

CONFLICT OF INTEREST POLICY

1. INTRODUCTION

Benalec Holdings Berhad ("**Benalec**" or "**Company**") and its subsidiaries (collectively referred to as "**Benalec Group**") recognises and is committed to maintaining, observing and practicing high ethical standards of professionalism and integrity at all times in respect of its business and operations.

The Directors and key senior management of Benalec Group are expected to discharge their duties in a professional, honest and ethical manner at all times, and to avoid any conflict or potential conflict between their personal interests and Benalec Group's interest.

The establishment of a Conflict of Interest ("**COI**") Policy which sets out the framework and appropriate controls and measures to ensure systematic identification and management of such COI or potential COI in an effective and timely manner is therefore important in order to ensure that that interest of Benalec Group are protected and that situation which could give rise to a COI or potential COI is properly reported and managed.

In formulating this COI Policy, Benalec Group has taken into account the requirements outlined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Capital Market and Services Act 2007 as well as other relevant regulatory frameworks to ensure compliance with the obligations imposed.

2. OBJECTIVE

The purpose of this COI Policy is to establish and maintain a robust framework consisting of well-defined processes and procedures that are diligently adhered to within Benalec Group. This COI Policy aims to effectively identify, address and manage a wide range of COI or potential COI, including those that are actual, potential or perceived in nature.

3. SCOPE

- 3.1 This COI Policy applies to all Directors and key senior management of the Company and Benalec Group.
- 3.2 For the purpose of this COI Policy, key senior management are the Group Managing Director/Chief Executive Officer, Chief Financial Officer or any individual designated by the Board for this purpose.
- 3.3 This COI Policy shall be read in conjunction with the Board Charter, Code of Conduct and Ethics and shall be subjected to periodic review from time to time, where necessitated.
- 3.4 The scope of the COI situations is relatively extensive, encompassing a wide range of activities that may give rise to COI. While this COI Policy, cannot anticipate every potential scenario, Directors and key senior management are expected to exercise reasonable judgment and act in accordance with the spirit and intent of this COI Policy. This includes making decisions that prioritise transparency, integrity and the best interests of Benalec Group, even in situations not explicitly addressed by this COI Policy.

4. PRINCIPLES

- 4.1 COI may arise in many different situations. This COI Policy does not attempt to be prescriptive or restrictive about certain activities. Instead, they outline an overall process for assessment and management and identify the principles which should guide identifying and reporting COI, and determining appropriate management strategies for mitigating risks.
- 4.2 The Board assume the ultimate responsibility to identify, assess and manage COI situations. The Board delegate the duty to identify, assessment and manage existing and potential COI situations to the Audit Committee (“AC”) of the Company.
- 4.3 All Directors and key senior management have a responsibility to identify and manage COI on an ongoing basis.
- 4.4 It is imperative to uphold principles of objectivity, integrity and independence, while demonstrating sound judgement and discretion in all actions and decisions.
- 4.5 The fundamental principles of this COI Policy is that the Directors and key senior management should always declare an activity if they are in doubt whether it represents a COI.
- 4.6 The four (4) key steps in dealing with a COI are:-
 - a. Assess and Identify
 - b. Declare and Report
 - c. Manage and Review
 - d. Monitor and Record

5. AMBIT OF COI

- 5.1 A COI may be actual, potential or perceived as below and may be financial or non-financial interests arising from relationships (family, business or professional) or competing loyalties or interests:-
 - a. COI – arises when the interests of a person (especially one in a position of trust) interfere, or appear to interfere, with the interests of Benalec Group. It may also occur when a person has interests that may prevent him from performing his duties objectively and effectively.
 - b. Potential COI – a COI that has not yet materialised but may arise subsequently due to prevailing relationships or interests of a person.
 - c. Perceived COI – a COI which could exist but is not directly tied to any person.
- 5.2 A COI situation includes, but are not limited to, the following situations:-
 - a. Financial (whether direct or indirect) and pecuniary interest, or non-financial interest or competing loyalties or interest.
 - b. A legitimate private-capacity activities, personal affiliations and associations and family interests where the said interest could reasonable to considered likely to improperly influence the Director’s or key senior management’s discharge of this fiduciary duties and responsibilities towards Benalec Group.

