PEKAT GROUP BERHAD
201901011563 (1320891-U)
(Incorporated in Malaysia)
("PEKAT" or "the Company" or "the Group")

CONFLICT OF INTEREST POLICY

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1. Purposes

The purpose of this policy is to ensure that the Board of Directors ("Board"), Key Senior Management ("Senior Management") and employees of Pekat Group Berhad (the "Group") act in the best interest of the Group, free from any personal, financial, non-financial or other conflicts that may impact on or compromise their judgment or impartiality. This policy aims to promote transparency, integrity, and accountability across all levels of the Group.

2. Definitions

A **Conflict of Interest ("COI")** arises when a person's personal interests—family, friendships, financial, or social factors—could compromise their judgment, decisions, or actions in the workplace. It may be actual, potential, or perceived. COI is not limited to direct financial interest but also includes indirect financial interest, any non-financial interest or competing loyalties or interests.

Examples include:

- Having a direct or indirect interest in a vendor, customer, or competitor of the Group.
- Accepting gifts or favors that influence business decisions.
- Personal or family relationships that interfere with a person's duties within the Group.

A **potential COI** is a COI that has yet to materialise or happen, but may arise subsequently due to, among others, prevailing relationships or interests of the said person. Examples (which are not exhaustive) include the following:

- The said person having similar business with that of the Group in a geographical location which the Group is not currently operating in, but which the Group may expand its venture into subsequently.

- The said person purchasing substantial building materials for construction for his/her own property at a massive discount from a contractor which has been shortlisted as one of the contractors for the Group's project. There could be potential COI as the said person may favour awarding the Group's project to the contractor that gave him the discount.

3. Identifying Conflict of Interest

All employees, Senior Management, and Board members must actively identify situations that are or could result in a conflict of interest. When in doubt, it is better to disclose and seek clarification than to risk non-compliance.

Examples of situations of COI recognized by Section 218 of the Companies Act 2016, emphasised that a director or officer must not do any of the following to gain a benefit for himself or any other person, or cause detriment to the company, without consent or ratification of a general meeting:

- Using the property of the company;
- Using any information acquired by virtue of his position as a director or officer of the company;
- Using his position as director or officer;
- Using any opportunity of the company which he became aware of, in the performance of his functions as the director or officer; or
- Engaging in business which is in competition with the company.

4. Responsibilities

- Board and Senior Management: Must set the tone from the top and ensure consistent adherence.

- Employees (including the Board members and Senior Management):

  - Must declare/disclose any actual, potential, or perceived COI involving him / her or persons connected to him / her immediately.
  - Must not enter into any transactions which result in an actual COI, unless such transaction is first reviewed by the ARMC and the Board.
  - Must not participate in any business which competes with the Group.
  - In the event there is a COI – he / she must not participate in any discussion while the contract or proposed contract is being considered during the board/project meeting, and may not vote on the contract or proposed contract.
  - execute a non-disclosure agreement to protect any type of confidential and proprietary information or trade secret of the Group.
  - Must conduct an assessment on COI on the said person during the performance appraisal process on an annual basis.
  - Must conduct an assessment on COI for all new appointments prior to the official appointment.
  - Other possible measures to address the COIs may include, but are not limited to:
    - Restrictions on access to certain information, documents, or meetings.
    - Reassignment of duties or responsibilities to avoid exposure to the COI.
    - Temporary suspension from involvement in relevant projects, tenders, or negotiations.
    - Execution of undertakings to refrain from specified actions that could give rise to a COI.

  - Senior Management and Board members in particular, must not do or cause anything to be done with the intention of causing any loss to the

Group or its related companies, irrespective of whether the conduct itself caused any actual loss.

- Company Secretary / HR: To maintain records, provide guidance, and facilitate compliance.

5. Managing Conflict of Interest

Steps taken upon identifying a COI:

- **Immediate disclosure** in accordance with the reporting structure. For e.g. all employees are to declare to HODs, while Key Senior Management and the Board are to declare to Audit and Risk Management Committee.
- **Recusal** from discussions or decisions related to the COI.
- **Assessment and decision** by the Board or relevant authority on next steps, including reassignment or disengagement.

All cases will be handled confidentially and professionally.

6. Maintain of Records

All COI disclosures must be documented using the **official COI Declaration Form** (see Appendix). These records shall be maintained by the Human Capital Department, except for the Board of Directors' shall be maintained by the Company Secretary and may be reviewed periodically or upon request by auditors, regulators, or internal control functions.

Appropriate steps ought to be taken to manage the COI and to resolve, eliminate or mitigate the impact of the COI situation / scenario.

7. Review of this Policy

This policy shall be reviewed **annually** or when needed due to legal or organizational changes. Recommendations for improvements are welcomed and may be submitted through the appropriate channels.

The Conflict of Interest Policy was approved by the Board on 22 August 2025 and is made available for reference on the Company's website www.pekat.com.my.