

Agricultural Development & Training Society (ADATS), Bagepalli 561 207

CONFLICT OF INTEREST POLICY

PART I: PURPOSE

This policy understands that a conflict of interest will arise when the Organisation does not get its money's worth and/or when there is not full disclosure of relationships that insiders may have vis-à-vis any transaction that the Organisation enters into.

This conflict of interest policy is designed to foster public confidence in the integrity of **ADATS** (the "Organization") and to protect the Organization's interest when it is contemplating entering a transaction (defined below) that might benefit the private interest of a Director, an officer, the top management or top financial official, a key employee (defined below).

PART II: DEFINITIONS

The following are considered *insiders* for the purposes of this policy:

1. Each member of the Governing Body.
2. The president, treasurer and chief financial officer, project director, or any person with the responsibilities of any of these positions
3. *Key employee*, whose total annual compensation (including benefits) from the organization and its affiliates is more than Rs 2,50,000 per annum **and** who (a) has responsibilities or influence over the organization similar to that of officers, directors, or trustees; **or** (b) manages a program that represents 10% or more of the activities, assets, income, or expenses of the organization; **or** (c) has or shares authority to control 10% or more of the organization's capital expenditures, operating budget, or compensation for employees.

Interest means any material financial interest, whether through commitment, investment, relationship, obligation, involvement or otherwise, direct or indirect, that may influence a person's judgment, including receipt of compensation from the Organization, a sale, loan, or exchange transaction with the Organization.

A **conflict of interest** is present when, in the judgment of the Governing Body whether a conflict exists, an insider or person related to the insider by family or business relationship ("interested person") has a material financial interest in the transaction such that it reduces the likelihood that an insider's influence can be exercised impartially in the best interests of the Organization.

Transaction means any transaction, agreement, or arrangement between an interested person and the Organization, or between the Organization and any third party where an interested person has a material financial interest in the transaction or any party to it. *Transaction* does not include compensation arrangements between the Organization and a director, officer, or other insider that are wholly addressed under the Organization's Staff Policy.

PART III: PROCEDURES

1. DUTY TO DISCLOSE

Each interested person shall disclose to the Governing Body all material facts regarding his/her, or its interest (including relevant affiliations) in the transaction. The interested person shall make that disclosure promptly upon learning of the proposed transaction.

2. DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS

With regard to an interested person, the Governing Body shall determine if a conflict of interest exists.

3. PROCEDURES FOR ADDRESSING A CONFLICT OF INTEREST

The Governing Body shall follow the procedures set forth in Part IV (below) in order to decide what measures are needed to protect the Organization's interests in light of the nature and seriousness of the conflict, to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are appropriate. In the case of an insider who is a Governing Body member, that member shall not vote on any transaction in which the member has an interest, and the remaining Governing Body members shall decide the matter.

PART IV: REVIEW BY THE GOVERNING BODY

The Governing Body may ask questions of and receive presentation(s) from the insider(s) and any other interested person(s), and may deliberate and vote on the transaction in their presence. The Governing Body shall ascertain that all material facts regarding the transaction and the interested person's conflict of interest have been disclosed to the Governing Body and shall compile appropriate data to ascertain whether the proposed transaction is just and reasonable to the Organization.

After exercising due diligence, which may include investigating alternatives that present no conflict, the Governing Body shall determine whether the transaction is in the Organization's best interest, for its own benefit, and whether it is just and reasonable to the Organization; the transaction can be approved by the Governing Body by majority vote of those present at a meeting for which quorum requirement of two-third the current strength of the Governing Body has been met, without counting the vote of any interested Governing Body member/s. Interested or common members may be counted in determining the presence of a quorum at such meeting.

PART V: RECORDS OF PROCEEDINGS

The minutes of any meeting of the Governing Body pursuant to this policy shall contain the name of each interested person who disclosed or was otherwise determined to have an interest in a transaction; the nature of the interest and whether it was determined to constitute a conflict of interest; any alternative transactions considered; the members of the Governing Body who were present during the debate on the transaction, those who voted on it, and to what extent interested persons were excluded from the deliberations; any comparability data or other information obtained and relied upon by the Governing Body and how the information was obtained; and the result of the vote, including, if applicable, the terms of the transaction that was approved and the date it was approved.

PART VI: ANNUAL DISCLOSURE AND COMPLIANCE STATEMENTS

In the month of April, at the beginning of each financial year and before the Annual General Body Meeting, each Governing Body member, each officer, the top management official, the top financial official, and each key employee of the Organization, shall sign a statement on the form attached, that:

- affirms that the person has received a copy of this conflict of interest policy, has read and understood the policy, and has agreed to comply with the policy; and
- discloses the person's financial interests and family relationships that could give rise to conflicts of interest.

PART VII: VIOLATIONS

If the Governing Body has reasonable cause to believe that an insider of the Organization has failed to disclose actual or possible conflicts of interest, including those arising from a transaction with a related interested person, it shall inform such insider of the basis for this belief and afford the insider an opportunity to explain the alleged failure to disclose. If, after hearing the insider's response and making further investigation as warranted by the circumstances, the Governing Body determines that the insider has failed to disclose an actual or possible conflict of interest, the Governing Body shall take appropriate disciplinary and corrective action which shall consist of either/both the below:

- The effected transaction shall stand cancelled and amount spent be recovered
- The Insider will be asked to remove him/herself from the position he/she now occupies in the organisation as Board or Staff member

PART VIII: ANNUAL REVIEWS

To ensure that the Organization operates in a manner consistent with its status as an organization exempt from tax, the Governing Body shall authorize and oversee an annual review of the administration of this conflict of interest policy. The review may be written or oral. The review shall consider the level of compliance with the policy, the continuing suitability of the policy, and whether the policy should be modified and improved.

ACKNOWLEDGEMENT AND FINANCIAL INTEREST DISCLOSURE STATEMENT

Our organization follows a conflict of interest policy designed to foster public confidence in our integrity and to protect our interest when we are contemplating entering a transaction or arrangement that might benefit the private interest of a director, an officer, our top management official and top financial official, any of our key employees, or other interested persons.

PART I : ACKNOWLEDGMENT OF RECEIPT

I hereby acknowledge that I have received a copy of the conflict of interest policy of **ADATS**, have read and understood it, and agree to comply with its terms.

Signature

Date

Printed Name

PART II : DISCLOSURE OF FINANCIAL INTEREST

(to be filled by each officer, director, Governing Body member and key employee)

Part II Please check ONE of the following boxes:

- My interests and relationships have not changed since my last disclosure of interests.
[Proceed to signature block below. Do not complete the tables.]

OR

- I hereby disclose or update my interests and relationships that could give rise to a conflict of interest: [Complete the table below. Use additional pages as needed.]

Family Relationships	Names of those presenting a potential conflict of interest
Include spouse/domestic partner, living ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great grand-children, and spouses/ domestic partners of brothers, sisters, children, grandchildren, and great grandchildren	

Type of interest	Description of interest that could lead to a conflict of interest
Transactions or arrangements with the Organization	
Transactions or affiliations with other nonprofit organizations	
Substantial business or investment holdings	
Transactions or affiliations with businesses not listed above	

I am not aware of any financial interest involving me or a family member that could present a conflict of interest that I have not disclosed either above or in a previous disclosure statement.

Signature

Date

Printed Name