5.3 The following are a few examples of some possible COI involving a person:-

- a. Use of property or resources of Benalec Group for this personal purpose or business.
- b. Use any information acquired by virtue of his position as a Director or key senior management of Benalec Group.
- c. Channel benefits or resources meant for Benalec Group to a company which he has an interest in.
- d. Disclose trade secrets, price sensitive or confidential information to a competitor where he has an interest in.
- e. Prioritize his private venture by depriving Benalec Group from an identified business opportunity.
- f. Involve in a business which offers similar products or services that are likely to replace or substitute the products or services offered by Benalec Group.
- g. Hold officers and/or directorships in competitors of Benalec Group and hold other employment or business appointments outside of the Group that involves frequent or prolonged absences from Benalec Group.
- h. Provide financial assistance to, or receipt of financial assistance from Benalec Group on terms and conditions which are more favourable to the said person than normal commercial terms.
- i. Use any opportunity of Benalec Group which he became aware of, in the performance of his functions as Director or key senior management.
- j. Accept an inappropriate gift from a company bidding for a contract with Benalec Group.

The following are a few examples of some possible potential or perceived COI situations:-

- Carrying out similar business with that of Benalec Group in a geographical location which Benalec Group is not currently operating in, but which Benalec Group may expand its venture subsequently.
- Purchase of products or services for personal use at a massive discount from a vendor which has been shortlisted in a tender process. There could be potential COI as the said person may award the contract in favour of the vendor that offers him the discount.

6. ASSESSMENT AND IDENTIFICATION OF SITUATIONS THAT MAY GIVE RISE TO COI

6.1 Directors and key senior management are required to carefully examine their private interests in relation to their office duties to identify any actual, potential, or perceived COI. They can refer to the relevant examples outlined in Section 5 of this COI Policy (Ambit of COI) for their own assessment and self-declaration, if necessary.

- 6.2 Directors and key senior management can also consult the Company Secretary for advice and guidance when needed.

7. DECLARATION AND REPORTING OF IDENTIFIED COI SITUATIONS

- 7.1 In line with the Company's Code of Conduct and Ethics, Directors and key senior management are expected to avoid COI.
- 7.2 Directors and key senior management with a direct or indirect interest in any significant transaction or arrangement involving the Group, or who holds an office or property that may conflict with their duties or interests within the Group, must promptly disclose these facts upon becoming aware of them to the Company Secretary and take recommended actions to resolve or address the conflict. In addition, to fulfilling this obligation, Directors and key senior management are also required to submit their annual declaration of COI to the Company Secretary as part of ongoing compliance. These disclosures should be made at an AC meeting, outlining the full details and nature of their interests.
- 7.3 The AC of the Company is responsible for reviewing COI situations involving Directors and key senior management. The AC shall report to the Board any COI situation that arises, persists or may arise during the financial year, along with the measures to resolve, eliminate, or mitigate such conflicts.

8. MANAGEMENT AND REVIEW OF COI SITUATIONS AND ACTIONS TAKEN

The AC will, as needed, consult with appropriate individuals, including external legal counsel to determine the best approach for managing any COI situations and actions taken. This may involve these possible non-exhaustive measures to address the COIs:-

- a. Requiring conflicted persons to declare COI periodically and regularly, including at all Board meetings.
- b. Restricting participation of the conflicted persons in any applicable Board, Board Committees or general meeting and requiring the conflicted persons to abstain or recuse themselves from deliberation and voting on matters relating to the said COIs.
- c. Undertaking an assessment on COI of the conflicted persons during the performance appraisal on an annual basis and for new appointments, before the appointment.
- d. Requiring the conflicted persons to execute a non-disclosure or confidentiality agreement to protect any type of confidential and proprietary information or trade secrets.
- e. Restricting the conflicted persons from participating in businesses which compete with Benalec Group.
- f. Placing restrictions on access to information, for example, where information available in Benalec Group might give conflicted person an unfair advantage in personal business dealings.
- g. Temporary transfer of specific responsibilities for the duration of the COI.

