

CONFLICT OF INTEREST (COI) FRAMEWORK

1. OVERVIEW

Conflicts of interest (COI) are an inevitable fact of any organisational nature and can arise without anyone being at fault. However, when the risks associated with COI are not appropriately managed, the effects can be serious for the Company and for the individuals concerned.

The management of risks associated with any actual, potential or perceived COI situation is fundamental to ensuring the highest levels of integrity and public trust are achieved and maintained.

COI arises whenever such a person cannot or does not act in relation to the Company's matter with undivided loyalty. The management of risks associated with any actual, potential or perceived COI situation is fundamental to ensuring the highest levels of integrity and trust are achieved and maintained. When the risks associated with COI are not appropriately managed, the effects can be serious for the Company.

The Audit Committee is tasked under paragraph 15.12(1)(h) of Bursa Securities Listing Requirements to review and report to the board on any related party transactions (including recurrent related party transactions) and conflict of interest situations that may arise within the Company. This includes any transaction, procedure or course of conduct that raises questions of management's integrity. The Audit Committee should therefore ensure that the transactions carried out are amongst others, in the best interest of the listed issuer as well as not detrimental to the minority shareholders.

Conflicts of interest situations generally refer to circumstances where a person with a vested interest in the company is in a position or has the opportunity to influence the company's business or other decisions in ways that could lead to personal gain or advantage of any kind ("interested parties").

2. OBJECTIVES

The purpose of the COI framework is to provide an effective management of risks of COI by:

- 2.1. Demonstrating the commitment to managing risks of COI
- 2.2. Identifying the key principle guiding to the responsible management
- 2.3. Identifying the responsibilities persons for the management of risks of COI
- 2.4. Consolidating information about how risks relating to COI are addressed to assist in monitoring the effectiveness in meeting its commitment to managing risk of COI.

3. APPLICATION

- 3.1. The COI Framework applies to all employees of the Company.
- 3.2. his framework provides general principles which apply to management of all risks of COI and it outlines the obligations on all employees in identifying, managing and monitoring risk of COI responsibly.

- 3.3. Some roles such as Directors and Managers and certain work functions, such as, procurement and recruitment carry a higher risk of COI. Every business units and departments should conduct assessments of COI risk in relation to particular duties and roles in order to develop additional guidelines, where appropriate, to assist in responsible management of these risks.
- 3.4. Risk of COI in relation to the following types of activity is typically significant:
 - 3.4.1. Recruitment and selection
 - 3.4.2. Procurement (tendering, purchasing, contracting)
 - 3.4.3. Funding allocation or licensing
 - 3.4.4. Contractor management
 - 3.4.5. Other external employment
 - 3.4.6. Gifts, benefits and hospitality
 - 3.4.7. Complaints management and disciplinary process
- 3.5. Developing an organisational culture that encourages effective management of COI. Managers in the Department are responsible for implementing and maintaining a policy environment that helps and encourages effective decision making when COI arises.
- 3.6. The purpose of systems to manage COI is to maintain the integrity of official policy and administrative decisions and support public confidence. The Company takes the following steps to sustain a culture of integrity:
 - 3.6.1. Having clear policy and procedures for managing COI
 - 3.6.2. Assisting staff with guidance and training to promote understanding of the established rules and practices, and their application to the working environment.
 - 3.6.3. Encouraging open communication and dialogue so that staff are comfortable reporting and discussing COI in the workplace
 - 3.6.4. Protecting information about disclosed COI from misuse
 - 3.6.5. Including staff in any development or change in relevant organisational policies and procedures to encourage ownership and adherence
 - 3.6.6. Developing specific standards for promoting integrity, such as codes of conduct or guidelines for expected responses to certain situations
 - 3.6.7. Instituting processes for identifying risk and dealing with emerging COI
 - 3.6.8. Reinforcing management approaches, including sanctions where appropriate, that aim to ensure that employees take personal responsibility for complying with both the letter and spirit of such standards.

4. RESPONSIBILITY

- 4.1. The Board of Directors assume the ultimate responsibility to identify, assess and manage COI situations. The Board of Directors delegate the duty to identify, assessment and manage existing and potential COI situations and to assess the adequacy and effectiveness of the control activities implemented to identify, assess and manage the risks associated with individual COI situations and to report their results of assessment and management to the Board or other relevant regulators.

- 4.2. All employees have a responsibility to manage risks of COI which may affect their duty. Managers and executive Officers have additional responsibilities.
- 4.3. Executive team and managers play an essential role in supporting all employees to identify and manage COI appropriately.
 - 4.3.1. All employees (including managers and executive officers) are responsible for the following:
 - 4.3.1.1. Being aware of their obligations under COI policy.
 - 4.3.1.2. Continually assessing their private interests and official duties in order and identifying whenever they are subject to a COI.
 - 4.3.1.3. Reporting identified COI to their Manager, or Committee or Board, in accordance with policy.
 - 4.3.1.4. Assessing the risks related to identified conflicts and taking reasonable steps to address these risks in accordance with policy and procedures so that the Company interest is protected
 - 4.3.2. Managers are responsible for facilitating the compliance of sub-ordinates by the following processes:
 - 4.3.2.1. Being aware of the risks of COI inherent in the work of the sub-ordinates.
 - 4.3.2.2. Make sub-ordinates aware of relevant policies and procedures.
 - 4.3.2.3. Identifying training needs of sub-ordinates in relation to COI policy and practice.
 - 4.3.2.4. Advising sub-ordinates about appropriate ways to manage COI.
 - 4.3.2.5. Recording the receipt of disclosures of COI reported to them.
 - 4.3.2.6. Assisting staff to select and implement appropriate management strategies.
 - 4.3.2.7. Continually monitoring the work of sub-ordinates and assessing the risks to which they might reasonably be exposed.
 - 4.3.2.8. Taking appropriate disciplinary action in relation to sub-ordinates who fail to meet their obligations under the COI policy.
 - 4.3.3. Executive Team is responsible for the following:
 - 4.3.3.1. Identifying the principles for the identification, management and monitoring of COI.
 - 4.3.3.2. Periodically reviewing those principles.
 - 4.3.3.3. Including the management of COI in its terms of reference.

5. CONTROLS

- 5.1. COI may arise in many different situations.
- 5.2. This framework do not attempt to be prescriptive or restrictive about certain activities. Instead, they outline an overall process for risk assessment and management and identify the principles which should guide identifying and reporting COI and determining appropriate management strategies for mitigating risks.
- 5.3. Because of the inherently subjective nature of COI issues, it is recognized that the application of generic principles to real-life situations by individual is prone to variable and imperfect outcomes in the absence of clear and explicit guidance.

- 5.4. The Board, shall by itself or through board committees, to develop relevant COI Policies for the identification, assessment and management of COI situations.
- 5.5. This Framework and the COI Policy are to be reviewed periodically in order to ensure continual improvement and adaptation to changing circumstances. The review should consider all available information, including results of enforcement activities and data from inquiries.