



## **AXIS REIT MANAGERS BERHAD (200401010947 (649450-W))**

### **POLICY ON CONFLICT OF INTEREST MANAGEMENT**

*This Policy serves as a guide in the identification, handling and management of conflict of interest involving the Company, Axis REIT Managers Berhad ("Manager") and Axis Real Estate Investment Trust ("Axis-REIT"). This Policy applies to the Directors of the Manager and all employees discharging their duties for the Manager and/or Axis-REIT (hereinafter referred to as "Employees").*

*Directors and Employees should **as best as possible in acting in the best interest of the Manager and/or Axis-REIT avoid being placed in a position of conflict**. Where it cannot be avoided then the Directors and Employees should disclose all potential or actual conflict of interest in the performance of their duties with an aim to promote ethical conduct and good governance.*

#### **1. Identification of Interest or Conflict**

A conflict of interest may arise if the Directors' or Employees' ability to perform his/her duties and responsibilities in an objective manner is effectively or potentially impaired by personal interest, considerations or relationships.

Personal interest or considerations will be deemed to be in existence if the Director/Employee or any person connected to him/her, obtain personal gains, favours or positions, directly or indirectly, arising from transactions/business activities of the Manager and/or Axis-REIT.

Connected relationships will be established in any of the following circumstances:

- (i) when a Director/Employee has equity interests/directorships/partnerships or other form of beneficial control/ownership in entities having business relationships with the Manager and/or Axis-REIT;
- (ii) when the Manager or Axis-REIT enters into a contractual dealing with an Employee (other than employment contracts) in which the Employee will gain personal benefits which are not entitled to other Employees (for e.g. disposal of a fixed asset to an Employee by the Manager);
- (iii) Family relationships. A Director/Employee will be deemed to have an interest if his/her family member has interest or may derive benefits from the transactions/business activities/proposals of the Manager and/or Axis-REIT. In the context of the Director, the definition of 'person connected' in the Main Market Listing Requirements will be applied in determining related party relationships.

*Additional guide: Please refer to the Guidance on Conflict of Interest issued by Bursa Malaysia Securities Berhad.*

If a conflict of interest cannot be avoided, the interest and its nature must be disclosed and such situation must be managed in accordance with the procedures stated in sections 2 and 3 below (where applicable).

All related party transactions and conflict of interest situations must be declared by an interested Director/Employee in accordance with the procedures herein.

## **2. Management of Conflict of Interest (Directors)**

All Directors are bound by the Companies Act, 2016 to disclose all interests (and nature of such interests) in contracts/transactions/proposals involving the Manager and/or Axis-REIT, if they directly, or indirectly through their connected persons, have interest.

The interested Director must:

- (i) declare the nature of his/her interest at the relevant meeting the proposed contract/transaction/proposal is being tabled;
- (ii) immediately notify the Company Secretary if he/she becomes aware of a potential or actual conflict of interest;
- (iii) abstain from deliberation at the relevant meeting and voting on the proposed contract/transaction/proposal<sup>1</sup> where it is tabled; or abstain from executing any directors' circular resolution(s) containing the motion on the proposed contract/transaction/proposal<sup>1</sup> in which he/she is having direct/indirect interest/conflict of interest;
- (iv) execute the declaration form (see Appendix A) and forward it to the Company Secretary for record keeping;
- (v) monitor such interested contract/transaction/conflict of interest and further disclose any material change/development thereto to the Company Secretary.

The Company Secretary upon notification of the declaration on conflict of interest by the interested Director, must take immediate action to obtain more information for tabling/circulation to the Audit Committee. The Audit Committee shall first review such potential or actual conflict of interest and determine the measures required to be taken to resolve, eliminate or mitigate such conflicts and report the decision to the Board of Directors for deliberation. Such declaration must be recorded by the Company Secretary in the minutes of meeting.

For good governance, all Directors of the Manager are to execute the declaration form (Appendix A) for reporting to the Audit Committee and Board of Directors on a quarterly basis. The Company Secretary will collate all the declaration forms duly executed and prepare a summary thereof for reporting to the Audit Committee and Board of Directors at each quarterly meeting. In any case, the Company Secretary must ensure that the declaration made by the interested Directors is tabled/summarized in a report for the information of the other Directors at the next meeting of the Directors after it is given.

