CONFLICT OF INTERESTS POLICY

DOWN GALICIA BOARD OF DIRECTORS

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1. INTRODUCTION

The Down Galicia Federation is a non-profit private entity, declared to be of public utility and that has adopted the Patronage Law. It was founded in 1998, and it gathers together eight associations specifically dedicated to Down syndrome in the autonomous community of Galicia.

Its mission is to coordinate, support, and boost the contribution work of the member entities with the aim of improving the quality of life of every person with Down syndrome and other cognitive disabilities, as well as their families. This is accomplished by means of better social inclusion and the use of ordinary community services, as established in the United Nations Convention on the Rights of Persons with Disabilities.

2. OBJECT

The present Code of Conduct constitutes a commitment statement by Down Galicia, directed towards the preservation of the ethical and moral principles in its areas of activity, ensuring the fulfilment of the Mission and the transparent and clearly defined transmission of their principles and values, in order to ensure the confidence of the beneficiaries and their families, of the workers, the funders, and of society.

The Board of Directors must behave in accordance with this declaration and the purpose of this manual, and they will be ruled by the SOLIDARITY principle among all its components (1º article of the Statutes), looking out for the good practices referenced in this Code:

2.1. Board of Directors Constitution

The Board of Directors is the collegiate body responsible for the administration and government functions of the Federation and must behave within the General Assembly guidelines and in compliance with the Statutes.

According to the Federation Statutes (Chapter III, Article 18), the Board of Directors will consist of:

- The President or a representative person duly authorized of each of the Fully-fledged Members.
- The President or a representative person of each of the Federation Adhering Members, just as the collaborative and honorary members.
- The President and the Secretary of the Board of Directors shall perform the same function in the meetings of the General Assembly.

2.2. The Board of Directors must ensure the integrity of its members, just as the collective responsibility.

- It promotes and protects the MISSION, the values and the reputation of the organization, and endeavours to increase its public prestige through all the activities carried out by its members in the name of the organization.
- It acts and makes decisions in support of the collective interest of the organization that it manages, assuming a collegiate responsibility for those decisions. Its members do not act or make decisions based on their individual interests or the interests of any other organization or cause in which they could be involved or be interested in.
- The Board of Directors does not allow its members to obtain any profits derived from their position, beyond those which are permitted by the Law and the rules of the organization.

2.3. The Board of Directors determines the strategic direction and the organization policies.

- It determines the strategic direction of the organization in order to fulfil its mission, goals, and objectives. In coordination with the Management and Boards of the Centres, it makes sure that the programs, activities, and services of the organization reflect their strategic priorities.

2.4. The Board of Directors supervises the performance of the organization.

- It oversees the implementation of the annual programme and the budget by receiving timely and objective reports about the performance of the organization, and those reports are focused on the strategic implications of the results of the budget programme.

2.5. The Board of Directors provides an effective supervision of the organization's financial health.

- It ensures that the organization is creditworthy and that its finances are ethically managed as stated by the Laws that affect it and those which are collected in the list of the Legislation of the Quality Management System of the Entity.
- It identifies and regularly reviews the risks faced by the organization: it develops policies and takes the necessary measures to control the identified risks.
- It guarantees that the adequate insurance policies to protect the organisation against potential claims can exist.
- It establishes the internal control systems of the organization and regularly reviews its functioning.
- It approves the budget, supervises the expenses, and guarantees that the finances of the organization are managed in accordance with their best interests. It has a responsibility to designate the auditors and to approve the audited annual accounts and the financial statements.

2.6. The Board of Directors is responsible and receptive.

- It takes responsibility for the institutional government of the organization.
- It stimulates and makes possible the involvement of the families in the planning and decision making of the organization.
- It is accountable for the performance of the organization, for ensuring that the contracted obligations are fulfilled, and for the ethical operation within the Law framework and other legal requirements.
- It can clearly show how the organization contributes to the improvement of the society it serves.

