
CONFLICT OF INTEREST POLICY

1. INTRODUCTION

MGB Berhad (“**MGB**” or “**Company**”) and its subsidiaries (“**MGB Group**”) is committed to upholding the highest ethical standards and integrity in its business operation by complying with all applicable laws, regulations and/or standards in the jurisdictions, where MGB Group operates. In line with this commitment, MGB Group has adopted a comprehensive Conflict of Interest (“**COI**”) Policy (“**Policy**”) to assist the Directors and Key Senior Management (“**KSM**”) of MGB Group in recognising and managing any potential COI that may arise, thereby protecting the interest of MGB Group.

2. OBJECTIVE

The objectives of this Policy are among others to:

- a. ensure that all actual, potential and perceived COI are identified and managed effectively;
- b. provides guidance on how to identify, manage and disclose the COI or potential COI situations as they arise within MGB Group, as well as outlining the measures to resolve, eliminate or mitigate such conflicts to minimise risks of bribery and corruption as part of the Anti-Bribery and Corruption Policy; and
- c. ensure that business decisions are made in the best interest of MGB Group and are protected from any consequential damage to its activities and reputation.

3. SCOPE

This Policy applies to all Directors and KSM of MGB Group. This Policy applies whenever an individual recognises or should reasonably recognise, that a conflict of interest may arise from the activities undertaken by the respective individuals. The scope of this Policy should be read in conjunction with the all relevant and applicable laws and regulations as well as policies of MGB Group, including but not limited to the followings:

- a. Regulations:
 - i. Companies Act 2016;
 - ii. Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
 - iii. Malaysian Code on Corporate Governance;
 - iv. Bursa Malaysia Corporate Governance Guide; and
 - v. Whistleblower Protection Act 2010.

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- b. Internal policies:
- i. Anti-Bribery and Corruption Policy;
 - ii. Board Charter;
 - iii. Directors' Code of Ethics;
 - iv. Gift, Entertainment & Hospitality Policy; and
 - v. Donations and Sponsorships Policy.

4. DEFINITIONS

“Interest” means any rights or benefits, whether direct or indirect, financial or non-financial, beneficial, legal or otherwise of a person.

“Conflict of Interest” means when a Director’s or KSM’s own interests either influence, have the potential to influence, or are perceived to influence their decision making at MGB Group.

“Key Senior Management” means a person who is primarily responsible for the business operations of the MGB’s core business and principal subsidiaries.

5. IDENTIFICATION OF CONFLICT OF INTEREST CIRCUMSTANCES AND SITUATIONS

A COI situation arises when a Director and KSM’s ability to carry out their duties and responsibilities is compromised or potentially compromised by personal interests, and considerations. This personal interest is not limited to direct financial interest but also includes indirect financial interest, non-financial interest (e.g. arising from family, business or professional interests and relationships), or competing loyalties or interests.

Generally, COI may be described under the following, the list is not exhaustive:

a. **Equity ownership in companies having a business relationship with MGB Group**

Director or KSM who has ownership of shares in privately-owned companies having a business relationship with MGB Group, either directly or indirectly (e.g., through a family member). However, this does not extend to shares held in publicly quoted companies that have a business relationship with MGB Group unless such holdings are deemed material and could potentially impair their objectivity.

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b. Having interest in Person, Entity or Contract that has dealing with MGB Group

Any direct or indirect financial or other interest in a person, entity, or contract that has dealings with MGB Group, where such interest could influence or potentially influence decisions regarding MGB Group's dealings with said person, entity or contract.

c. Having interest in Person, Entity or Contract of a Competitor of MGB Group

Any direct or indirect financial or other interest in a person, entity, or contract that has dealings with the competitor of MGB Group, where such interest could influence or potentially influence the decision of such Director or KSM.

d. Other employment, business appointments or undertakings

Director or KSM hold other part time employment or have other business appointments, opportunities or undertakings which may interfere with the proper discharge of official duties in MGB Group, resulting in a negative impact on their performance or give rise to COI or potential COI with regards to their employment.

e. Personal relationships

A COI will arise if a family member of a Director or KSM has a reporting relationship with the particular Director or KSM. A conflict of interest would also arise if a Director or KSM has a family member with an interest (e.g. in the form of ownership, directorships, partnerships, employment, etc.) in entities which have a contractual arrangement with MGB Group.

f. Contractual dealings with Director or KSM

MGB Group purchases or leases of property, equipment, materials, etc from Directors or KSM, or enters into contractual arrangements with Directors or KSM (other than employment contracts). Such situations give rise to a conflict of interest and should be declared.

