
CONFLICT OF INTEREST POLICY



NOVEMBER 2016

INTRODUCTION

The Adara Group is committed to maintaining the highest level of ethical standards in all its dealings and places great importance on protecting the integrity of its decision making processes.

The purpose of this policy is to help the Adara Group to effectively identify and manage any actual, potential or perceived conflicts of interest. All "Adara Persons" (defined below) are required to comply with this policy.

WHO IS COVERED BY THIS POLICY?

This policy applies to all Adara Persons, being the following people working with the Adara Group:

- employees
- directors
- trustees
- secondees
- contractors
- trainees, interns and work experience students
- volunteers (including persons referred to as "Adara Partners")
- in-country partners receiving funds from the Adara Group.

WHAT IS A CONFLICT OF INTEREST?

A conflict of interest occurs where an Adara Person's personal interests influence, or could be seen to influence, their judgement or objectivity in performing their duties to the Adara Group.

Personal interests include the Adara Person's direct interests, as well as those of family, friends or other organisations a person may be involved with or have an interest in.

Conflicts of interest may arise in the following situations:

- dealings or arrangements between two parties who are joined by a special relationship before the transaction was entered into (for example family members, business affiliates)
- awarding contracts or obtaining goods and services where favour is shown to a supplier
- personal and family relationships of an Adara Person where a perception of unfair advantage could arise
- use of Adara Group's facilities and equipment for personal or third party interests
- unauthorised use of Adara Group's information where that information is knowingly or accidentally shared with a third party
- providing favour to allied religious, ethnic or family groups
- secondary employment or contracting where such engagement is at odds with fulfilment of the Adara Person's duties to the Adara Group.

EXAMPLES OF CONFLICTS OF INTEREST

The following are examples of conduct that may give rise to a conflict of interest:

- Example 1 An Adara Person orders supplies for an Adara project from a company owned by the Adara Person or a family member of the Adara Person.
- Example 2 An Adara Person gives a job to a family member or friend without going through an open and competitive employment process and without excusing themselves from the selection process.
- Example 3 An Adara Person recommends Adara engage a contractor who is related to the Adara Person.
- Example 4 An Adara Person uses equipment owned by Adara for personal use.
- Example 5 An Adara Person has a second job.

POLICY

At all times, Adara Persons will, in performing their duties, put the needs of beneficiaries, stakeholders, clients and Adara first. Vendors, suppliers and employees will be selected on the basis of quality, services, cost and merit and not on the basis of any prior relationship with Adara Persons. All decisions made by Adara Persons must be free from any conflicts of interest.

DIRECTORS AND TRUSTEES

If a director or trustee believes or suspects that an actual, potential or perceived conflict of interest has arisen or may arise in the future, the director or trustee must disclose the matter to the Chair. The Chair must review the circumstances of the matter and determine whether it constitutes a conflict of interest.

If the Chair determines that a conflict of interest exists, the Chair must inform the Board and the director or trustee must:

- a) unless the board determines otherwise, abstain from participating in any discussions – including in formal meetings – which relate to the conflict of interest; and
- b) abstain from voting or otherwise participating in decision making which relates to the conflict of interest.

OTHER ADARA PERSONS

In respect of any Adara Person who is not a director or trustee of any Adara Group entity, if the Adara Person believes or suspects that an actual, potential or perceived conflict of interest has arisen or may arise in the future, the Adara Person must disclose the matter to the Chief Executive Officer (CEO) as soon as possible.

If an Adara Person discloses an actual, potential or perceived conflict of interest to their CEO, the CEO must:

- a) review and consider the circumstances of the matter and determine whether the matter constitutes a conflict of interest;
- b) if the CEO has determined that a conflict of interest exists, determine what actions need to be taken to manage the conflict; and

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- c) communicate their decision, including any actions which need to be taken, to the Adara Person who is affected by the conflict.

GIFTS AND ANCILLARY BENEFITS

Please refer to the Adara Group Anti-Fraud, Bribery and Corruption Policy for Adara's policy on Adara Persons giving or receiving gifts and ancillary benefits.

BREACH OF POLICY

The Adara Group expects all Adara Persons to comply with this policy. Any Adara Person who breaches this policy will face disciplinary action which, in the case of an employee, could result in the dismissal of the employee, depending on the nature of the breach.

Date of Policy: November 2016

Last review date: July 2023

Next review date: July 2026