

## **PERSONNEL POLICIES & PROCEDURES**

### **CONFLICT OF INTEREST**

#### **1. INTRODUCTION**

- 1.1. All employees of the Company are presumed to be loyal to the Company's interests. However, the possibility of conflict of interests may exist.
- 1.2. Conflicts of interest arise when an employee's activities have or could have a harmful effect on the Company. The conflict may be innocent or it could be deliberate.
- 1.3. The Company has no desire to interfere with the right of an employee however, any action or interest must not be such that it is or may be injurious with the employee's performance.

#### **2. CONFLICT OF INTERESTS**

- 2.1. Employees have the right to know what the Company considers to be conflict of interests. The basic problem arises when an employee is or may be influenced, for money or other advantages, to conduct Company's business in a way that might not occur except for that consideration. Two clear examples are:

- 2.1.1. Employee or his family members accepts money, loans, services, travel and/or gifts or unreasonable entertainment, from a concern doing or seeking to do business with the Company; and

- 2.1.2. Employee setup/owns or has an influential interest in a firm that supplies or competes with the Company.

- 2.2. It is impractical to list all the situations involving possible conflict of interests. However, a few specifics should help employees to judge whether their present or future activities may involve them in such a situation.

- 2.2.1. Ownership, Investment, Leases

The following conditions involving employees or members of their immediate families may be deemed by the Company to involve conflict of interests:

- a. A significant financial interest in a supplier of goods or services or in a contractor whose selection the employee is in a position to influence (this does not apply to nominal investments in securities of companies which are listed on a recognized stock exchange).
    - b. A significant financial interest in a competitive organization, through which the employee could profit by providing confidential information acquired from the Company, or by other means by virtue of his/her Company position (this does not apply to nominal investments in securities of companies which are listed on a recognized stock exchange).

- 2.2.2. Payments, Gifts, Entertainment, Services

The following situations would involve conflict of interests:

- a. Acceptance by an employee, or his immediate family of money, loans, goods, services, or rebates in return for employment, leases, contracts, or purchase orders, or in return for the supplying of confidential Company information, or in return for otherwise conducting his/her prescribed Company responsibilities in a manner that is contrary to the Company's interest;
- b. Acceptance by an employee or his immediate family of money, loans, services, travel, and/or extravagant gifts or entertainment from a concern doing or seeking to do business with the Company. Normal company low-cost give-away such as calendars, diaries, inexpensive ballpoint pens, note-pads, etc, are acceptable.

2.2.3. Relations with Customers, Representatives of Government or Others with whom we do business.

Employees should not place others in violation of the principles and philosophy discussed above in the following instances:

- a. Purchase of real estate or other facilities which the employee knows the Company may be interested in, or may need in the future;
- b. Acquisition of or dealing in interests in leases, royalties, or other land interests, for personal benefit, when the primary consideration is the oil, gas or radioactive mineral value of such interests.

### **3. COMPANY'S CONSENT**

Employees should seek prior consent of the Company in his involvement whether directly or indirectly either on his/her own behalf or on behalf of any association with any person, firm or company in any other trade, business or profession directly or indirectly related to the business of the Company other than as a minority shareholder or debenture holder in any company or companies whose shares are quoted in any recognized Stock Exchanges. However, an employee's involvement in any of the permissible interest enumerated above must not interfere with his/her continuous devotion of time, attention and abilities to the business and interest of the Company and it is the employee's obligation to diligently and faithfully serve the Company and use his best endeavors to promote the interests of the Company.

### **4. CLARIFICATION**

In case of doubt, employees should consult the Head of Departments or the HR&A to seek clarification as to whether or not their activities would contravene the Conflict of Interests Policy.