3. COMMITMENT

The members of the Board of Directors reassert their commitment to honour the contents of this manual and to preserve their individual behaviour in order to avoid situations which could lead to a conflicting position derived from an inappropriate conduct detrimental to the Federation.

4. VALUES OF THE BOARD OF DIRECTORS

The executives must make sure that their actions are regulated by the following ethical and moral values:

- Behave with loyalty, honesty, legality, and truthfulness in all the activities related to the sector practices and the issues of Down Galicia.
- Adhere to the highest ethical and moral principles in their conducts.
- To ensure the preservation and the proper use of the goods and elements provided by Down Galicia for the realisation of their duties.
- To pursue that the relations between Down Galicia and its beneficiaries, intermediaries, suppliers, Public Administrations, partners, and the community, are characterized by total transparency, mutual trust, and development.

5. COMPLIANCE WITH LAWS AND STATUTES

All the executives of Down Galicia, whenever it is applicable to their functions, will ensure and be responsible for the compliance and strict observance of the laws, statutes, and other rules that regulate the activity carried out by Down Galicia, especially for:

- The laws and rules that regulate the activity and assistance to people with disabilities.
- The tax and accounting laws, related to municipal, autonomous, and national taxes.
- The laws and regulations related to data protection.

- The labour laws of their employees.
- The Entity statutes, policies, and instructions established by the General Assembly of Down Galicia.
- The legislation referenced in the Quality System of the Organization.

6. DEFINITIONS

6.1 Conflicts of interest: A conflict of interest refers to all those interfering situations in which an executive can be, at a certain point of his/her functions, taking advantage of it for him/herself or for another person. The decisions that he/she must take when facing different alternatives of behaviours in the activities in which he/she is engaged and the performance, would imply the omission of the contractual or moral obligations to which he or she is subject.

6.2. Insider information: It is the information to which only certain people have direct access by reason of their position or because of the functions they perform, and that by its nature, it is subject to reservation, because if known it could be used with the purpose of obtaining benefit for him/herself or another person. This information should cover specific facts and refer to the inside environment of the Federation**.**

7. GENERAL RULES

7.1. Action policies

- No joint actions will be carried out with physical or legal entities known to have engaged in ethical, social, or business conduct contrary to laws.
- The relationships between Down Galicia and the Public Administrations will always be managed within the Law framework and under strict ethical principles.
- The claims, requests, and requirements of the associates must be addressed in a timely and precise manner, under the principle of good faith.

7.2. Forbidden practices

The following practices are forbidden according to the purposes of the current policy:

Rivalry with Down Galicia: The members of the Board of Directors must not put themselves in a rivalry position with Down Galicia. The following activities are considered to be inside this category:

- Take advantage of your position in order to prevent and obstruct the development of the activity.
- To receive a commission, pecuniary compensation, or properties from a third party for a transaction, operation, or the delivery of a service from the Federation.
- Take advantage for oneself or for another in an inappropriate way, direct or indirectly, of any action carried out by the Federation.

- To use the image of Down Galicia, its reputation or its name with a view to obtain benefits or favours for oneself or for another.
- The executives must abstain from incurring unnecessary costs in the regular management and execution of investments of the Federation.

Abuse of office: The members of the Board of Directors of Down Galicia will not use their positions in order to obtain a favourable or preferential treatment for the use of the services, for personal gain or their relatives**.**

Relationship between executives and family interests: As a general rule, it is not allowed to hire external services of family businesses for Down Galicia. However, in each case, the attenuating circumstances will be analysed as: better economic offer and service delivery than other companies that participate in the same tender.

In this case, the affected executive will abstain him/herself from voting, and this aspect will be reflected in the corresponding record of the Board of Directors meeting.

7.3. Appropriate handling of information

The following defined policies must be observed in order to avoid the disclosure or improper use of information.

The members of the Board of Directors must be especially protective and careful in preserving their individual behaviours in this matter, and be , at the same time, the basis of a corporate attitude in the same sense.

In relation to the appropriate handling of information, the following principles must be taken into account:

Regarding Down Galicia:

If the members of the Board of Directors of Down Galicia receive information that is not public, they may not spread it except to the person that has the right and necessity to know such information because of an agreement of the other members of the Board.

