



CONFLICT OF INTEREST POLICY FOR EMPLOYEES

1.0 INTRODUCTION

1.1 The purpose of this policy is to provide guidance in identifying and handling actual and potential conflicts of interest involving the Alliance for Financial Inclusion (AFI). This policy applies to all employees of AFI, including the Executive Team which comprise of the Executive Director, Deputy Executive Director and Chief Operations Officer.

1.2 In the course of carrying out our work and responsibilities, conflicts can arise between personal interests and the corporate interests of AFI or those of AFI's members, donors and business partners including vendors and suppliers. Employees should immediately discuss such conflicts of interest with the respective parties (in line with the guidance in 2.2 and 2.3) and resolve them in a manner that is verifiable by and understandable to all parties involved. Employees shall take the necessary care to separate business and private spheres.

2.0 GENERAL GUIDANCE

2.1 A conflict of interest arises when an employee faces a choice between what is in his or her personal interest and/or political interest against the interest of the organization. The conflict of interest influences or appears to influence his/her ability to make decisions objectively or affects his/her ability to perform his/her employment responsibilities in the best interests of AFI. AFI expects its employees to make business decisions in the best interests of the organization and endeavor to avoid conflicts of interest situations at all times.

2.2 If an employee finds himself/herself in a situation of conflict whether actual or potential, he/she must report to the Head of Human Resources, as soon as practicable stating the facts, nature and extent of the conflict. Members of the Executive Team must report in writing to the Executive Director. In the case of the Executive Director, he/she must disclose the conflict to the Chair of Board of Directors or any Board member in the absence of the Chair or Vice-Chair and abstain from making decision for the specific transactions.

2.3 Where the employee find himself/herself in a situation of conflict during a meeting and is unable to report to the level of authority stated, he/she may declare the conflict at the meeting to be recorded, and to recuse themselves on the subject of the conflict unless the meeting decides the conflicted member's presence will have no bearing on the meeting. The declaration of interest should be recorded in the minutes of the meeting.

3.0 OUTSIDE EMPLOYMENT AND ACTIVITIES OUTSIDE THE ORGANIZATION

3.1 Employees shall not engage in other paid or unpaid employment or undertake activities that will interfere with their responsibilities at AFI or create risks for AFI's reputation or create conflict with the interests of AFI.



3.2 For any extra-contractual activities that is performed against payment, employees must obtain the written approval of the Executive Director. If the extra-contractual activity existed before the employment relationship with AFI started, written consent must also be obtained to continue the activity.

3.3 Paid activities (money or in-kind) undertaken for subcontractors or organizations with which AFI does business, is not permissible.

4.0 EXTERNAL BOARD MEMBERSHIP POSITIONS

Employees may only be allowed to accept appointments to the boards of external companies in exceptional circumstances, with written approval from the Executive Director. All fees and/or other remuneration received by the employee in connection with the service on such board, which are in excess of defraying general expenses incurred by the employee, must be paid over to AFI.

5.0 FAMILY MEMBERS AND CLOSE PERSONAL RELATIONSHIPS

5.1 Hiring decisions

Employees should not hire, recommend hiring, exert influence over hiring decisions, supervise, affect terms and conditions of employment or influence the management in any decision related to any family members engaged in AFI. Family members of employees may be hired as employees or consultants only if the appointment is based on qualification, performance, skills and experience and the recruitment process undertaken is independent of the director or employee's involvement.

5.2 Information and Notification on Personal or Financial Connections

(a) Employees with connections of a close personal nature to another employee (e.g. partners), or who has connections of a personal, family or financial nature to AFI business partners, participants in competitive tenders or their employees, must notify the Head, Human Resources, who decides on the further course of action. The Head of Human Resources, will record the employees' names with close personal connections and make available the information to all employees. For employees having a close personal relationship, a decision may be made to transfer one employee to another unit in the organization, if both employees are working in the same organizational unit. The Management also reserves the right to review the terms and conditions of employment for one or both employees with close personal relationship.

(b) If a closely connected person is approaching AFI for the first time with the intention of forming a business relationship (e.g. as a consultant, supplier or potential employee), the employee concerned is obliged to inform Head, Human Resources of this in writing. Generally, employees' objectivity in the scope of their work is jeopardized if for example, they place contracts on behalf of AFI with relatives or companies in which they, or persons closely connected with them, are involved.



- (c) For clarity, ‘closely connected persons’ are defined as fiancé(e)s, spouses, lifetime partners, relatives and direct in-laws, siblings, siblings’ children, siblings’ spouses and lifetime partners, siblings of spouses and their lifetime partners, parents’ siblings, and foster parents and foster children and any person closely connected to the employee as would impair or potentially impair judgement.

5.3 Award of Contract or Employment to Personally or Financially Connected Persons

- (a) People or business partners, participants in competitive tenders or their employees with personal or financial connections to AFI employees can be employed or awarded contracts provided that any conflict of interest resulting from the personal relationship can be ruled out. Employees are obliged to disclose to Head, Human Resources, all circumstances that could be deemed to constitute a conflict of interest, as a result of a personal or financial connection.
- (b) The Head, Human Resources will discuss with the employee’s line manager and will decide whether a conflict of interest can be ruled out and documents this decision prior to the person who is closely connected with a AFI employee is to be employed or awarded a contract. The employee shall also be excluded from collaboration in decisions on corresponding contract awards or employment. The closely connected person if employed or awarded a consultant contract, should not be placed in the same organizational unit as the AFI employee.

6.0 INVESTMENT ACTIVITIES

Investment decisions made by employees must not influence or appear to influence their independent judgement on behalf of AFI. In addition, they must not put themselves in a conflict of interest position, for example, an employee should never invest in a supplier if he/she has any involvement in the procurement process.

7.0 MONITORING

- (a) Many actual or potential conflicts of interest can be resolved in an acceptable way for both the individual employee and the company. Some ways to mitigate a potential conflict of interest are:
 - Removing the employee concerned from any part of a decision-making process in which there may appear to be a conflict of interest
 - Considering how to manage the conflict of interest once a decision has been made
 - Keeping a record of details of the discussions and decisions made
 - For the line manager, periodically reviewing the conflicts of interest declared by your team to see if there are any changes or updates.
- (b) If an employee is unsure of how to deal with a situation, he/she should seek the advice and guidance from the Head, Human Resources.



- (c) Any breach of this Policy should be reported promptly to the Executive Team or Head, Human Resources. Breaches of this Policy will be dealt with in accordance with AFI Disciplinary Procedures and any applicable law.

8.0 CONTACT AND INFORMATION

For further information and support related to this policy, please contact the Head, Human Resources.

Approved by the Board of Directors on 19 April 2018.