



## **DIRECTORS' AND KEY SENIOR MANAGEMENT'S CONFLICT OF INTEREST POLICY**

### **1.0 PURPOSE AND SCOPE OF APPLICATION**

The Policy sets out Puncak Niaga Holdings Berhad's Directors' and Key Senior Management's Conflict of Interest Policy ("the Policy") to ensure that the Directors and Key Senior Management of Puncak Niaga Holdings Berhad ("Puncak Niaga" or "the Company") and its Group ("Puncak Niaga Holdings Berhad Group" or "the Group") adheres to the procedures governing any conflict of interest ("COI"), potential COI and interest in competing business involving the Directors and Key Senior Management of Puncak Niaga and the Group as stipulated under the relevant provisions of the Companies Act 2016 ("CA"), Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries issued by Securities Commission Malaysia, Guidance on Conflict of Interest (ICN 1/2023) issued by Bursa Malaysia Securities Berhad, Corporate Governance Guide and the relevant requirements under the Main Market Listing Requirements ("LR") of Bursa Malaysia Securities Berhad and any other relevant regulatory requirements, where applicable.

The Policy applies to all Directors and all Key Senior Management (namely, Managing Directors, Executive Directors and Chief Financial Officer) of the Company and the Group.

The Policy shall be read in conjunction with the Board Charter, Directors' Code of Conduct and Employees' Code of Conduct and Ethics of the Company and shall be subject to periodic review from to time, where necessitated.

### **2.0 POLICY STATEMENT**

Puncak Niaga Holdings Berhad is unreservedly committed to upholding the principles of good corporate governance and ensuring that all Directors and Key Senior Management of Puncak Niaga and the Group act in the best interests of the Company and the Group at all times and to avoid any COI or potential COI or interest in competing business involving the Directors or Key Senior Management of Puncak Niaga and the Group with the Company and the Group.



### **3.0 DEFINITION OF CONFLICT OF INTEREST AND POTENTIAL CONFLICT OF INTEREST**

- 3.1 A Conflict of Interest (“COI”) refers to situations where: -
- 3.1.1 the interests of a Director or Key Senior Management of the Company or the Group who are persons in position of trust, interfere, or appear to interfere, with the interests of the Company or the Group; or
  - 3.1.2 the said Director or Key Senior Management of the Company or the Group has interests that may make it difficult for him/her to perform his or her role objectively and effectively.
- 3.2 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 Director or Key Senior Management of the Company or the Group.
- 3.3 A COI situation occurs when a Director’s or Key Senior Management’s personal interests conflict with his/her duty to act in the best interests of the Company and the Group such that it could improperly influence the performance of his/her fiduciary duties and responsibilities to the Company and the Group.
- 3.4 The term “personal interests” may also arise from the interests of persons associated to a Director or Key Senior Management of the Company or the Group defined as “Close Relationship” in paragraph 5.2.2 of the Policy. A COI situation may be actual or potential and includes, but are not limited to, the following situations: -
- 3.4.1 financial and pecuniary interest, or non-financial interest; and/or
  - 3.4.2 legitimate private-capacity activities, personal affiliations and associations and family interests where the said interest could reasonably be considered likely to improperly influence the Director’s or Key Senior Management’s discharge of his/her fiduciary duties and responsibilities towards the Company and the Group.



#### **4.0 CIRCUMSTANCES WHICH CONSTITUTE OR MAY GIVE RISE TO A CONFLICT OF INTEREST SITUATION**

- 4.1 A COI may be actual or potential and may be financial or non-financial in nature.
- 4.2 Examples of COI situations involving a Director or Key Senior Management of the Company or the Group which are non-exhaustive are as follows:
  - 4.2.1 has interest in a contract or proposed contract with the Company or the Group;
  - 4.2.2 uses his or her position as a Director or Key Senior Management to gain a benefit for himself/herself or any other person or cause detriment to the Company or the Group;
  - 4.2.3 uses the property or resources of the Company or the Group for his or her personal purpose or business;
  - 4.2.4 channels benefits or resources meant for the Company or the Group to a company in which he or she has an interest;
  - 4.2.5 discloses trade secrets of the Company or the Group to a competitor where he or she has an interest;
  - 4.2.6 engages in a business which is in competition with the Company or the Group;
  - 4.2.7 prioritises his or her private venture by depriving the Company or the Group from an identified business opportunity of the Company or the Group;
  - 4.2.8 leverages on the Company's or the Group's business proposals or development plans of the Company's or the Group's lands by disclosing the Company's or the Group's business proposals to a competitor or his/her private company or acquiring adjacent lands to the Company's or the Group's lands using the said Director's or Key Senior Management's private company;
  - 4.2.9 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 Company or the Group;
  - 4.2.10 holds an office or directorship in companies who are competitors of the Company or the Group; or



- 4.2.11 provides financial assistance to, or receives financial assistance from, the Company or the Group on terms and conditions which are more favourable to the said Director or Key Senior Management than normal commercial terms.
- 4.3 Examples of potential COI situations involving a Director or Key Senior Management of the Company or the Group which are non-exhaustive are as follows:
- 4.3.1 The said Director or Key Senior Management of the Company or the Group has a similar business with the Company or the Group in a geographical location where the Company or the Group is not currently operating in, but which the Company or the Group may expand its venture in subsequently; or
- 4.3.2 The said Director or Key Senior Management of the Company or the Group purchases substantial building materials for the construction of his or her own personal property at a massive discount from a contractor which had been shortlisted as one of the contractors for the Company's or the Group's projects. There could be a potential COI as the said Director or Key Senior Management of the Company or the Group may favour awarding the Company or the Group's projects to the contractor that gave him/her the discount.

