



# **Atrium REIT Managers Sdn. Bhd.**

Registration No. 200501028391(710526-V)

## **Conflict of Interest Policy**

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## 1.0 INTRODUCTION

Atrium REIT Managers Sdn. Bhd., the Manager for Atrium REIT (“The Manager”) is committed to maintain the highest ethical standards and recognise that it must be seen at all times to be acting in accordance with the best corporate governance practices. Accordingly, the Manager expects all Directors and employees to conduct themselves with integrity, impartiality and professionalism at all times, and to avoid any conflict of interest situations that may arise in the performance of their duties.

Proper identification and management of conflicts of interest ensures that business decisions are made in the best interests of the Manager, and the Manager is protected from any consequent damage to its activities and reputation.

## 2.0 OBJECTIVE

This Conflict of Interest Policy is established to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively. It is intended to provide guidance in managing situations where conflict of interest situations may arise.

## 3.0 SCOPE

This Policy applies to:

- i. All Directors; and
- ii. All employees, of the Manager.

This Policy applies whenever an individual recognises, or should reasonably recognise, that a conflict of interest may arise from their current or future activities. The Policy provides guidance on how to identify and declare all conflicts of interest, how to develop and implement actions to appropriately manage the conflict, and how to deal with breaches of this Policy. As it is not possible for the Policy to be all-inclusive, Directors and employees must exercise reasonable judgment and seek to comply with this Policy.

## 4.0 DEFINITION

**“Beneficial interest”** refers to the right to receive economic benefits from an asset without being the legal owner of the asset, e.g., entitlement of income from shares held through a nominee.

**“Conflict of interest” (“COI”)** refers to a situation where;

- a) the interests of the said person<sup>1</sup> (who is often a person in a position of trust), interfere, or appear to interfere, with the interests of the Manager or its business associates; or
- b) the said person has interests that may make it difficult to perform his or her role objectively and effectively.

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<sup>1</sup> Involving directors and employees of the Manager.

COI is not limited to direct financial interest but also include an indirect financial interest, non-financial interest (e.g., arising from relationships whether family, business or professional interests), or competing loyalties or interests.

This includes any transaction, procedure or course of conduct that raises questions about management's integrity.

COI includes actual, potential or perceived conflict of interest.

**“Family member”**, in relation to a person, means:

- i. A spouse of the person;
- ii. A brother or sister of the person, or their spouses;
- iii. A brother or sister of the spouse of the person;
- iv. A lineal ascendant or descendant of the person (e.g. parents or children);
- v. A lineal ascendant or descendant of a spouse of the person (e.g. parents-in-law);
- vi. A lineal descendant of a person referred to in (ii) above (e.g. niece or nephew);
- vii. The uncle, aunt or cousin of the person; or
- viii. The son-in-law or daughter-in-law of the person.

## **5.0 IDENTIFYING CONFLICTS OF INTEREST**

A COI would arise where a person's ability to perform his/ her duties effectively or impartially is potentially impaired by personal interest, considerations or relationships of a family member.

Generally, examples of COI situations are as follows:

- i. uses property or resources of the Manager for his or her personal purpose or business;
- ii. channels benefits or resources meant for the Manager to a company which he or she has an interest in;
- iii. discloses trade secrets to a competitor where he or she has an interest in;
- iv. influences decision of the Manager to develop an area where the said person owns property so that he or she will also enjoy the benefit either financially (e.g., capital appreciation) or non-financially from such development;
- v. prioritises his or her private venture by depriving the Manager from an identified business opportunity;
- vi. leverages on the Manager's business or developmental plan by acquiring adjacent lands using the said person's private company;
- vii. is involved in a business which offers similar products or services that are likely to replace or substitute the products or services offered by the Manager;
- viii. holds offices or directorships in competitors of the Manager;
- ix. provides financial assistance to, or receives financial assistance from, the Manager on terms and conditions which are more favourable to the said person than normal commercial terms;
- x. having similar business with that of the Manager in a geographical location which the Manager is not currently operating in, but which the Manager may expand its venture in subsequently;
- xi. purchasing substantial building materials for construction of his or her own property at a massive discount from a contractor which has been shortlisted as one of the contractors for the Manager's project;

- xii. the Manager purchases or leases property, equipment, materials, etc. from said person, or enters into contractual arrangement with such person; or
- xiii. having a personal relationship / family member where such person can influence the hiring, work assignments or assessments of another person.