Regarding the beneficiaries:

Every executive must avoid the public or private debate related to the issues of the beneficiaries or other entity members, except with those who have the necessity to know it because of an agreement of the rest of the members of the Board.

8. CONFLICTS OF INTEREST

The following general principles are those that must be observed in order to avoid situations of conflict, taking into account that the general policy of the Entity is to prevent and control situations that can create a conflict of interest in the Board of Directors:

- The executives must be aware of the established policies in this document.
- The executives must actively participate in the Board meetings, as well as actively participating in their assigned tasks.
- The executives must be free of the influence of personal or commercial interests that could interfere with the best interests of Down Galicia.
- In general, the professional in charge of executing the agreements of the Board of Directors will be the Director-Manager.

9. PROCEDURE

9.1. Communication:

The person or people who have knowledge of the possible existence of a conflict of self-interest or of another entity member, must transmit it to the Board of Directors of the Entity, providing necessary evidence or arguments in order to verify if this conflict of interest exists or if it seems to exist.

9.2. Determination of whether or not a conflict of interest exists:

In the Board of Directors meeting the case will be exposed with all the possible data and the interested person will be listened to. Subsequently, that person will abandon the meeting and then, it will be discussed and decided if this situation of conflict of interest exists or appears to exist.

9.3. Procedure to be followed:

Always taking place in a meeting of the Board of Directors (or the designated authority for the contracting, purchases, or any other aspect in which the conflict of interest appeared).

- The interested person will do a presentation by exposing him/her reasons for the contracting or the agreement that is intended to be reached. Subsequently, that person will abandon the meeting.
- The president of the Board of Directors may call a disinterested person or several people to the meeting in order to suggest alternatives to the transaction, contracting, or situation that was presented by the interested person.
- The Board of Directors must decide afterwards if some of the alternatives that were proposed can be as beneficial or even more than the one that could entail a conflict of interest .
- If none of the proposed alternatives improves the conditions of the interested person , it will be decided by the majority of disinterested members whether to proceed or not with the hiring or agreement.

10. BREACH OF THE CONFLICT OF INTERESTS POLICY

If the Board of Directors or designated committee becomes aware of a possible breach of the conflict of interest policy, it shall inform the member of the reasons for believing that the conflict of interest policy has been breached and allow the affected person to present his or her point of view relating to the situation.

If, afterwards, the Board of Directors or designated committee decides that the proper procedure has not been followed or a conflict of interest has not been reported, whether real or potential, the appropriate measures will be taken, and that person may be expelled from the Board of Directors or even lose her/his membership. In the case of workers and volunteers, the employment relationship may expire in the first case, and the voluntary agreement may be closed in the latter case.

11. FILE OF THE PROCESS AND ACCOUNTABILITY

The record of the Board of Directors meetings or the designated committee must include:

- The names of all the people who took part in the process since the beginning and a summary of their interventions.
- The studied alternatives for the transaction or agreement proposed by the interested person.
- The reasons why it has been decided to proceed with such a transaction or agreement.
- The agreement reached and the final vote.

12. PUBLIC KNOWLEDGE.

Each member of the Board of Directors and current committees of the entity, as well as any other person in the entity to whom some decision-making capacity has been delegated, shall fill and sign the SITUATION OF CONFLICT OF INTERESTS LETTER.

13. REGULAR REVIEW

Each year the Board of Directors shall review and issue a report justifying that the transactions, contracts, agreements, etc. carried out in which a conflict of interest has occurred or appeared to occur, are still justified by their beneficial conditions for the entity to the detriment of other possibilities that would not involve a conflict of interest.

Final Order

This policy was inspected and approved in the Extraordinary General Assembly of the Down Galicia Federation on the date 27/06/2020.

Signed by: Delmiro Prieto González
ID: 71497418-D
DOWN GALICIA President

Signed by: Elías Ledo Fernández
ID: 76.615.524-V
DOWN GALICIA Secretary