

THYE HUA KWAN MORAL CHARITIES LIMITED



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Conflict of Interest

Policy and Procedures

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Document History

Revision no.	Date	Prepared by	Vetted by	Approved by	Remarks
1	14 Apr 16	HR Dept			
2	9 Dec 21	Eunice Koh, Executive (HR)	Chua Mui Lee, DD (HR)	Jason Lee, COO	Reviewed format and revised flowchart with no changes to the intent of the policy

1. PURPOSE

- 1.1 This policy sets out the terms and conditions with regards to the declaration and undertaking of conflict of Interest for all employees and volunteers employed/engaged by Thye Hua Kwan Moral Charities (hereinafter known as “Organisation”).
- 1.2 All employees, volunteers and members of their immediate families shall avoid any situation of potential conflict between their own interest and the interest of the Organisation in dealing with suppliers, clients, competitors and/or other relevant third parties. They should not give or accept any gift, payment or other favor without the express written consent of the Head of Organisation or relevant approving authority.
- 1.3 This Policy aims to protect the Organisation, its employees and volunteers from any appearance of impropriety.

2. POLICY & DEFINITION

- 2.1 Conflict of interest arises when the personal or professional interests of an employee/volunteer may interfere or potentially interfere with the performance of his/her duties in the Organisation or with their decision-making on matters related to the Organisation. When actual, potential or perceived conflict of interest arises, the integrity, fairness and accountability of the person may be affected, which could impede the best interest of the Organisation.


Examples of conflict of interest situations and consequences may include but are not limited to those stipulated in Annex A.

3. PROCEDURES

- 3.1 The Conflict of Interest policy should be read and understood by all employees and volunteers upon the commencement of their employment/engagement. Declaration of interests are required to be submitted to the Organisation upon assuming office or commencement of work.
- 3.2 As and when an actual conflict occurs with the employee and/or volunteer, one shall make a declaration of his/her interest for that specific instance in writing (Conflict of Interest Declaration Form) and excuse himself/herself from decision making on the matter.
- 3.3 Transactions with parties with whom a conflicting interest exists may be permitted only if all of the following are observed:
 - The conflicting interest is to be fully disclosed; and
 - The person with the conflict of interest is to abstain from the discussion, voting and approval of such a transaction; and
 - Competitive bids or comparable valuation are to be obtained; and
 - The Audit Committee has determined that the transaction is in the best interest of the Company though there may be a conflict of interest.
- 3.3 In situations where employees and/or volunteers are unsure of what to declare, or whether/when declaration need to be updated, they are strongly encouraged to seek advice from their immediate supervisor, Divisional Director or Human Resource Department (where applicable).

- 3.5. All disclosure of interest made by employees/volunteers and decisions made by the Board/senior management of the Organisation on such matters must be recorded, updated and filed with the Divisional Director of the Human Resources Department.
- 3.6 The declaration of interests needs to be updated in written form annually and whenever there are any personal or professional interest changes.
- 3.7 Any violation may lead to disciplinary actions, up to and including termination from employment, removal from the Board, or expulsion from being a volunteer of the Organisation.

4. FORMS

Item	Template
Declaration Form	 Conflict of Interest Declaration Form.doc [Refer to attachment in intranet]

Conflict of Interest Situations

1. **Contract with vendors**

Where the employee and/or volunteers have personal interest in business transactions or contracts that the Organisation may enter into, the interested party is required to declare such interest as soon as possible followed by abstention from discussion and decision-making on the matter (including voting on the transaction or contract). All such discussion and evaluation should be made by the Committee Members or relevant approving authority in arriving at the final decision. Such transactions/contacts should always be recorded and filed.
2. **Vested interest in other organisation(s) that have dealings/relationship with the Organisation**

Where employee and/or volunteer who have vested interest in other organisation(s) that have dealings/relationship with the Organisation, and when matters involving the interests of both the Organisation and the other organisation(s) are discussed, there should be a policy requiring a declaration of such interest and if necessary, followed by abstention from discussion and decision-making on such matters.
3. **Joint Ventures**

The Board's approval should be sought before the Organisation enters into any joint venture with external parties. Where employee and/or volunteer have interest in such ventures, there should be a declaration of such interest and if necessary, followed by abstention from discussion and decision-making on the matter.
3. **Recruitment of employee with close relationship**

Recruitment of employee with close relationship (i.e. those who are more than just mere acquaintances) with current employee and/or volunteer should go through the established human resource procedures for recruitment. The employee and/or volunteer should make a declaration of such relationships and should refrain from influencing decision on the recruitment.
5. **Remuneration**

Volunteers should serve without remuneration for their voluntary service to the Organisation so as to maintain the integrity of serving for public trust and community good instead of personal gain. However, the Organisation may reimburse volunteers for out-of-pocket expenses directly related to the service.
6. **Paid employee on board**

