

Conflict of Interest Policy

1. INTRODUCTION

A conflict-of-interest (“COI”) situation arises where a person’s ability to perform their duties effectively, objectively, and impartially is potentially impaired or interfered with by personal interests. This personal interest is not limited to direct financial interest but also includes an indirect financial interest, non-financial interest (arising from family, business or professional interests and relationships), or competing loyalties or interests.

This COI Policy (“Policy”) aims to provide guidance for identifying, monitoring, and implementing actions and measures to manage COI. It applies to all directors and key senior management of the Company and its subsidiaries (“the Group”) but excludes the related and recurrent related party transactions, which are regulated under Para 10.08 and 10.09 of Chapter 10 of the Main Market Listing Requirements.

Under this Policy, the key senior management refers to a person who, in the opinion of the Board, is the key senior management of the Group and must include a person primarily responsible for the business operations of the listed issuer’s core business and principal subsidiaries.

2. CONFLICTS OF INTEREST SITUATIONS

Broadly, the COI situations include but are not limited to the following scenario. All directors and key senior management must exercise reasonable judgment to uphold and comply with the principles of this Policy and ensure that business decisions are made in the best interests of the Group.

i. Equity interest in entities having a business relationship or contractual agreement with the Group and/or similar businesses to or competing businesses with the Group

COI arises when a director or key senior management holds shares in entities having a business relationship or contractual agreement with the Group and/or a business similar or competing with the Group, either directly or indirectly through a family member covering their spouse, parents, children, brothers, sisters and spouse of child, brother or sister. The equity interest includes publicly-quoted or private companies of 10% or more of the total number of voting shares in the corporation or 5% or more of the total number of voting shares in the corporation where such person is the corporation’s largest shareholder.

ii. Directorship, partnership or other forms of beneficial interest in entities having a business relationship or contractual agreement with the Group and/or similar businesses to or competing businesses with the Group

This applies to the director, key senior management or their family members who hold positions or are interested in entities having a business relationship or contractual agreement with the group and/or businesses similar to or competing with the Group.

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iii. Directorships and Other Employment in other companies

A director holding multiple directorships, employment or part-time employment, and/or other business appointments in other companies outside the Group may lead to COI positions and impairment of their time commitment to the Company.

3. MANAGING CONFLICTS OF INTEREST

Principally, the Board Charter provides that all directors must take reasonable steps to avoid actual, potential or perceived conflicts with the Group's interest. When an actual, potential or perceived COI between a company of the Group and a director or a person connected with the director, such as a spouse, other family members, or a related company, occurs, the interested Director shall make full disclosure in bona fide, act honestly in the best interest of the Group, not participate in deliberations, and abstain themselves from casting their votes in any matter arising thereof.

Section 218 of the Companies Act 2016 states that unless consent or ratification of a general meeting is obtained, the director or officer is prohibited from using the property of the company, information acquired by virtue of their position, their position as a director or officer, any opportunity of the company, or engaging in business in competition with the company to benefit themselves or harm the company.

In addition, the Issuers Communication – Guidance on Conflict of Interest (ICN 1/2023) issued by Bursa Malaysia further provides that directors shall adhere to the measures administered by the Audit and Risk Management Committee ("ARMC"), which may include but are not limited to:

- Restriction in participation in the Board, Board Committee or General Meetings and abstention or recuse from deliberation and voting on matters involving COI;
- Execution of a non-disclosure or confidentiality agreement to protect any confidential and proprietary information or trade secrets;
- Restriction in participation in the businesses which compete with the Group;
- Rearrangement of duties and responsibilities to a non-conflicting function or under the supervision of a non-interested person; or transfer to another project or area of the Group, where the conflict is ongoing and could have profound implications; or
- Divestment of the interest in or resignation from the Company in the extreme circumstances where the conflict is likely to affect their performance,

A director or key senior management who fails to comply with the above procedures is considered a breach of this Policy. This could result in disciplinary or legal actions being taken against them by the Company.

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4. MONITORING AND ASSESSING CONFLICTS OF INTEREST

The ARMC should ensure a framework for identifying, evaluating, approving, reporting and monitoring COI situations and transactions is in place and effective in bringing the COI issues to the attention of the ARMC.

When assessing the COI situations or transactions, the ARMC shall consider the following:

- nature of COI situations, areas of concern, and the impact on the Group;
- identification of the interested parties as well as the nature of such potential transactions;
- controls and safeguarding measures in place in managing COI, as well as the corrective and remedial actions to be taken to address each COI situation;
- indication of abuse of powers by the interested parties to gain an unfair advantage;
- terms of the transaction (including the price) are fair, reasonable and on normal commercial terms;
- impact of the transactions on the financial statements; and
- business reasons or economic substance for the Group to enter into the transaction with the interested parties.

The ARMC should also coordinate with the Nominating Committee to consider COI situations when recommending the appointment and re-appointment of directors and key senior management.

5. OTHER REFERENCES

COI provisions are also cited in the Company's Anti-Bribery and Corruption and Code of Conduct and Ethics policies. In addition, Sections 214, 217, 219, 221 and 222 of the Companies Act 2016 provided directors' statutory duties and responsibilities to act in the best interest of the company, disclose their interests, and not vote on contracts involving their interests. All directors and key senior management are expected to familiarise themselves with these provisions.

Any individual who knows of or suspects a violation of this Policy may report the incident according to the procedures provided in the Whistle Blowing Policy.

6. REVIEW

The Board and ARMC shall review this Policy to ensure it remains relevant, appropriate and consistent with the current regulation requirements and corporate governance best practices. Amendments to the provisions in this Policy shall be made with a Board resolution.