Pursuant to the Decision of the Governing Board of the Slagalica Community Foundation (hereinafter: the Foundation), adopted at a session held on 19 December 2018, the Governing Board of the Foundation hereby passes

# THE RULEBOOK ON MANAGEMENT OF CONFLICT OF INTEREST

Article 1

This Rulebook, in accordance with the Statute of the Foundation, shall stipulate the obligations of avoiding and declaring ethical, legal, financial and other forms of perceived, potential and actual conflicts of interest pertaining to the Foundation and its members, employees, external associates and volunteers, as well as the obligation to exclude them from the decision- making processes or the processes of managing such a situation given the existence of perceived, potential and actual conflicts of interest.

Article 2

The policy of managing a conflict of interest has been adopted for the purpose of identifying and eliminating perceived, potential or actual conflicts of interest associated with the work of the Foundation and for the purpose of strengthening the integrity, objectivity, impartiality and transparency in performing the Foundation's duties and fostering trust in its work.

Article 3

A conflict of interest shall represent a situation in which private interests of persons involved in the work of the Foundation are in conflict with the interests of the Foundation or in which private interests affect or may affect the impartiality of those persons when performing the tasks associated with the work of the Foundation.

Article 4

Managing a conflict of interest shall be the fundamental approach to the issue of conflict of interest that the Foundation shall promote and practice, assuming that situations of perceived, potential and actual conflict of interest may arise and will arise as a result of the expected multiplicity of roles of persons involved in different aspects of the Foundation's work, and as a result of multiple links between various stakeholders with whom the Foundation cooperates.

Article 5

The provisions of this Rulebook shall apply to all employees of the Foundation, volunteers, all members of founding bodies and expert bodies.

Article 6

Decisions on the procedures pertaining to resolving and managing conflicts of interest shall be adopted by the Governing Board of the Foundation.

Article 7

Any person participating in decision-making processes and in the work of the Foundation, which include the possibility to influence, gain financial benefit and other forms of potential conflict of interest, must complete and sign the Statement of Interest and the Statement of Confidentiality forms.

Article 8

Given the scope and manner of the Foundation's work, during the declaration and management of a conflict of interest, particular attention shall be paid to the following situations:

- Membership, employment, management or co-operative role in organizations and initiatives applying for financial support from the Foundation;
- Personal relationship, common household or kinship with persons directly involved in the use of financial support from the Foundation;
- A professional or managerial position in organizations that form the circle of Foundation's stakeholders (donors, business partners) in cases where the interests of those organizations are in significant collision with the interests of the Foundation, in particular when such relationship represents a potential source of reputational damage to the Foundation.

Article 9

Any person in a perceived, potential or actual conflict of interest must, in cooperation with the founding body in the work of which he or she is involved and the Governing Board of the Foundation, resolve or manage the situation of a conflict of interest, having in mind the best interest for the Foundation.

Article 10

Given the nature of a conflict of interest and the assessment of potential damage to the Foundation, persons subject to this Rulebook may:

- request exclusion from the decision-making process in case of a conflict of interest, as well as take other commensurate measures, depending on the seriousness of the conflict of interest;
- temporarily suspend membership in the founding body in whose jurisdiction lies the situation from which the conflict of interest arose;
- permanently suspend membership in the founding body in whose jurisdiction lies the situation from which the conflict of interest arose;
- issue a statement to relevant stakeholders and / or general public, in which the conflict of interest will be explained and it will be stated in which manner it will be removed.

Article 11

The decision on handling a conflict of interest is proposed by the person who is in the conflict of interest, while the final decision is made by the collegial body of which that person is a member. The Rules of Procedure regulating the work of individual founding bodies shall, if necessary, additionally stipulate the procedure for making such a decision. Should it deem it necessary, the same body may transfer the decision on the manner of managing or resolving the conflict of interest to the Governing Board of the Foundation. The decision shall enter the minutes of the founding body in which the person is engaged and which is given to the Governing Board of the Foundation and the Foundation's Managing Director for inspection.

If a decision on the manner of resolving or managing the conflict of interest was adopted by the collegiate body, the Governing Board of the Foundation shall have the right to change the decision of the collegiate body on its own initiative.

In case a person makes a relevant decision on his or her own, i.e. a collective body of the Foundation of which that person is a member is not involved in the decision-making process, that person shall be obliged to inform the Governing Board of the Foundation about the

conflict of interest, and the Governing Board shall pass a decision on how to manage the conflict of interest.

Article 12

All persons involved in decision-making procedures must be exempted from those procedures in the case of allocation of funds to:

- a legal person or a partner organization of the applicant in which he or she, their spouse, their adoptive parent or adopted child, their blood relative in the straight line or in the collateral line up to the fourth degree, and their relative by marriage up to the second degree, have a property interest, and
- organizations in the work of which they directly participate as regular members, holders of managerial duties or paid or unpaid associates implementing the activities.

Article 13

In case of suspicion about the existence or inadequate conduct of a situation of conflict of interest at the level of the founding body responsible for determining the existence of a perceived, potential or actual conflict of interest in a particular case, the person heading that founding body shall seek the opinion of the Governing Board of the Foundation which passes the final decision on the existence or absence of a conflict of interest and on the process of resolving or managing the perceived, potential or actual conflict of interest. This decision shall be passed within seven days from the day the opinion was requested and shall be binding both for the person to whom it pertains and for the competent founding body. The Governing Board of the Foundation shall be free to define the manners of managing the conflict of interest management in agreement with the person who is in the conflict of interest.

Article 14

All employees, members and associates of the Foundation must be aware of their rights and obligations stemming from this Rulebook, which they confirm by signing the Statement of Interest.

Article 15

The Foundation shall keep the Register of possible conflicts of interest for each member of the Governing Board of the Foundation and its employees.
The Register of possible conflicts of interest shall comprise the completed Statements of Interest and the decisions passed on how to resolve or manage a conflict of interest.

Article 16

Members of the Governing Board of the Foundation and its employees shall complete the Statement of Interests form annually.

The Register of possible conflicts of interest for each member of the Governing Board of the Foundation and its employees shall be stored in the Foundation's documentation and shall not be a public document, but may be submitted for inspection upon request.

Article 17

Prior to the commencement of performing their duties, members of the Commission for Verification of Stipulated Terms and Conditions and of individual Commissions for Evaluation of Project Proposals shall complete the Statement of Interest form.

The completed Statement of Interest forms for individual procedures of granting financial supports shall be stored in the documentation of individual procedures and shall not be public documents, but may be submitted for inspection upon request.

Article 18

This Rulebook shall enter into force on the day of its adoption.

Chairman of the Governing Board

Ivana Erak

Annexes:

- the Statement of Interest form,

- the Statement of Confidentiality