

## **CONFLICT OF INTEREST POLICY**

### **Introduction**

At CESEL, we recognize that conflicts of interest can compromise the integrity, objectivity, and reputation of the organization. This policy outlines our commitment to identifying, managing, and mitigating conflicts of interest to ensure that our business decisions are made in the best interests of the company and its stakeholders.

### **Definition of Conflict of Interest**

A conflict of interest arises when an individual's personal interests or obligations conflict with their duties and responsibilities to CESEL.

Conflicts of interest may arise in various situations, including financial interests, outside activities, personal relationships, and involvement with competitors or suppliers.

### **Policy Principles**

#### **1. Disclosure:**

Employees have a duty to disclose any actual, potential, or perceived conflicts of interest promptly to their supervisor, manager, or the designated ethics officer.

Disclosure should include all relevant details, such as the nature of the conflict, parties involved, and potential impact on the company.

#### **2. Avoidance of Conflicts:**

Employees must avoid situations where their personal interests conflict or appear to conflict with the interests of the company.

If avoidance is not possible, employees must seek guidance from management on how to manage or mitigate the conflict.

#### **3. Impartiality and Objectivity:**

Employees are expected to make business decisions based on merit, objectivity, and the best interests of the company, without favoritism or bias.

Conflicts of interest should not influence decision-making or compromise the integrity of business processes.

#### **4. Transparency:**

CESEL will maintain transparency in managing conflicts of interest, including disclosing conflicts to relevant stakeholders where necessary and appropriate.

Transparency builds trust and confidence in the organization's integrity and governance practices.

## **Types of Conflicts of Interest**

### **1. Financial Interests:**

Employees must disclose any financial interests, including ownership, investments, or partnerships, in entities that may create a conflict with their duties at [Company Name].

Financial interests in competitors, suppliers, or customers should be disclosed and managed appropriately.

### **2. Outside Activities:**

Employees engaging in outside activities, such as consulting, speaking engagements, or board memberships, must ensure that these activities do not conflict with their obligations to the company.

Prior approval may be required for certain outside activities, particularly if they involve competitors or potential conflicts of interest.

### **3. Personal Relationships:**

Employees must disclose personal relationships, such as family or romantic relationships, that may influence or be perceived to influence their decisions at work.

Favoritism, nepotism, or preferential treatment based on personal relationships is strictly prohibited.

### **4. Supplier and Customer Relationships:**

Employees involved in procurement, sales, or vendor management must avoid conflicts of interest in relationships with suppliers and customers.

Any personal or financial relationships with suppliers or customers that may compromise impartiality or fair treatment should be disclosed and managed appropriately.

## **Conflict Resolution and Management**

### **Assessment and Evaluation:**

Conflicts of interest will be assessed on a case-by-case basis to determine the level of risk and potential impact on the company.

Management will evaluate the conflict, considering factors such as the nature of the conflict, its magnitude, and the available mitigation measures.

### **Mitigation Measures:**

Mitigation measures may include recusal from decision-making, divestment of conflicting interests, restructuring responsibilities, or establishing controls to prevent undue influence.

The effectiveness of mitigation measures will be monitored and reviewed regularly to ensure compliance and effectiveness.

### **Training and Awareness**

#### **Employee Training:**

All employees will receive training on conflict of interest policies, procedures, and ethical decision-making.

Training will raise awareness of common conflicts of interest scenarios and provide guidance on how to identify, disclose, and manage conflicts appropriately.

### **Compliance and Enforcement**

#### **Compliance Monitoring:**

Compliance with the conflict of interest policy will be monitored regularly through audits, reviews, and assessments.

Non-compliance with the policy may result in disciplinary action, up to and including termination of employment.

#### **Whistleblowing:**

CESEL encourages employees to report suspected conflicts of interest or unethical behavior through whistleblowing channels.

Whistleblowers will be protected from retaliation, and reports will be handled confidentially and impartially.

### **Review and Revision**

#### **Policy Review:**

This conflict of interest policy will be reviewed periodically to ensure its effectiveness, relevance, and compliance with evolving legal and regulatory requirements.

Updates and revisions will be made as necessary to strengthen controls and address emerging risks

Dated: 10th of December 2023.



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Dr. Patrick Tolani  
**CEO**