## **3. Management of Conflict of Interest (Employees)**

All Employees must avoid conflict of interest in order to be able to perform his/her duties with impartiality and professionalism. If any Employee is aware of a potential conflict of interest, he/she must immediately highlight the matter to his/her immediate superior/head of department and comply with the following procedures:

- (i) Complete the declaration form (Appendix B) and submit the declaration form to the immediate superior/head of department. The immediate superior/head of department must report the same to the Chief Executive Officer and a copy of the declaration form duly executed must also be submitted to the Compliance Department for record keeping;

- (ii) If the proposed contract/transaction/proposal is being pursued by the Manager and/or Axis-REIT<sup>1</sup>, then the interested Employee must refrain from participating in the negotiation/discussion/decision making process and be restricted of access to information relating to the said proposed contract/transaction/proposal;
- (iii) The interested Employee will need to update the immediate superior/head of department and the Compliance Department if there is any material change to the nature of his/her interest.

The Manager as employer will have the right to re-assign the job or assignment in which an Employee has interest, to another non-conflicting Employee or department.

An employee who is a **key senior management** (as determined by the Manager) will need to adhere to the procedures stated in section 2 above instead.

#### **4. Record-keeping**

The Company Secretary/Compliance Department shall maintain all executed declaration forms (Appendices A and B).

#### **5. Review and Updates**

This Policy may be updated from time-to-time as and when the need arises.

#### **6. Breach of Policy**

Any failure to disclose interest/conflict in the manner as prescribed in this Policy may lead to:

- Directors : consequences as stipulated in the Companies Act, 2016 and to a certain extent, a disqualification as a Director of the Manager pursuant to the Constitution of the Manager.
- Employees : disciplinary action by the Manager and to a certain extent, a dismissal from employment.

#### Notes:

<sup>1</sup> The proposed contract/transaction/proposal, if being pursued, must first satisfy the following criteria:

- The terms of the proposed contract/transaction/proposal are at arm's length;
  - fair, reasonable and based on normal commercial terms;
  - in the best interest of the Manager and/or Axis-REIT; and
  - not detrimental to the interest of the minority unitholders (in the case of Axis-REIT).
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- For avoidance of doubt, this Policy also governs Employees of the related companies of the Manager who are involved in the business of Axis-REIT.

**AXIS REIT MANAGERS BERHAD (200401010947 (649450-W))**Director's Declaration of Interest(s) in Contracts/Transactions/Conflict of Interest

For purposes of disclosure to the Audit Committee and Board of Directors, I\* hereby declare that save for the following, I do not have any interest, whether directly or indirectly, in any contract or transaction involving the Company and/or Axis Real Estate Investment Trust for the quarter ended

<i>Description of Interest</i>	
<i>Relationship</i>	

<i>Any other potential conflict of interest situation</i>	<b>Details</b>

CONFIRMED BY

.....  
[Name of Director]

Date:

**Note:**

\* This declaration shall also include person(s) connected to me.

Definitions of person(s) connected as per the Listing Requirements of Bursa Malaysia Securities Berhad:

- (a) family member (include the director's spouse, parent, child, including adopted child and stepchild, brother, sister and the spouse of his child, brother or sister);
- (b) trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the director or a member of his family is the sole beneficiary;
- (c) a partner of the director or a partner of a person connected with that director;
  - a partner is a person with whom the director is in or proposes to enter into a partnership with. "Partnership" for this purpose refers to a "partnership" as defined in section 3 of the Partnership Act 1961 or "limited liability partnership" as defined in section 2 of the Limited Liability Partnerships Act 2012, as the case may be; or
  - a person with whom the director has entered or proposes to enter into a joint venture, whether incorporated or not;
- (d) a person, a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director;
- (e) a person, a body corporate or its directors in accordance with whose directions, instructions or wishes the director is accustomed or is under an obligation, whether formal or informal, to act;
- (f) a body corporate in which the director and/or persons connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
- (g) a body corporate which is a related corporation.

**AXIS REIT MANAGERS BERHAD (200401010947 (649450-W))\***Employee's Declaration of Interest(s) in any proposed contract/transaction/proposal

For purposes of disclosure to the Company, I\* hereby declare the following conflict of interest:

<i>Description of conflict of Interest</i>	
<i>Reason</i>	

DECLARED BY

.....

*Name:*

*Designation:*

*Date:*

**Note:**

If any of your family member is interested in the proposed contract/transaction/proposal of the Company or Axis Real Estate Investment Trust, you are required to declare such interest using this declaration form.

\* This declaration form is also applicable to related companies of Axis REIT Managers Berhad.

**ACKNOWLEDGED BY:**

<i>Head of Department</i>	
<i>Chief Executive Officer</i>	

*Important: This form duly executed must be submitted to the Compliance Department for record-keeping.*