

Policy Statement:

At the National Technology Group, we are dedicated to fostering a workplace characterized by fairness and transparency. We uphold a strict stance against nepotism, favoritism, or any form of unfair treatment based on familial relationships. Our guiding principle is that all employment decisions must be rooted in individual merit and the needs of the business.

Policy Details:

1. Disclosure Requirement:

- a. All employees are required to disclose any familial relationships with other employees of the company. This includes relationships by blood (parents, children, siblings, aunts, uncles, nieces, nephews, cousins), and marriage (spouses, in-laws).
- b. Disclosures must be made upon hiring by filling out the Nepotism Disclosure Form and updated whenever there is a change in the relationship status.

2. Employment Decisions:

- a. Employment decisions, including hiring, promotion, compensation, and termination, must be based solely on merit, qualifications, and job performance.
- b. Personal relationships should not influence these decisions. If an employee involved in the hiring or evaluation process has a familial relationship with a candidate or current employee, it must be disclosed.
- c. Managers and supervisors must ensure that employment decisions are documented and justified based on objective criteria.

3. Supervisory Relationships:

- a. Direct supervisory relationships between relatives are discouraged to prevent conflicts of interest and perceptions of favoritism.
- b. If such relationships are unavoidable, the company will implement appropriate measures to mitigate potential conflicts, such as reassignment of supervisory duties, additional oversight, or third-party evaluation.
- c. Employees must disclose any changes in their supervisory relationships due to familial connections.

4. Disclosure of Potential Nepotism:

- a. Employees who are planning to get engaged to another employee are required to disclose this information to the company. While engagements themselves do not create a conflict of interest, it is essential to ensure transparency and prevent any perceptions of favoritism.

- b. The company will assess the situation and take appropriate measures to manage any potential conflicts of interest that may arise from the engagement.

5. Conflict Resolution:

- a. Any conflicts of interest arising from familial relationships will be addressed promptly and impartially by the HC Department or management.
- b. Measures to resolve conflicts may include reassignment, recusal from decision-making processes, or other appropriate actions to ensure fairness and transparency.
- c. Employees are encouraged to report any concerns about nepotism or favoritism to the HC Department without fear of retaliation.

6. Enforcement and Compliance:

- a. Any breach of the Policy including failure to report potential violations of compliance principles may result in disciplinary measures up to and including termination, suspension of employment, or penalty.
- b. The HC Department shall monitor the effectiveness and review the implementation of the compliance principles outlined in this policy, regularly considering its suitability, adequacy, and effectiveness.
- c. Training on the Nepotism Policy will be provided to all employees to ensure understanding and compliance.

7. Examples of Familial Relationships Covered:

- a. Immediate family members: spouses, parents, children, siblings.
- b. Extended family members: aunts, uncles, nieces, nephews, cousins.
- c. Spouses and In-laws.

8. Exceptions:

- a. Exceptions to this policy may be considered on a case-by-case basis, particularly in cases where no conflict of interest exists, or the relationship does not impact job performance or decision-making.
- b. Requests for exceptions must be submitted in writing to the HC Department and will be reviewed by higher management.

Examples and Cases:

- **Case 1:** Two employees within the organization are planning to enter into a personal relationship.
 - Action: Upon disclosure of their engagement, HC evaluates the situation to identify any potential conflicts of interest within their respective roles. Precautionary measures are implemented to mitigate the risk of favoritism or bias.
- **Case 2:** A newly hired employee realizes a familial connection with an existing employee in a different department.
 - Action: The new employee promptly informs HC of this relationship during the onboarding process. HC documents the connection and ensures that it does not create any conflicts of interest.
- **Case 3:** A hiring manager becomes aware that a relative is applying for a position within their department.
 - Action: The hiring manager notifies HC of the familial relationship and recuses themselves from the recruitment process. Another manager is assigned to oversee the hiring process to maintain objectivity.
- **Case 4:** A supervisor discovers that a family member holds a significant role in a project they oversee.
 - Action: The supervisor discloses this information to HC, prompting a reassessment of project responsibilities to ensure fairness and impartiality. Task reassignments are made as necessary to prevent conflicts of interest.
- **Case 5:** An employee believes that a coworker's promotion may have been influenced by their personal relationship with a manager.
 - Action: The concerned employee reports the issue to HC, triggering an investigation into the matter. HC takes appropriate steps to address any unfair treatment and uphold transparency in the promotion process.
- **Case 6:** HR's routine audit uncovers an undisclosed familial relationship between an employee and their manager.
 - Action: HR addresses the oversight by reviewing the roles of the individuals involved and providing additional training to prevent future occurrences. Depending on the severity of the situation, disciplinary actions may be taken.