

APPROVED
Executive Director
NGO «Technology of Progress»
Zadvornyy V.V.
April 8, 2025



Approved
By Order No. 2-D dated April 8, 2025

Approved
By the Decision of the Extraordinary General
Meeting No. 1-P dated April 8, 2025

POLICY ON CONFLICT OF INTEREST

1. GENERAL PROVISIONS

1.1 The Conflict of Interest Policy (hereinafter – the «Policy») of the Public Organization «Technology of Progress» (hereinafter – the «Organization») is developed in accordance with the current legislation of Ukraine, Principles of Corporate Governance, the Charter of the Public Organization «Technology of Progress», and internal regulatory acts.

1.2 The Policy defines the Organization's approach to identifying, detecting, managing, preventing, and disclosing potential or actual conflicts of interest by members of its governing bodies, employees, and other persons who may act on behalf of the Organization (hereinafter collectively – the «Employees»). A particular type of interest that officials of the Organization may have, which can lead to a conflict with the interests of the Organization as a whole, are transactions in which there is an interest.

1.3 The Organization's Policy aims to establish proper regulation and control over the process of identifying, detecting, and managing potential and/or existing conflicts of interest; to set standards and requirements mandatory for all members of the Organization, its governing bodies, employees, and other persons who may act on behalf of the Organization.

1.4 The Organization's objectives are to:

1.4.1 minimize the risk of violations of conflict of interest provisions by members of governing bodies and employees regardless of their position;

1.4.2 form a common understanding among members of the Organization, partners, donors, contractors, employees, other members of governing bodies, and other persons about the Organization's policy of zero tolerance towards any forms and manifestations of conflict of interest;

1.4.3 establish the obligation of Organization's employees to know and comply with the principles and requirements of this Policy, key norms of applicable anti-corruption legislation, and adequate procedures to prevent violations of conflict of interest provisions.

1.5 All employees of the Organization must adhere to this Policy and strictly follow its principles and requirements.

1.6 The principles and requirements of this Policy apply to members of the Organization and their representatives, as well as to other persons when corresponding obligations are fixed in contracts with them, internal documents, or directly arise from the law.

1.7 The Organization recognizes and respects the rights of its officials to participate in business and other activities provided that such activities are permitted by the current legislation of Ukraine and are compatible with their official duties.

1.8 Employees must avoid any situations and actions that may cause or threaten a conflict of interest or affect the impartiality and independence of employees when considering and making decisions in favor of and in the interests of the Organization.

1.9 Employees are required to act honestly and reasonably in the best interests of the Organization. The duty to act in the best interests of the Organization implies that employees should use their powers and opportunities associated with their positions exclusively in the interests of the Public Organization.

1.10 Employees are prohibited from receiving any remuneration (directly or indirectly) for exerting influence on decision-making by the Organization's governing bodies, using the

Organization's property for their own or third parties' benefit, disclosing information considered a commercial secret in violation of applicable legislation and internal regulations.

1.11 The main principle underlying the process of identifying, detecting, and managing existing and/or potential conflicts of interest is the substance over form, meaning the essence of connections and influence prevails over the legal form of the situation.

1.12 The following terms in this Policy are defined as:

Conflict of Interest – a situation where a person has to perform multiple duties or has multiple interests that contradict each other, causing a conflict between personal interests and official or professional duties of an official, members of the Organization, employees, and other persons acting on behalf of the Organization, or a conflict between competing duties of these persons.