## 6.0 GENERAL RESPONSIBILITIES

All Directors and employees of the Manager are responsible for identifying and managing COI on an ongoing basis and are required to:

- i. Comply with this Policy and other applicable policies and guidelines relating to the identification, documentation, escalation and management of COI;
- ii. Act with objectivity, integrity and independence, and exercise sound judgement and discretion;
- iii. Avoid, wherever possible, situations giving rise to conflicts of interest as described in this Policy; and
- iv. Immediately declare the conflict of interest in accordance with this Policy, remove themselves from the decision-making process and not seek to influence such decisions any further.

## 7.0 MANAGING CONFLICT OF INTEREST (“COI”)

The measures to address COI situations are as follows:

- a) **Declaring COI** as soon as practicable after the relevant facts have come to the knowledge of the said persons, as well as on a periodic and regular basis including at all board meetings.

For employees, the conflict of interest must be escalated to Chief Executive Officer (“CEO”) for further action. In the case of Directors, the conflict must be disclosed to the Board of Directors and recorded by the Company Secretary.

The declaration shall be made by completing a **COI Declaration Form (Appendix A)**, as and when the conflict arises, and shall be made at the earliest opportunity, i.e., as soon as the Director or employee becomes aware of the conflict. The completed **COI Declaration Form (Appendix A)** shall be forwarded to the CEO or/ and Board of Directors by the person with the conflict concerned.

- b) **Restricting participation** of the said persons in any applicable board, committee or general meetings and requiring the said persons to abstain or recuse themselves from deliberation and / or voting on matters relating to the said COI.

This includes refraining from discussions on the matter in relation to the decision making process;

- c) **Undertaking an assessment on COI** of the said persons during the performance appraisal on an annual basis and for new appointments, before the appointment;
- d) **Execute a non-disclosure or confidentiality agreement** to protect any type of confidential and proprietary information or trade secrets;
- e) **Restricting the said persons from participating** in businesses which compete with the Manager;
- f) **Limiting access to information** and denying access to sensitive documents or confidential information in the process;
- g) Requiring such persons to either **divest the interest causing the conflict or resign from the Manager** (in extreme circumstances) if the COI is likely to continuously affect the performance of the said persons; or
- h) **Rearranging duties and responsibilities to a non-conflicting function or transferring the person** with the conflict to another project or another division of the Manager.

## 8.0 RESPONSIBILITIES OF AUDIT COMMITTEE

The responsibilities of Audit Committee (“AC”) includes:

- a) To ensure there are established policies and procedures in place for the purposes of identifying, evaluating, approving, reporting and monitoring all COI situations. This is to ensure that:
  - i. There will be standard treatment of COI;
  - ii. All COI situations are dealt with and addressed expeditiously; and
  - iii. The role, responsibilities and accountability of relevant parties in dealing with and resolving COI are outlined clearly.
- b) To review and report to the Board of the Manager, any COI situations that arose, persist or may arise during the financial year together with the measures to resolve, eliminate or mitigate such conflict.

In reviewing the COI, the AC should consider the following factors:

- i. Nature of COI situations, and the impact on the Manager,
  - ii. Identification of the interested party, and
  - iii. Controls in place / corrective actions to be taken – to ensure the interested party does not abuse his/her power to gain an unfair advantage.
- c) To disclose all COI matters reviewed by AC in the AC Report.

## **9.0 MAINTAIN OF RECORDS**

The primary records are the COI Declaration Forms.

For COI involving employees, the CEO or appointed personnel shall maintain records of all COI Declaration Forms as well as other related documents. For COI involving Directors, the Company Secretary shall maintain records of the declarations and any other related documents.

## **10.0 BREACH OF POLICY**

Failure to disclose a COI situation, provide complete and accurate information on the conflict or appropriately manage the conflict is a breach of this Policy and could result in disciplinary action being taken by the Manager.

## **11.0 REVIEW OF THIS POLICY**

This Policy may be reviewed from time to time and any amendments and updates will be immediately made available.

## Appendix A

### Director Annual Interest Declaration Form

This form is required to be completed by all Directors of Atrium REIT Managers ("The Company") who have held office as at **[date]**

I, \_\_\_\_\_ hereby declare that the information contained herein fall within my personal knowledge and are to the best of my knowledge complete, true and correct: -

No.:	Names of Companies/ bodies corporate/ firms	Shareholding (%) Direct and indirect	Directorship
1.			
2.			
3.			
4.			
5.			
6.			

And further declare that:

- a. I am citizen of Malaysia,
- b. I was never declared insolvent,
- c. I am not disqualified under any law from practicing any profession,
- d. I was never convicted of fraud or any other offence involving dishonesty, and sentenced to a fine or imprisonment or both,
- e. I was never at any time been removed from an office of trust on account of breach of a fiduciary duty.

\_\_\_\_\_  
Name:

Designation:

NRIC:

Date: