

Employ Code of Conduct Manual

2023



Version 1.0

Document History

Date & Approval Ref	Version	Issues Addressed	Description of Change *

*Any changes in text/expression/entitlements/limits/policy or procedures through amendment or revision or review after due approvals are the examples of Description of Change and have to be recorded in chronological order.

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Conflict of Interest in General

- Under guidance of the Board of Directors, management of the organization and its employee and beneficiaries are primarily responsible for ensuring sustainability of the program. Being a non-profit-organization, it is very important that all its resources are carefully utilized for the growth of the organization.
- All the stakeholders view MDF as a public trust and consequently, there exists between MDF and its Board, officers, employees, and the public a fiduciary duty that they collectively have the responsibility of administering the affairs of MDF honestly and prudently by exercising their best skill and judgment for the benefit of the program. These persons are expected to exercise utmost good faith in conducting business and performing their duties, and they shall not use their positions or knowledge gained thereof for personal benefit.

Purpose

- To set out the company's objectives and its responsibilities to various stakeholder, and ethical standards required from its directors and employees to meet such objectives and responsibilities, and in order to safeguard the company's reputation and its creditability, all directors and employees must conduct themselves in accordance with the highest ethical standards and be perceived to be acting ethically at all times and they should avoid any conflict between their own interest and the interest of the company.

Scope

- The policy covers all the, officers, and management employees engaged in conducting the business of the MDF and performing their duties.

Terms and Definitions

- a) The terms 'Conflicting Interest' may be defined as an interest, direct or indirect, with any person(s) firm(s) or company(s) having business with the MDF and such interest might arise through:
 - a. Owning stock or holding debt or other proprietary interests in any third party dealing with MDF.
 - b. Receiving remuneration for services with respect to individual transactions involving the MDF.
 - c. Using MDF's time, personnel, equipment, supplies, or goodwill and other resources for activities, programs, and purposes not approved by the MDF.
 - d. Receiving personal gifts or loans from third parties dealing or competing with the MDF.
 - e. Acceptance of any gift of such value that can influence a decision.

b) The term “affiliated persons” apply to and include two the following parties:

Your spouse, domestic and international partner, child, mother, father, brother, or sister.
Any corporation or organization of which you are a board member, an officer, a partner, participant in management or are employed by, or are directly or indirectly, a debt holder or the beneficial owner of any class of equity securities; and

1. Any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

c) Other terms relevant to the policy are defined as under:

2. “Responsible Person” is any person serving as an officer, employee, or a member of the board of directors of MDF.
3. “Family Member” is a spouse, domestic partner, parent, child or spouse of a child, or a brother, sister, or spouse of a brother or sister, of a Responsible Person.
4. “Contract or Transaction” is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind; receipt of a loan or grant; or the establishment of any other pecuniary relationship.

d) Parties with whom a conflict may arise

Conflicts of interest may arise in relation to directors, officers, and employees with any of the following third parties:

1. Individuals, firms and companies supplying goods and services to MDF
2. Individuals, firms and companies from whom MDF leases property and equipment.
3. Competing or affinity Organizations.
4. Donors and other Organizations supporting MDF.
5. Individuals, firms and companies with whom MDF is dealing or planning to deal in connection with:
 - Contract of project implementation.
 - Purchase or sale of real estate, securities, or other property.
 - Any other business deals.
6. Agencies, Organization, and associations affecting the operations of MDF.
7. Family members and friends, having direct or indirect interest.

The areas of conflicting interest listed above and the relationships within those areas which may give rise to conflict are not exhaustive, and conflicts might arise in other areas or through other related parties as well. The conflict resolution will be made by the component authority.

Disclosure Policy & Procedure

- a. Consultants and employees of the company must recognize that while performing their duties, they may be put into a position where there is a conflict in the performance of such duty and personal interest. Such interest may be financial or may be based on their position or standing with any third party or entity. Such interest may not be held directly by the director/officer or employee but may be held by his friend or family member. It is the overriding intention of the company that all business contracts/ transactions be conducted at an arm's length basis.

Accordingly, this policy requires that all such responsible persons should avoid any conflict between their own interests and the interests of the company in the conduct of their professional responsibilities and their personal affairs, including transactions in the shares of the organization, or any other company or entity having or likely to have a business relationship with the MDF.

- b. It is the policy of the Board that the existence of any of the interests described in the policy shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the Board, officers, and management employees to scrutinize their transactions and determine outside business interests and relationships for potential conflicts and to immediately make such disclosures.

If at any time a director or an employee becomes aware of an existing or a potential conflict between his professional responsibilities and his personal interest, he should, if he is a director, report this in writing to the Board of Directors, or, if he is an employee, to his immediately senior officer. The company shall then strive to determine whether such a conflict of interest in duty does exist. If there is a positive determination: then the director/employee should take such measures as the MDF may direct to remove such a conflict.

In case a CEO is violating the Code of Conduct, Conflict of Interest policy or the Disclosure Policy, the matter will be referred to the Chairman of the Board for constituting a special committee for enquiring into the matter and recommending an appropriate action commensurate to the material consequences of the violation. All other cases of HR policies' violation will be referred to the respective authority or Human Resource and Grievance Committee.

Directors and employees of the organization must recognize that it is an essential component of their office / employment that they are able to take independent decisions in the best interests of the organization without being perceived as yielding to their personal interests.

Each director and employee must avoid any investment, interest, or association that interferes or might interfere with the independent exercise of his or her own individual best judgment, and with such director's/ employee's obligation to perform his or her responsibilities in the best interests of the organization.

- c. The Board or its duly constituted committee shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to be undertaken. The decision of the Board or its duly constituted committee on these matters will rest at their sole discretion, and their concern must be the overall interest of MDF and the advancement of its purpose.

- d. Transactions with parties with whom a conflicting interest exists may be undertaken only if all

the following conditions are fulfilled:

1. The conflicting interest is fully disclosed.
2. The person with the conflict of interest is excluded from the discussion and approval of such a transaction.
3. A competitive bid or comparable valuation exists to maintain transparency; and
4. The Board or its duly constituted committee has determined that the transaction is in the best interest of the organization.

Gifts, Entertainment and Bribery

- a. Consistent with maintaining a high degree of professional integrity and objectivity in the performance of their duties and responsibilities, directors and employees should not give or accept gifts, entertainment, or any other personal benefit or privilege that could in any way influence, or appear to influence, their business dealings/ decisions or tarnish the corporate image of the Organization, from vendors, suppliers, contractors, beneficiaries, joint venture partners, Government Officials and their agents. However, this does not preclude giving or receiving gifts or entertainment that entail exchange of customary reciprocal courtesies and similar customary and reasonable expenditure to promote general business goodwill, if this does not, and does not appear to, influence decisions or business dealings of the organization.
- b. It is unacceptable to directly or indirectly offer, pay, solicit, or accept bribes, commissions, kickbacks, favors, promises, guarantees or assurances in any form. Any attempted transaction of this nature should be immediately reported to the MDF's management.