Potential Conflict of Interest – the presence of a private interest in the area where a person performs their official or representative powers, which may affect the objectivity or impartiality of decision-making or actions during the execution of those powers;

Actual Conflict of Interest – a contradiction between a person's private interest and their official or representative powers that affects objectivity or impartiality in decision-making or actions during the execution of those powers;

Improper Benefit – money or other property, advantages, privileges, services, intangible assets, or any other benefits of a material or non-material nature promised, offered, given, or received without legal grounds;

Close Persons – persons living together, sharing a household, and having mutual rights and obligations with the subject as defined by Article 3, part one of the Law of Ukraine «On Prevention of Corruption» (except those whose mutual rights and obligations do not have a family character), including persons living together but not married, as well as (regardless of those conditions) spouse, parents, stepparents, children, stepchildren, siblings, grandparents, grandchildren, in-laws, adoptive parents and children, guardians, and other persons under guardianship or care;

Family Members – persons who are married, as well as their children (including adults), parents, persons under guardianship or care, other persons living together, sharing a household, and having mutual rights and obligations (except those whose mutual rights and obligations do not have a family character), including persons living together but not married.

2. PROCEDURE FOR IDENTIFYING CONFLICTS OF INTEREST

2.1 A conflict of interest exists when:

2.1.1 an external interest influences or may influence the judgment or actions of an employee during their activities;

2.1.2 private interests contradict (or appear to contradict) or interfere in any way with the interests of the Organization;

2.1.3 this list is not exhaustive.

2.2 A conflict of interest can take various forms; it usually arises when a decision maker can influence the Organization's activities in a way that may lead to direct or indirect financial gains for that person, their family, business partners, or third parties, or provide inappropriate advantages to third parties to the detriment of the Organization.

2.3 A conflict of interest is not necessarily limited to financial benefits — it can be caused by financial (monetary or other material benefits) or non-financial benefits (benefits that cannot be

measured). Furthermore, a conflict of interest can be both actual (existing) and potential, as well as perceived by others as a conflict of interest. Therefore, employees must be as cautious as possible in actions and behavior related to the interests and/or activities of the Organization.

2.4 Employees must not engage in any other activities or business during their employment that conflict with the activities of the Organization or put the Organization's goals at risk.

2.5 Employees are obliged to take measures to prevent the occurrence of conflicts of interest.

2.6 In case of a conflict of interest, employees must take measures to immediately eliminate it.

2.7 Employees must submit documents regarding the absence or presence of a conflict of interest as provided by this policy. If it is impossible to submit the documents on time, employees must verbally notify about the presence or absence of a conflict of interest, with subsequent submission of a written document.

2.8 An employee must report any existing or potential conflicts of interest or any involvement they may have with an actual or potential counterparty, client, supplier of goods/services, or any other circumstances that may imply competition or conflicting objectives between their personal interests and the interests of the Organization.

2.9 The employee must inform the Executive Director of the Organization or the General Meeting about the existence of a conflict of interest within the timeframe established in paragraph 3.1 of this Policy.

2.10 When identifying an interested party in a transaction, the Executive Director of the Organization or the General Meeting may allow such a conflict of interest but shall exercise external control over the situation.

2.11 The Executive Director of the Organization must timely inform the General Meeting of the Organization about the presence of potential or actual conflicts of interest regarding any decision considered or planned to be considered by the Organization.

2.12 In exercising their powers, employees must act only within the authority granted to them and, representing the Organization before third parties, behave in a way that does not harm their own business reputation, the reputation of other officials, or the Organization as a whole.

3. PROCEDURE FOR PREVENTING CONFLICTS OF INTEREST

3.1 A person interested in concluding a transaction is obliged, within 3 (three) working days from the moment the interest arises, to inform the body of which they are a member, the Executive Director of the Organization, or the General Meeting about the existence of such interest.

3.2 In case of notification about the existence of a conflict of interest or a potential possibility of its occurrence, the Executive Director of the Organization is obliged to notify the General Meeting of the Organization within 5 days.

3.3 The Executive Director of the Organization must, within 5 (five) days from the moment of receiving information about the possibility of concluding a transaction in which there is an interest, provide the members of the General Meeting with information regarding transactions in which the Public Organization is interested, specifically about:

3.3.1 the subject of the transaction;

3.3.2 the price per unit of goods or services, if provided for by the transaction;

3.3.3 the total amount of the transaction regarding the acquisition, disposal, or possibility of disposal of property, performance of work, provision or receipt of services;

3.3.4 the person who has an interest in concluding such a transaction.