- h. In extreme circumstance where the COI is likely to affect the performance of the conflicted persons, requiring such persons to either divest the interest causing the conflict or resign from Benalec Group.

9. MONITORING AND RECORDING OF COI SITUATIONS

- 9.1 The identification and management of COI should be subjected to periodically review by the AC for conflicted Director and key senior management, in response to any changes in circumstances.
- 9.2 The Company Secretary will document how COI of conflicted Directors and key senior management will be managed. Information regarding these COIs will be maintained in a centralised COI register within the Corporate Secretarial Department, accessible only to authorised personnel.
- 9.3 An annual summary report will be provided to the AC and the Board, detailing the COI declared during the year.

Process flow on management of Conflict of Interest (“COI”) involving Directors and key senior management

ACTIVITY	RESPONSIBILITY
<pre> graph TD A[Assess and Identify the COI] --> B[Declare and Report the COI] B --> C[Manage the COI] C --> D[AC reviews the COI and actions taken] D --> E[AC recommends the COI actions taken to the Board] E --> F{Actions taken acceptable?} F -- Yes --> G[Monitor and Review] F -- No --> H[Provide recommendations] H --> I{Agree to the recommendations?} I -- Yes --> J[Final decision by the Board] I --> C </pre>	<p>Directors and key senior management</p> <p>Directors and key senior management</p> <p>AC and Company Secretary</p> <p>AC</p> <p>AC</p> <p>AC/Board</p> <p>Board</p> <p>Board</p> <p>AC</p>

Appendix A

The Main Market Listing Requirement of Bursa Malaysia Securities Berhad requires a listed issuer to disclose the nature and extend of any conflict of interest (“COI”) or potential COI including interest in competing business involving Directors and key senior management of a listed corporation. The purpose of this Disclosure Form is to assist the Direct and key senior management in disclosing COI or potential COI that arises or may arise.

This declaration applied to all Directors and key senior management. It covers COI that may arise between their personal interests and the interest of the Company and Benalec Group.

Instruction to complete the form

Kindly indicate with a Yes/No on the relevant section, provide details of the nature and extent of the COI and indicate if the interest involves a Related Party Transaction (“RPT”)/Recurrent Related Party Transaction (“RRPT”) and supporting documents could be appended, if required.

No.	Conflict of Interest situations	To indicate Yes/No	If yes, please insert details of the nature and extent of the COI and indicate if the interest involves a RPT/RRPT (with supporting documents appended, if required)
1.	Do you hold directly or indirectly a financial interest or other personal interest or affiliation with any company, vendor or firm that engages in any business dealings with the Benalec and/or Benalec Group or proposes to enter a business or contractual relationship with Benalec and/or Benalec Group?	Yes/No	
2.	Do you hold a position as a Director, executive, advisory board member, limited partner, officer, trustee or any other authoritative role that could exert influence, whether directly or indirectly, over any organisation, firm or company whether joint venture, owned or partially owned that engage in direct or indirect competition with any Benalec Group businesses?	Yes/No	
3.	Do you engage whether directly or indirectly, in any business dealings, transaction or arrangement (including tender processes) with any company, vendor or firm with which Benalec and/or Benalec Group has or proposes to enter into a business or contractual relationship that has resulted or could result in personal gain or benefit?	Yes/No	
4.	Are you aware of any other interests, activities, transactions or involvement that have occurred or may occur in the future that you believe should be disclosed to ensure a comprehensive account of any actual, potential or perceived COI?	Yes/No	
5.	I am not aware of any COI (both financial or non-financial) or potential or perceived COI (both financial and non-financial) including interest in competing business within Benalec Group.	Yes/No	

I confirm that the above-mentioned information disclosed is true and correct to the best of my knowledge. Should any COI situation arise/may arise, I agree to undertake the declaration of COI situation to the Board as soon as practicable after the relevant fact have come to my knowledge as well as on a periodic and regular basis including at all Board meetings.

Signature : _____

Name : _____

Designation : _____