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CONFLICT OF INTEREST BYLAW

Approved in the Meeting of the Board of Directors
held on Monday 24/12/2007 A.D. and effective as
of the 1st of January 2008 A.D.



Based on the content of the Articles of Association of Kuwait Transparency Society, Fifth Chapter, the Board of Directors, Articles 42, 51, 55, the following interest conflict bylaws was set.

Chapter One Definition

Where as the efforts of Kuwait Transparency Society may be prejudiced due to any wrong practices from any of its representatives, while the society is on the eve of achieving its goals, all associates of the society should be cautious concerning the possibility of any conflict of interests.

Article (1)

This bylaws shall be applicable to any person that joins the society, whether such person is a Board member, head of a committee, working member, volunteer, or employee in the society.

Article (2)

The conflict of interest covers interests of the persons stated in article (1) above, and the interest of any other person who might have any personal relation thereto, including spouse, siblings, parents, brothers and sisters or any other family member.

Article (3)

Whereas the Society performs a variety of activities, including issuance of reports, preparation of studies, formation of data, organization of projects, etc, in which the society reflects its opinions and situations, a matter which requires the availability of all academic, neutrality, nonalignment toward several organizations dealt in such society activities, it should be always verified that the persons managing the activities of the Society do not have common interests that might conflict with the concerned people in the organizations involved in such activities.

Chapter Two Public Policies

Article (4)

Any person referred to in article (1) of this bylaws should avoid dealing with any likely conflict of interest, be it real or presumptive, including refraining from taking any decision or voting in any of the issues subject to such presumptive conflict of interest, and to expressly acknowledge any true or presumptive conflict of interests that arises from his relation to the Society.

Article (5)

The conflict of interests may arise from time to time within the course of activities and decisions of an individual or through the course of his work with the Society, whether concerning financial interests or interests that might hinder him from performing his duties in a manner that fully copes with the interests of the Society.

Article (6)

Any person referred to in Article (1) above should expressly declare his financial and non-financial interests that might result in conflict of interests or that can be regarded as representing a conflict of interests.

Such declaration should be expressly performed to the Board of Directors or before the committee to which such person belongs. In such case, the Board/committee should inform the (values committee) for information. Declaration should also be made in writing to the (values committee) of the society.

In all cases, such declaration should be maintained and handled confidentially as appropriate.

Article (7)

The declaring person estimates the level of confidentiality of the information he declares and may request not to reveal it. In such a case, the data shall be top confidential, and its content shall under no circumstances be revealed to any non-concerned person, pursuant to the Articles of Association of the Society and its bylaws. In case of violating the above, the aggrieved declarer may file a complaint with the Board of Directors against the person who caused revelation of the information for consideration of the matter pursuant to the bylaws of the Society.

Chapter Three Payments and Gifts

Article (8)

Members of the Board shall not perform any paid work for the Society but pursuant to a contract approved by the Board.

In this case, the society abides by transparency in the process of taking decision of assigning paid works and the contractual procedures.

Article (9)

No member in the Society is entitled to accept gifts, interests, loans or any other valuable item from any entity or person if it is reasonably understood or believed that the goal of such gift is to affect the Society.

Article (10)

When the Board pays any amounts to a Board member, employee or volunteer in the Society – other than the approved expenses – the Board should declare this in full in the annual financial statement of the Society, provided that such declaration states the reasons leading to the payment of such amounts.

Chapter Four

Handling Presumption of Conflicts of Interests

Article (11)

Presumed conflict of interests should be identified and declared by the person facing such presumptive conflict. If conflict of interests is proved positive, the concerned person should leave the meeting during the consideration of the concerned subject

Others may report conflict of interest of any of the persons managing the activities of the Society. In such case, and after verifying the conflict of interests, the person is requested to leave the meeting during the discussion of the concerned issue, fail of which the matter shall be referred to the (values committee) for finalization.

Article (12)

In case of reporting any conflict of interest to the (values committee), the committee shall assess the degree of conflict to reach one of the following alternatives:

- a) That there is no conflict of interest.
- b) That the concerned person should resume the activity pursuant to the regulations of the values committee.
- c) That the concerned person should not resume the assessed activity.

Chapter Five The Values Committee

Article (13)

The Board of Directors shall form (the values committee) of three members as follows:

- a) The Chairman of the Board of Directors, as president.
- b) Two members of the General Assembly out of the Board Members, as members.
- c) One member of the General Assembly out of the Board members, as a reserve member.

The committee shall select its secretary from among its members in its first meeting.

Article (14)

In case the committee is considering a subject in which the president is involved, the Vice Chairman shall replace the Chairman in consideration of this issue. In case the committee is considering a subject in which any of its two members is involved, the reserve member shall replace the involved member in consideration of this issue.

Article (15)

The president of the values committee shall be liable for guaranteeing that this bylaws is reported to all members involved in activities relevant to the society. This bylaws shall also be made available to all members in general via its publication on the society website at least.

Article (16)

The committee shall be concerned with:

- a) Securing the application of this bylaws (conflict of interests bylaws)
- b) Securing the application of the third chapter of the internal bylaws (Code of Conduct of Board Members).
- c) Securing the application of the fourth chapter of the financial bylaws (Financial Disclosure Statement)
- d) Constructing any matter stated in items (A-B-C) of this article
- e) Providing consultancy to the Board regarding any issue relevant to items (A-B-C) of this article.
- f) Providing consultancy as requested by any Board member or any of the members of the committees of the society, concerning any issue relevant to items (A-B-C) of this article.

Article (17)

The values committee should receive with every application:

- a) A statement of the issues or cases required to be considered.
- b) A summary of relevant facts and copies of any supportive documents thereto.
- c) A proof that the case is urgent in case of summary issues.

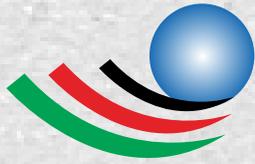
Article (18)

The attendance of the president is conditioned for the righteousness of the committee meetings. The committee's decisions, recommendations and opinions shall be issued by majority of its members.

Article (19)

If the (values committee) believes that the stance of any of the person referred to in article (1) of this bylaws has purposely affected the Society position, its credibility or the achievement of its objectives in a passive way, or if such person repeatedly ignored the application of this bylaws, the committee may recommend the Board to write off the name of this person in the list of members. The Board of Directors – in this case – may consider the recommendation and decides as appropriate, pursuant to the Articles of Association of the Society and its bylaws.

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Kuwait Transparency Society



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