

MIOD POLICY ON CONFLICT OF INTEREST

Issue date: February 2011

Effective: 16 March 2011

Index

1. MIOD's Mission
2. Conflicts of Interest
3. Policy
 - 3.1 General
 - 3.2 Best Interest of the Company
 - 3.3 Suppliers of Goods or Services
 - 3.4 Disclosure
 - 3.5 Personal Gifts
 - 3.6 Harm to Business or Reputation
 - 3.7 Company Funds and Property
 - 3.8 Confidential Information
 - 3.9 Outside Employment or Business Activity
 - 3.10 Code of Conduct
 - 3.11 Employee Acknowledgement and Acceptance
4. Approval and Amendments

1. MIOD's Mission

The MIOD's Mission is to:

To professionalise the status of directors and to enhance their accountability by providing orientation, research, training and accreditation, advisory services, advocacy, networking and sharing of international best practices.

This policy addresses the circumstances in which conflicts of interest may occur, provides examples of the principles and processes outlined in this policy, and specifies a process for resolving potential conflicts.

It is the MIOD's policy that employees and others acting on the MIOD's behalf must be free from conflicts of interest that could adversely influence their judgment, objectivity or loyalty to the company in conducting MIOD business activities and assignments. The company recognizes that employees may take part in legitimate financial, business, charitable and other activities outside their MIOD jobs, but any potential conflict of interest raised by those activities must be disclosed promptly to management.

MIOD employees should use good judgment, professional commitment and ethics to protect themselves and the MIOD from potential conflicts. All employees should be made aware of this policy and create, by example, an atmosphere consistent with the MIOD's vision, mission and values.

2. Conflicts of Interest

Conflicts of interest can be defined as any situation in which an individual or company is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit. A conflict of interest (COI) occurs when an individual or organisation is involved in multiple interests, one of which could possibly corrupt the motivation for an act in the other.

Examples might include

- Employees who may have interests in competing companies
- Procurement through family connections
- Being offered a gift in order to support a motion or proposal
- Acting in a way that ensures personal gain rather than the good of the company

The Employees duty of loyalty requires that they DO NOT:

- Conduct transactions in which they have a personal interest
- Accept a position in a competing company
- Enter into contractual relations with a competing company
- Use the company's assets, facilities for personal use

- Use information, business opportunities received in their official capacity for personal gain
- Accept gifts
- Leak information

3. Policy

3.1 General

Employees must never allow themselves to be placed in a position where their personal interests are in conflict (or could be in conflict) with the interests or business of the MIOD. An employee shall not engage in any activities which create a conflict of interest, or might appear to conflict, with the employee's responsibilities and obligations with the MIOD. Employees must avoid any situation or activity that compromises, or may compromise, their judgement or ability to act in the best interest of the Company. Good judgment of employees is essential, and no list of rules can provide for all of the possible circumstances that arise. Decisions by employees involving a conflict of interest may create an appearance of impropriety which should be avoided. This would include, but is not limited to, making any decisions; taking any actions; or seeking to influence any decision or action that may appear to create or does create a conflict of interest, whether involving the MIOD, the MIOD's business or personnel actions involving any employee of the MIOD.

3.2 Best Interest of the Company

Each employee should act in the best interests of the MIOD, always using good judgment. Employees owe a duty of loyalty and fidelity to the MIOD and are expected to perform their duties on behalf of the MIOD faithfully, diligently and to the best of their abilities.

3.3 Suppliers of Goods or Services

An employee who has a direct or indirect interest (whether through family or business connections) in suppliers of products or services to the MIOD, or an interest in contractors or potential contractors who would do business with the MIOD, should not act or be involved in decisions with respect to that interest. No employee should participate in a potential contract, partnership, or other business relationship with any party where the employee is discussing potential employment.