For the purpose of this Policy, “**Family Member**” refers the Director or KSM’s spouse, parents, child (including adopted child and step child), brother, sister and the spouse of the Director’s or KSM’s child, brother or sister.

Further examples are listed in Appendix A.

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6. RESPONSIBILITIES

All Directors and KSM are responsible for identifying and managing COI on an ongoing basis and are required to:

- a. adhere with this Policy and other relevant applicable policies and guidelines regarding the identification, documentation, escalation and management of COI;
- b. act with objectivity, integrity and independence, and exercise sound judgement and discretion;
- c. avoid, wherever possible, situations that may lead to COI as outlined in this Policy; and
- d. immediately declare any COI in accordance with this Policy, refrain from participating in the decision-making process including discussion and voting on such contract or proposed contract, and not attempt to influence such decisions thereafter.

7. DECLARATION OF COI

Any situation in which a Director or KSM having an interest, whether direct or indirect, actual or potential, in any significant transaction or arrangement involving MGB Group, or who holds an office or possessing any property where duty and interests as Director or KSM may create conflict with their duties or interests within MGB Group, shall promptly declare these facts upon becoming aware of it. He or she shall declare the nature, character and extent of the COI by completing the COI Declaration Form (Appendix B) of the existence of the actual or potential COI.

If a Director or KSM is unsure whether they have a COI, they should as soon as practicable consult the Company Secretary or the Group Compliance.

8. MANAGEMENT OF COI

The completed COI Declaration Form shall be escalated to the Company Secretary and Audit Committee (“**AC**”). The AC will then review and report any COI situations to the Board of Directors of MGB, along with the measures taken to resolve, eliminate, or mitigate such conflicts, as well ensure relevant disclosures are properly made.

The Board may implement appropriate measures to manage COI, including but not limited to the following:

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- a. requiring Director and KSM of MGB Group to promptly and regularly declare any COI;
- b. restricting the participation of individuals with COI in relevant board, committee or general meetings, requiring them to abstain or recuse themselves from deliberation and voting on matters related to the conflicts;
- c. conducting an assessment of COI during annual performance appraisal and prior to new appointments;
- d. executing non-disclosure or confidentiality agreements to safeguard confidential and proprietary information or trade secrets;
- e. preventing Director and KSM from engaging in businesses that compete with MGB Group; and
- f. in cases where COI significantly impacts the performance of Director or KSM, requiring them to divest the COI or consider resigning from MGB Group. Given the significance of the COI and potential ramifications of a failure to handle the conflict properly, Directors should consider whether to inform the Board not to send them board papers relating to the resolution.

9. MONITORING AND RECORDING OF COI SITUATIONS

The identification and management of COI should be subject to periodic review by the AC for conflicted Directors and KSM, in response to any changes in circumstances. Upon receiving the COI Declaration Form, the AC shall review the actions taken to address the conflict and decide, on a case-by-case basis whether such actions are appropriate and/or sufficient.

The Company Secretary shall be responsible for recording all COI declared by Directors and KSM. Information regarding these COI shall be made available to Directors and persons duly authorised by Directors in writing upon request.

A quarterly summary report shall be provided to the AC and the Board, detailing the COI declared during the quarter.



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10. CONSEQUENCES OF NON-COMPLIANCE

MGB Group regards conflict of interest as a serious matter. Failure to disclose a conflict of interest, provide comprehensive and accurate information about the conflict, or appropriately manage the conflict is considered a breach of this Policy. Non-compliance may result in disciplinary action, including termination of employment, as well as potential legal actions against such person in the interest of MGB Group.

11. REVIEW OF POLICY

This Policy has been approved by the Board and is made available for reference in the MGB's corporate website and internal computer networking system.

This Policy shall be reviewed by the Board once in every two years and updated whenever necessary to ensure its effective implementation. Any subsequent amendments to the Policy should be approved by the Board upon recommendation by the AC.

