interest, fair and reasonable, does not risk FAITH's reputation, and is not legally prohibited.
- Unresolved or Executive Board-level conflicts are escalated to the Executive Board for decision; the individual concerned cannot take part in that investigation or decision.

Disciplinary Action & Confidentiality

Where the Committee has reason to believe an individual failed to disclose a conflict, it will seek an explanation; if concerns remain, it may recommend a formal complaint and investigation, with corrective action escalated to the Executive Board. All information, reports, and minutes relating to a conflict-of-interest investigation are treated as confidential, and Covered Individuals may not use such information for personal profit or advantage.

Disclosure & Compliance Statement

- Acknowledgement: all Covered Individuals sign a statement confirming they have received, read, and agree to comply with the Policy.
- Recruitment: disclosure is required before appointment to a Covered Individual role, and annually thereafter.
- Ongoing: any new or changed conflict must be disclosed immediately as it arises, not only at the annual cycle.

The Executive Board, with the Disinterested Committee, regularly monitors and enforces compliance by reviewing annual Conflict of Interest Disclosure Questionnaires and taking other action as necessary.

Use of Outside Experts

FAITH may, but need not, use outside advisors or consultants for periodic due-diligence reviews. The authority to appoint an outside expert lies with the Disinterested Committee, approved by the Chairperson of the Executive Board; using outside experts does not relieve the Executive Board of its own oversight responsibility.

Compensation

Executive Board members do not receive regular payroll compensation for board service, though they may receive board meeting allowances and expense reimbursement, or be compensated for specific Monitoring & Evaluation (M&E) responsibilities on projects, subject to applicable Nepali law. A voting board member who is compensated for specific project responsibilities is precluded from voting on matters relating to their own compensation; allowance and reimbursement decisions are made by majority vote of the Executive Board.

Supporting Forms

The policy is supported by five standard annex forms: a Conflict of Interest Acknowledgement Statement, a Confidential and Non-Disclosure Agreement, a Complaint Form for alleging violations, an annual Disclosure Questionnaire, and an Investigation Form — all available on request.

This summary is published by FAITH for transparency and accountability. It is a condensed presentation of the internal Conflict of Interest Policy (adopted June 2019); in case of any discrepancy, the full internal policy document — including all annex forms — prevails and is available on request.