3.4 Disclosure

Employees must promptly disclose to the MIOD material information regarding any relationship, ownership or business interest (other than non-controlling investments in

publicly-traded corporations), whether direct or indirect, that the employee or a member of his/her immediate family has with any person, or in any business or enterprise, that:

- i) purchases or sells, or seeks to purchase or sell, goods or services to or from the MIOD; or
- ii) competes with the MIOD

An employee should provide full disclosure of any business, personal or financial interest in which the employee might influence (or might appear to influence) his or her official decisions or actions on behalf of the MIOD. Disclosure should be made on a timely basis in writing to the employee's immediate supervisor.

Upon disclosure of the information described above, the MIOD will take appropriate steps to protect against any actual or potential conflict of interest. Such steps may include:

- a. requiring the employee to refrain from being involved in any decisions made by the MIOD regarding its dealings with such person, business or enterprise; or
- b. requiring the employee to refrain from being involved in any dealings on behalf of the MIOD with such person, business or enterprise

3.5 Personal Gifts

Personal gifts from or to people whom the MIOD has a business relationship are discouraged. Personal gifts of more than nominal value (Rs 1000) should be politely declined or returned to avoid any appearance of improper behavior. Anything gifted below Rs1,000 may be accepted by the employees but must be declared to the Company. Employees must never accept any loans or personal payments of any kind, from any person or business enterprise that:

- a. purchases or sells, or seeks to purchase or sell, goods or services to or from the MIOD; or
- b. competes with the MIOD

3.6 Harm to Business or Reputation

Employees must refrain from engaging in conduct that could adversely affect the MIOD's business or reputation. Such conduct includes, but is not limited to:

- a. publicly criticizing the MIOD, its management or its employees; or
- b. engaging in criminal conduct or other behaviour that could harm the MIOD's business or reputation.

3.7 Company Funds and Property

Employees must be conscientious and scrupulous in their handling of funds and property belonging to the MIOD, and must always avoid any form of financial impropriety.

Employees must not use, or permit the use of, MIOD property or resources for anything other than approved MIOD business or activities. Examples of unauthorized use would include using MIOD computers or photocopiers for personal purposes.

3.8 Confidential Information

Confidential information (printed, electronic or otherwise) relating to the MIOD's past, present, future and contemplated assets, operations, products or services, marketing strategies and objectives, personnel, facilities, equipment, finances, pricing, sales, customers, training, routines, policies, and business procedures must never be disclosed to anyone outside the MIOD's organization, without the MIOD's express written authorization.

Employees may not, without the written permission of the MIOD, make use of any MIOD materials, course content, manuals and power point presentations without the written permission of the Miod, unless in the execution of their normal work duties. Nor may Employees make soft copies for their own use. Miod shall have sole ownership in the intellectual property including copyright of all material.

3.9 Outside Employment or Business Activity

During working hours, employees are expected to devote their full time and attention to the business and the affairs of the MIOD.

If an employee wishes to engage in employment or business activity outside his/her employment with the MIOD, the employee must first disclose to the MIOD the nature and extent of the proposed employment or business activity, and obtain the MIOD's written approval. Approval will only be withheld if the MIOD reasonably determines that the employee's proposed outside employment or business activity could conflict or compete with the interests of the MIOD, or could negatively affect the employee's job performance or attendance.

3.10 Code of Conduct

All Employees are expected to comply with the MIOD's Code of Conduct.

3.11 Employee Acknowledgement and Acceptance

All new employees should read and acknowledge understanding and acceptance of the policy prior to their employment and this policy should be part of the employment letter offer.

All employees should acknowledge their understanding and acceptance of the policy by signing and dating a copy. Each employee will be given one copy of the signed policy for their records.

The policy will also form part of the employee's annual performance review as a reminder and update.

4. Approval and Amendments

This Policy on Conflict of Interest will be approved by the Board and any subsequent amendments will be made by the Audit Committee with the approval of the Board.

This policy has been approved by the Board of the MIOD on 16 March 2011