Paid employee, including the Divisional Director and senior employee employed by the Organisation, should not serve as a member of the Board as it can pose issues of conflict of interest and role conflicts, and may raise doubts on the integrity of the Board decisions. The Divisional Director and senior employee can attend board meetings, ex-officio, to provide information and facilitate necessary discussion but should not take part in the decision-making of the Board.
7. **Others**

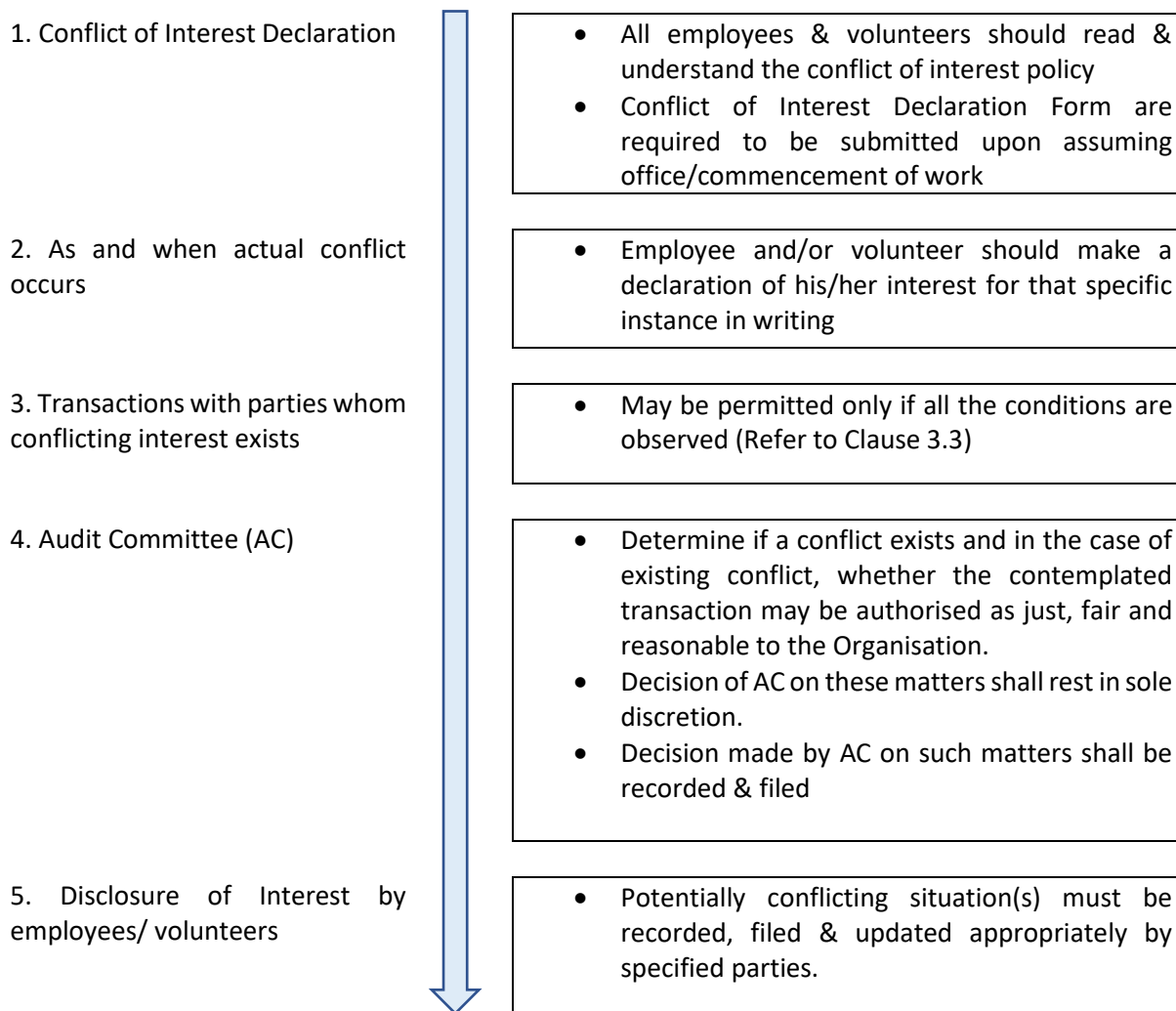
Prohibition on gifts, entertainment and other favors from any person(s) or entit(ies), which do or seek business(s) with the Organisation.

Consequences of Conflict of Interest

Conflict of interest may create problems that may result in the following:

- Cause damage to the Organisation's reputation which may lead to its inability to sustain operations;
- Influence the members' judgment and compromise objectivity when conducting the Organisation's affairs;
- Restrict free discussion, thus resulting in decisions or actions that are not in the interests of the Organisation; and
- Compromise the integrity and accountability of the Organisation

Conflict of Interest Flow Chart



Important points: Employees, volunteers and members of their immediate families should not give or accept from a customer/client, supplier or competitor any gift, payment or other favor without the express written consent of the CEO or relevant approving authority.