3.4 The General Meeting is obliged to make a decision regarding the conclusion of the transaction in which there is an interest within 5 (five) working days.

3.5 The General Meeting may decide to conclude or refuse to conclude the transaction.

3.6 If the transaction in which there is an interest violates the interests of the Organization, the General Meeting may prohibit its conclusion or refer the consideration of this issue to the General Meeting of the Organization.

3.7 In case of a conflict of interest involving the Executive Director of the Organization or sectoral managers, statements regarding the conflict of interest, as well as responses, should be handled by the General Meeting of the Organization. If such persons are members of the General Meeting, they may be present at the meeting but without the right to vote.

3.8 If the General Meeting consists only of persons with conflicts of interest, or the General Meeting cannot be deemed competent, the statement is referred to the Executive Director of the Organization, who makes the appropriate decision, which is binding for the General Meeting and the relevant employee(s).

3.9 In case of non-compliance with the requirements set forth in this section of the Policy, the person interested in the transaction concluded by the Organization is liable to the Organization for damages caused. Such a transaction may be declared invalid by a court if the person who concluded the transaction knew or should have known about the non-compliance with these requirements.

3.10 In case of non-compliance by the interested person with the requirements provided in this section of the Policy and the Organization concluding the transaction with a legal entity, the Organization has the right to demand the recognition of this transaction as invalid by a court and compensation for damages and/or moral harm.

4. OTHER MATTERS RELATED TO THE PREVENTION AND DISCLOSURE OF CONFLICTS OF INTEREST

4.1 If an Employee has any questions regarding this Policy, its application, interpretation, or the determination of a conflict of interest, they have the right to seek necessary clarifications from the Executive Director of the Organization.

4.2 Every Employee is obliged to adhere to principles of honesty and bear responsibility for maintaining ethical conduct. An Employee of the Organization must comply with the internal policy regulating issues related to gifts, discounts, payments, commissions, free services, loans, entertainment, etc.

4.3 The Organization timely and by accessible means discloses to the members of the General Meeting complete and reliable information on all material matters concerning existing and/or potential conflicts of interest among the Organization's employees, with the aim of enabling the leadership to make informed decisions.

5. RESPONSIBILITY FOR VIOLATION OF THE CONFLICT OF INTEREST POLICY

5.1 External resolution of a conflict of interest is carried out by means of:

5.1.1 removing the person from performing a task, taking actions, making decisions, or participating in decision-making under conditions of an actual or potential conflict of interest;

- 5.1.2 applying external control over the person's performance of the relevant task, actions, or decision-making;
- 5.1.3 restricting the person's access to certain information;
- 5.1.4 reviewing the scope of the person's official powers;
- 5.1.5 transferring the person to another position.
- 5.2 Any employee who was required to report but failed to report a conflict of interest or a threat of its occurrence, or who became aware of a conflict of interest or threat thereof in another employee, is given an opportunity to explain such non-reporting.
- 5.3 In case of repeated failure to report the existence of a conflict of interest, disciplinary measures may be imposed on the employee in accordance with current legislation.
- 5.4 The employee is responsible for violation of this Policy in accordance with the current legislation of Ukraine, the Charter, and internal regulatory acts.
- 5.5 Control over compliance with this Policy, including the process of identifying, detecting, and managing potential and/or existing conflicts of interest, is carried out by the Executive Director of the Organization or the General Meeting (in the case of the Executive Director).
- 5.6 In case of impossibility to exercise control over the process of identifying, detecting, and managing potential and/or existing conflicts of interest by the General Meeting, these powers are delegated to the Executive Director of the Organization.
- 5.7 The General Meeting of the Organization has the right to interpret this Policy and, if necessary, to make amendments and/or additions to it.

6. FINAL PROVISIONS

- 6.1. This Policy comes into effect from the date of its approval by the Executive Director of the Organization.