## **5.0 STEPS TO OBSERVE IN DEALING WITH CONFLICT OF INTEREST SITUATIONS**

- 5.1 Contracts with the Company and the Group
- 5.1.1 Directors and Key Senior Management of the Company and the Group are permitted to deal with the Company or the Group provided that full disclosure of the relevant facts are made to the Company or the Group and the shareholders' approval is obtained, where required under the provisions of the CA and the LR and/or any other relevant regulatory requirements and the specific criteria and thresholds stipulated in the CA and LR which, if triggered, shall require the consent or ratification of the shareholders of the Company at a general meeting for the said transaction.



5.1.2 A Declaration on COI or potential COI shall be served by the said Director or Key Senior Management of the Company or the Group to the Board of Directors of the Company and/or EXCO of the Company, as the case may be, by way of a written notice to all members of the Board of Directors and copied to the Company Secretary; and, if the transaction or arrangement is to be deliberated at the Board Meeting and/or EXCO Meeting, as the case may be, such Declaration on COI shall be served before the commencement of the said Board Meeting and/or EXCO Meeting, as the case may be.

## 5.2 Duty to disclose

5.2.1 A Director or Key Senior Management of the Company or the Group who has an interest, direct or indirect, in any material transaction or arrangement with the Company or the Group, or, holds an office or possesses any property where his/her duties or interests as a Director or a Key Senior Management of the Company or the Group may create a conflict with his/her duties or interests as a Director or a Key Senior Management of the Company or the Group, shall, as soon as practicable after the facts have come to the Director's or Key Senior Management's knowledge, or, after possessing the property (as the case may be), shall:-

- a) make a declaration of the full facts and nature of his/her interests at a Board Meeting and/or EXCO Meeting, as the case may be;
- b) abstain and not participate in any discussion and decision making on the contract or proposed contract at the Board Meeting and/or EXCO Meeting, as the case may be; and
- c) not vote on the contract or proposed contract.

5.2.2 The Director or Key Senior Management of the Company or the Group is also required to make full disclosure where a material transaction or arrangement of the Company or the Group involves the interest of the Director's or Key Senior Management's Close Relationship.



“Close Relationship” means: -

- (i) a person who is a family member of the Director or Key Senior Management of the Company or the Group, where “family” shall have the same as stipulated in Bursa Malaysia Securities Berhad’s Main Market Listing Requirements: -
  - a) spouse;
  - b) parent;
  - c) child including an adopted child and step-child;
  - d) brother or sister; and
  - e) spouse of the person referred to in (c) and (d) above.
  
- (ii) a person who is a director, major shareholder, partner, or a person with executive powers of an entity or organisation;
  
- (iii) is a family member of the person referred in paragraph 5.2.2 (ii) above; and
  
- (iv) is a person who is accustomed or is under an obligation, whether formal or informal, to act in accordance with the directions, instructions, or wishes of that other person.

5.2.3 Where there is any change in the nature and extent of the Director’s or Key Senior Management’s interest subsequent to the disclosure, that Director or Key Senior Management shall make further disclosure of such changes to the Company or the Group.

5.2.4 The interested Director or Key Senior Management of the Company or the Group shall not be present during the deliberations at the Board Meeting and/or EXCO Meeting, as the case may be, to consider the material transaction or arrangement and shall not participate in the discussions or voting of the resolution to approve the transaction or arrangement. If he or she is present at the start of the Board Meeting and/or EXCO Meeting, as the case may be, that interested Director or Key Senior Management concerned shall take leave from the Board Meeting and/or EXCO Meeting, as the case may be, and leave the Meeting Room. The remaining members of the Board of Directors and/or remaining members of the EXCO, as the case may be, can then proceed to deliberate and vote on the resolution to approve the said transaction or arrangement.



The interested Director or Key Senior Management may however be counted to meet the quorum at the Board Meeting and/or EXCO Meeting, as the case may be, save and except where the sole agenda at the Board Meeting and/or EXCO Meeting, as the case may be, relates to the said material transaction or arrangement.

### 5.3 Oversight of the Audit Committee of the Company

5.3.1 The Audit Committee of the Company shall review and report any COI or potential COI situations to the Board of Directors of the Company on any related party transactions, COI and/or potential COI situations that arose, persist or may arise within the Company or the Group including a transaction, procedure or course of conduct that raises questions of the interested Director's or Key Senior Management's integrity and the measures taken by the Company or the Group to resolve, eliminate, or mitigate such COI situations.

5.3.2 The Audit Committee Report of the Company shall disclose any COI or potential COI situations, if any, which have been reviewed by the Audit Committee of the Company (excluding related party transactions which are subject to specific disclosure requirements pursuant to Chapter 10 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements), and the measures taken by the Company or the Group to resolve, eliminate, or mitigate such COI situations for inclusion in the Annual Reports of the Company which are published on an annual basis.

Date: 17 November 2023