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Appendix A

Examples of COI and potential COI as below:

COI examples

The following is a list of non-exhaustive conflicts of interest, involving a Director or KSM would warrant disclosure i.e., where the Director or KSM:

- a. uses property or resources of MGB Group for his or her personal purpose or business;
- b. channels benefits or resources meant for MGB Group to a company which he or she has an interest in;
- c. discloses trade secrets to a competitor where he or she has an interest in;
- d. influences decision of MGB Group to develop an area where he or she owns property so that he or she will also enjoy the benefit either financially (e.g. capital appreciation of the property) or non-financially (e.g. convenience from the infrastructure developed) from such development;
- e. prioritises his or her private venture by depriving MGB Group from an identified business opportunity;
- f. leverages on the business or developmental plan by acquiring adjacent lands using the said person's private company;
- g. is involved in a business which offers similar products or services that are likely to replace or substitute the products or services offered by MGB Group;
- h. holds offices or directorships in competitors of MGB Group; or
- i. provides financial assistance to, or receives financial assistance from, MGB Group on terms and conditions which are more favourable to the said person than normal commercial terms.

Potential COI examples

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 Director or KSM. Examples (which are not exhaustive) include the following:

- a. the Director or KSM having similar business with that of MGB group in a geographical location which MGB Group is not currently operating in, but which MGB Group may expand its venture in subsequently; or
- b. the Director or KSM purchasing substantial building materials for the 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 project. There could be potential conflict of interest as the he or she may favour awarding MGB Group's project to the contractor that gave him or her the discount.



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Appendix B

CONFLICT OF INTEREST (“COI”) DECLARATION FORM

I, (NRIC No./ Passport No.)
of.....
..... do hereby solemnly affirm and declare the COI as follows:

a) Categories of COI (tick whichever is applicable)

COI	
<input type="checkbox"/>	Use property, information or position of MGB Group for my personal purpose or business.
<input type="checkbox"/>	Channel benefits or resources meant for MGB Group for my personal purpose or business.
<input type="checkbox"/>	Leverage on MGB Group’s business plans/information for my personal purpose or business.
<input type="checkbox"/>	Involved in a business which offers similar products or services that are likely to substitute the products or services offered by MGB Group.
<input type="checkbox"/>	Provide financial assistance to or receive financial assistance from MGB Group on terms and conditions which are more favourable than normal commercial terms.
<input type="checkbox"/>	Possess property where interests created is in conflict with my duties as a Director/Key Senior Management of MGB Group.
<input type="checkbox"/>	Interested in a contract that the Group has entered into.
<input type="checkbox"/>	Interested in Recurrent Related Party Transaction (“RRPT”) or potential RRPT with the Company/ MGB Group
<input type="checkbox"/>	Other: _____



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Potential COI	
	<p>Close relationship* with another Director / Key Senior Management of MGB Group / external stakeholder with whom MGB Group has business relations with (including but not limited to business associates* of MGB Group and/or authorities issuing material licenses or permits of MGB Group) / persons who may be a director, major shareholder, partner, or a person with executive power of an entity or organisation involved in competing business with MGB Group and/or are business associates of MGB Group.</p> <p><i>* Close Relationship refers to family member of the other person, where "family" shall have the meaning as defined in the Listing Requirements, i.e.: (a) spouse, (b) parent, (c) child including adopted child and step-child, (d) brother or sister and (e) spouse of persons referred to in (c) and (d).</i></p> <p><i>* Business associates includes associated and affiliated companies of the Group, franchisees, partners, vendors, suppliers, contractors, sub-contractors, professionals, consultants, agents, representatives, and others performing work or services for or on behalf of MGB Group.</i></p>
	Have similar business with that of MGB Group in a geographical location which MGB Group is not currently operating in but may expand its venture subsequently.
	Involved in a business which offers similar products or services which MGB Group is not currently providing, but which may expand its venture subsequently.
	Other: _____

b) Details of COI

Date of conflict arise	Description of conflict	Party(ies) involve in the COI	Consideration/ amount of transaction (if applicable)	Impact/ potential impact to MGB Group



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I HEREBY DECLARE that all the information provided in this form of any known, apparent or potential COI, to the best of my knowledge, are true and correct.

Signed,

Name:
Position:
Date: