

## **Conflict of Interest Policy**

### **1. Introduction**

VSTECS Berhad ("**VSTECS**" or the "**Company**"), its subsidiaries and its affiliated companies ("**VSTECS Group**") aim to maintain the highest ethical standards in carrying out the VSTECS Group's business activities. Accordingly, the Company expects all Directors, officers, employees, agents and legal representatives of the VSTECS Group ("**personnel**") to conduct themselves with integrity, impartiality and professionalism at all times.

### **2. Purpose**

The purpose of this Policy is to ensure that actual, potential and perceived conflicts of interest ("**COI**") are identified and managed effectively. It is intended to provide guidance on how to deal with situations involving COI situations as and when they arise and protect the interest of the VSTECS Group, while assisting personnel to perform their duties with high integrity and ethical standards.

### **3. Scope**

This Policy applies to all personnel whenever he/she recognises, or should reasonably recognise, that a COI, which extends to the persons connected to them, may arise from their existing and/or future activities.

The scope of this Policy is relatively wide in its coverage of activities that might give rise to conflicts of interest. As it is not possible for the Policy to be all-inclusive, all personnel must exercise reasonable judgment and seek to comply with this Policy. When in doubt, personnel should presume that the activities are in conflict and seek the advice of compliance personnel or legal counsel.

### **4. Reference**

This Policy shall be read in conjunction with the following guidance, policies and statutory provisions, including all amendments, updates or reissuance that may be made from time to time:

- (a) The Company's
  - (i) Board Charter;
  - (ii) Code of Conduct;
  - (iii) Code of Ethics;
  - (iv) Whistleblowing Policy; and
  - (v) Anti-Bribery and Corruption Policy;
- (b) Paragraphs 3.05 and 3.06 of Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries issued by the Securities Commission Malaysia;
- (c) The statutory duties and responsibilities of Directors under the relevant provisions as set out in the Companies Act 2016; and
- (d) Issuers Communication – Guidance on Conflict of Interest (ICN 1/2023) issued by Bursa Malaysia Securities Berhad.

## **5. Definitions**

**“Beneficial interest”** refers to the right to receive either monetary or non-monetary benefits from an asset without being the legal owner of the asset, e.g. entitlement of income from shares held through a nominee.

**“Conflict of interest”** or **“COI”** is a situation in which a person has competing interests and/or the serving of one’s interest could improperly influence (directly or indirectly) the performance of duties and responsibilities, and which may be to the detriment of the VSTECS Group and/or lead to personal gain or advantage of any kind. A conflict of interest is generally divided into three (3) categories –

- a. **Actual** COI refers to direct or real conflict between a person's duties and responsibilities to the Company and a competing personal interest.
- b. **Potential** COI refers to a situation where a person’s interest could potentially develop to influence the exercise of one’s power or performance of duties or responsibilities to the Company.
- c. **Perceived** COI refers to a situation where others may reasonably perceive, or give the perception, that a COI exists which could affect one’s decisions, duties or responsibility.

**“Family member”**, in relation to a person, means:-

- a. A spouse of the person;
- b. A brother or sister of the person, or their spouses;
- c. A brother or sister of the spouse of the person (e.g. brother-in-law or sister-in-law);
- d. A lineal ascendant or descendant of the person (e.g. parents or children);
- e. A lineal ascendant or descendant of a spouse of the person (e.g. parents-in-law or stepchildren);
- f. A lineal descendant of a person referred to in (b) and (c) above (e.g. niece or nephew);
- g. The uncle, aunt or cousin of the person; or
- h. The son-in-law or daughter-in-law of the person.

**“HOD”** stands for “Head of Department” and refers to a senior-level executive designated as such, and who is responsible for overseeing and managing a specific functional area within the VSTECS Group.

**“Key Senior Management”** (or **“Senior Leadership Team”**) refers to individuals primarily responsible for the business operations of the VSTECS Group. This includes executives at the C-suite level, such as the Chief Executive Officer, Group General Manager, Chief Financial Officer, and other top-tier executives responsible for crucial decision-making and strategic direction of the VSTECS Group and have access or are privy to price-sensitive information in relation to the VSTECS Group.

**“Material”** in relation to shareholding means equity ownership of 5% or more.

**“Person connected”** to any person (referred to as **“said Person”**) means such person who falls under any one of the following categories:-

- a. A family member of the said Person;
- b. A trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the beneficiary;
- c. A partner of the said Person;

- d. A person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
- e. A person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
- f. A body corporate in which the said Person, or persons connected with the said Person 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 of the said Person.

## **6. Identifying Conflicts of Interest**

- 6.1. A COI would arise when a person's ability to perform his/her duties effectively or impartially is potentially impaired by personal interest, considerations or relationships.
- 6.2. Generally, conflicts of interest may be described under the following broad categories:-

**(a) Equity ownership in entities within the VSTECS Group and in external entities having a business relationship with VSTECS Group**

This is where a personnel or persons connected to them owns or holds shares in the Company's non-wholly owned subsidiaries and/or privately owned entities having a business relationship with the VSTECS Group, either directly or indirectly (e.g. through a family member). This does not apply to shares held in publicly quoted companies which have a business relationship with VSTECS Group, unless such holding is considered to be material and the interest is likely to impair the objectivity of the personnel concerned.

**(b) Directorship, partnership or other forms of Beneficial Interest in entities within the VSTECS Group and in external entities having a business relationship with VSTECS Group**

This applies to situations where a personnel or persons connected to them holds a position or has a material interest in the Company's subsidiaries (both wholly-owned and non-wholly owned) and/or entities having a business relationship with VSTECS Group. An example would be where a personnel is a director and/or a shareholder of a company supplying materials/services to the VSTECS Group and vice versa. Such situations would result in a COI.

**(c) Personal relationships**

A COI would exist if a family member of a personnel or a person connected to them has a conflict of interest.

**(d) Contractual dealings with employees**

This refers to situations where the VSTECS Group purchases or leases property, equipment, services, materials etc from a personnel or persons connected to them, or enters into contractual arrangements with a personnel or persons connected to them. Such situations give rise to a COI and should be declared.

**(e) Board membership outside the VSTECS Group by employees**

Being a board member outside the VSTECS Group may present a situation of COI and could cause an employee of the VSTECS Group to be distracted from discharging his/her duties to the VSTECS Group. This will require approval from the VSTECS Group prior to accepting such a duty. Any such fees or remuneration received in connection will need to be paid over to the VSTECS Group. However, Board appointments related to family businesses or entities formed by non-profit organisations are exempted from surrendering such fees or remuneration received to the VSTECS Group.

**(f) Personal investment activities**

Although employees and Directors are allowed to take part in personal investment activities, such activities should not create a conflict with the VSTECS Group's interests and/or compromise the employee or the Directors' ability to make objective and independent decisions for the VSTECS Group. Should the employee or Director discover any business opportunity that the VSTECS Group has an interest in, they shall declare the said opportunity to the relevant personnel.

**(g) Gifts and entertainment**

Giving, offering, soliciting or accepting gifts of any kind or value offered by and to current and potential vendors, suppliers, business partners, agents, employees or any other third party at any time may constitute a COI or the appearance of a COI in any of VSTECS Group's business dealings.

**(h) Outside employment or activities outside the VSTECS Group**

An employee of the VSTECS Group is prohibited from taking up employment outside the VSTECS Group or engage in any outside business/service which may be in competition with the VSTECS Group or give rise to actual or perceived or potential conflict of interests with his/her duties to the VSTECS Group unless written approval is obtained from relevant personnel. If approval is provided, an employee must take steps to ensure the role will not create actual, perceived or potential conflicts of interest. Any such fees or remuneration received through such appointments must be surrendered to the VSTECS Group. However, this requirement does not apply to membership in social or community-related clubs and associations.

Some general examples of COI/potential COI are listed in **Appendix "A"**.

## **7. General Responsibilities**

All personnel are responsible for identifying and managing conflicts of interest on an ongoing basis and are required to:-

- a. Comply with this Policy and other applicable policies and guidelines relating to the identification, documentation, escalation and management of conflicts of interest;
- b. Act with objectivity, integrity and independence and exercise sound judgment and discretion;
- c. Avoid, wherever possible, situations giving rise to conflicts of interest as described in this Policy; and
- d. Immediately declare the COI in accordance with this Policy, abstaining from the decision-making process and not seek to influence such decisions any further.

## 8. Managing Conflicts of Interest

### 8.1 Employees

- (a) Employees must disclose any conflict of their interest (direct/indirect, actual/potential) by completing the “*Conflict of Interest and Potential Conflict of Interest Declaration Form*” (as attached in **Appendix “B”**).
- (b) The COI must be escalated to the HOD for further action and should be properly documented by the Company.
- (c) The declaration shall be made as and when the conflict arises, or may potentially arise, and shall be made at the earliest opportunity i.e., as soon as the personnel becomes aware of the conflict or potential conflict.
- (d) Employees involved in the conflict situation must work with their HOD to achieve a resolution of the conflict in the best interest of the Group. Depending on the nature of the conflict, action that can be taken includes the employee being removed from a position of decision-making authority with respect to the conflict situation.
- (e) Employees should continue to disclose the conflict annually if the conflict is on-going or remained unresolved.

### 8.2 Key Senior Management and HOD

- (a) The Key Senior Management and the HOD must disclose any conflict of their interest (direct/indirect, actual/potential) by completing the “*Conflict of Interest and Potential Conflict of Interest Declaration Form*” (as attached in **Appendix “B”**).
- (b) The COI of the Key Senior Management must be escalated to the Audit Committee and the Board for further action. In the case of HOD, the escalation should be directed to the Key Senior Management for subsequent actions. The declarations of COI should be properly documented by the Company.
- (c) The declaration shall be made as and when the conflict arises, or may potentially arise, and shall be made at the earliest opportunity i.e., as soon as the personnel becomes aware of the conflict or potential conflict.
- (d) The Key Senior Management and the HOD must keep an eye on actual/potential/perceived COI involving their subordinates and review on an **annual** basis, any reported COI to ensure that they are being managed in accordance with the agreed mitigation action plans.
- (e) If a COI matter is being deliberated at any Board or Board Committee meeting, the conflicted Key Senior Management shall provide written notice to the Board and the Company Secretary before the commencement of the meeting. The Company Secretary then presents the said COI matter to the Audit Committee and the Board for discussion.
- (f) All Key Senior Management and HOD are required to make a declaration of COI on an **annual** basis via the “*Conflict of Interest and Potential Conflict of Interest Declaration Form*”.
- (g) In addition to the declaration, the Board through the Audit Committee must take reasonable steps to manage the conflict and to mitigate the impact of the conflict on the negotiation/discussion/decision-making process.

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**8.3 Directors**

- (a) Directors must disclose any conflict of their interest (direct/indirect, actual/potential) by completing the *Conflict of Interest and Potential Conflict of Interest Declaration Form* (as attached in **Appendix “B”**).
- (b) The COI of the Directors must be escalated to the Audit Committee and the Board for further action and should be properly documented by the Company.
- (c) The declaration shall be made as and when the conflict arises, or may potentially arise, and shall be made at the earliest opportunity i.e., as soon as the Director becomes aware of the conflict or potential conflict.
- (d) If a COI matter is being deliberated at any Board or Board Committee meeting, the conflicted Director shall provide written notice to the Board and the Company Secretary before the commencement of the meeting. The Company Secretary then presents the said COI matter to the Audit Committee and the Board for discussion.
- (e) The participation of the interested Director should be limited and restricted. Such limitation or restriction should include, but is not limited to the following:-
  - (i) abstaining from any involvement whatsoever in the matter;
  - (ii) refraining from discussions about the matter;
  - (iii) continue to receive board papers and other information in relation to the COI matter, unless the Board determines otherwise; and
  - (iv) abstaining from voting on the decision.
- (f) All personnel are required to make a declaration of COI on an annual basis via the *“Conflict of Interest and Potential Conflict of Interest Declaration Form”*.
- (g) In addition to the declaration, the Board through the Audit Committee must take reasonable steps to manage the conflict and to mitigate the impact of the conflict on the negotiation/discussion/decision-making process.
- (h) Directors are permitted to deal with the VSTECS Group on the condition that full disclosure is made to the VSTECS Group and subject to the requirements of the Companies Act 2016 (“**the Act**”) and/or the Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”) and/or any relevant regulatory requirements. The Act and Listing Requirements also provide specific criteria and thresholds which, when triggered, will require the consent of shareholders of the Company at a general meeting.

**8.4 General**

- (a) The personnel who are involved in the COI or potential COI after consultation and review by the Audit Committee, should abide by the Audit Committee’s determination on the reasonable steps and measures to manage, resolve or eliminate the COI or potential COI.
- (b) Where there is any change in the nature and extent of a personnel’s interest subsequent to the declaration or disclosure, the personnel shall make a further disclosure of such changes.

## **9. Compliance with the Act and Listing Requirements**

The relevant personnel shall comply with all conflicts of interest requirements under the Act, and, to the extent that the interest of the Director gives rise to a Related Party Transaction, and the relevant personnel shall also comply with the requirements under the Listing Requirements or any other relevant regulatory requirements, where applicable.

## **10. Records Maintenance**

For conflicts of interest involving personnel, the Company shall maintain records of all conflict-of-interest declarations as well as other related documents for at least seven (7) years.

## **11. Exception to the Policy**

This Policy shall not apply to an arrangement or transaction by an entity within the VSTECS Group and any of the Company's wholly-owned subsidiaries.

## **12. Breach of Policy**

In the event of a breach of this Policy, specifically, failure to disclose a COI, individuals may face consequences, including potential violations and penalties under the Act and Listing Requirements. Additionally, disciplinary actions may be imposed as deemed necessary.

The Company will pursue legal actions against individuals who, despite their cognizance of a COI, fail to disclose it in accordance with this Policy.

## **13. Review**

This Policy will be reviewed periodically by the Company, updated and approved by the Board as and when deemed necessary.

### **History of Conflict of Interest Policy**

<b>Date</b>	<b>Description</b>
26 February 2025	Review of and adoption of policy

**Examples of conflicts of interest and potential conflict of interest*****Conflict of interest examples***

The following are some examples of conflicts of interest (which are not exhaustive) involving a personnel or persons connected to them that would warrant disclosure by the personnel i.e., where the said person –

- (a) uses property or resources of the VSTECS Group for his or her personal purpose or business;
- (b) channels benefits or resources meant for the VSTECS Group to another organisation which he or she has a beneficial interest in;
- (c) influences business decisions that may result in personal gain or benefit to the director, key senior management or employee, their family members or persons connected to them;
- (d) prioritises his or her private venture by depriving the VSTECS Group from an identified business opportunity;
- (e) leverages on the VSTECS Group's business or developmental plan by acquiring adjacent lands using the said person's private company;
- (f) is involved in a business which offers similar products or services that are of the products or services offered by the Group;
- (g) holds shares, offices and/or directorships in competitors of the VSTECS Group; or
- (h) provides financial assistance to, or receives financial assistance from, the VSTECS Group on terms and conditions which are more favourable to the personnel than normal commercial terms.

***Potential conflict of interest examples***

A potential conflict of interest is a conflict of interest that has yet to materialise or happen, but may arise subsequently due to, among others, prevailing relationships or interests of the personnel. Examples (which are not exhaustive) include the following:

- (a) the personnel having similar business with that of the Company in a geographical location which the Company is not currently operating in, but which the Company may expand its venture in subsequently; or
- (b) the personnel 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 Company's project. There could be potential conflict of interest as the said person may favour awarding the Company's project to the contractor that gave him the discount.

***Illustrations***

The following are illustrations on compliance with the COI requirements for reference:-

**Illustration 1**

Facts:

- Mr. A is the owner of ABC Sdn. Bhd., a family-owned business specialising in solar panel manufacturing.
- Mr. A has been nominated to be appointed as a Director of the Company.

Disclosure Obligations:

While ABC Sdn. Bhd. and the Company may not be in direct competition with each other given that they are operating in different sectors within the renewable energy industry, there is still potential COI

as Mr. A may be put in a position where his duty to act in the best interest of the Company may conflict with his personal interest in ABC Sdn. Bhd.

For instance, the Company is considering collaboration with another solar panel manufacturer, Mr. A might face a conflict. His personal interest in promoting ABC Sdn. Bhd.'s success could potentially impact his ability to impartially propose or vote in favour of collaboration with a competitor.

Hence, Mr. A must declare the nature and extent of his potential COI with the Company, and the disclosure must be made in the immediate announcement of Mr. A's appointment and the Directors' profile section of the Company's Annual Report.

#### Illustration 2

Facts:

- Mr. B is a Chief Technology Officer of the Company.
- Mr. B is also the founder and majority shareholder of DEF Solutions, a company specialising in renewable energy technologies.

Disclosure Obligations:

Given Mr. B's role as the Chief Technology Officer of the Company and his position as the founder and major shareholder of DEF Solutions, conflicts may arise when Mr. B is privy to the confidential information and proprietary trading secrets at the Company that could favourably impact the competitive position or strategic interests of DEF Solutions.

For example, if the Company is considering engaging a technology provider that competes with DEF Solutions, Mr. B might face a conflict of interest. His decisions could affect the competitiveness or success of his own company.

Mr. B is obligated to disclose his association with DEF Solutions. This disclosure should be made in a timely manner, preferably at the announcement of Mr. B's appointment as the Chief Technology Officer and prominently featured in relevant corporate communications.

#### Illustration 3

Facts:

- Ms. C has been nominated to be appointed as a Director of the Company.
- Her brother, Mr. D, owns a construction company, GHI Constructions, specialising in infrastructure development.

Disclosure Obligations:

While the Company focuses on renewable energy projects, there may be potential conflicts of interest due to the connection with Ms. C's brother, who operates in the construction sector. Conflicts may arise when the Company is involved in the construction or development phase of renewable energy projects where GHI Constructions could be a potential contractor.

For instance, if the Company is planning a large scale solar farm project that involves significant construction work, Ms. C may face a conflict of interest if her brother's company, GHI Constructions, is bidding for the construction contract.

Hence, Ms. C must declare the nature and extent of her potential COI with the Company, and the disclosure must be made in the immediate announcement of Ms. C's appointment and the Directors' profile section of the Company's Annual Report.

**APPENDIX "B"**

**CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST  
DECLARATION FORM**

**Section A:** *This form is required to be completed by all Directors, Key Senior Management, HOD and employees of VSTECS Berhad ("VSTECS")*  
*(kindly indicate tick (✓) where applicable)*

No.	Conflict of Interest Situations	Please indicate with a tick (✓)	
		Yes	No
1.	Do you or a person connected to 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 VSTECS or proposes to enter a business or contractual relationship with VSTECS?		
2.	Do you hold a position as a director, alternate 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 VSTECS's businesses?  <i>Example: Hold a board seat or executive position of an entity or any of its sub-entities that has competing interests to VSTECS.</i>		
3.	Do you or a person connected to you engage, whether directly or indirectly, in any business dealings, transactions or arrangement (including tender processes) with any company, vendor or firm with which VSTECS has or proposes to enter into a business or contractual relationship that has resulted in or could result in personal gain or benefit?		
4.	Is any of your family members an employee of VSTECS?		
5.	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 conflicts of interest?		

\* In cases where you have indicated '**YES**', please provide comprehensive details regarding your interests such as the company name, directorship, percentage of shareholdings, and nature of the relationship, or any other pertinent information. In the event such interest relates to a person connected to you, please provide the aforesaid details and the relationship with the conflicted person.

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<i>Individual/Company Name</i>	
<i>Relationship/role</i>	
<i>Nature of interest and additional comments (if any)</i>	
<i>Description of the conflict or potential conflict of interest</i>	

**Name:** ..... **NRIC/Passport No.:**

..... do hereby solemnly affirm and declare the following:-

- (i) I agree to comply with the Conflict of Interest Policy of VSTECS.
- (ii) I agree to promptly notify the relevant HOD, Key Senior Management and/or Audit Committee and the Board of VSTECS regarding any modifications in my responses to the aforementioned questions that may arise due to alterations in circumstances.
- (iii) I agree to report any additional financial interests, situations, activities, interests, or conduct that may arise before the completion of the next annual disclosure.
- (iv) The information contained in this Conflict of Interest or Potential Conflict of Interest Declaration Form is true and accurate to the best of my knowledge and belief.

Signature : \_\_\_\_\_  
 Name : \_\_\_\_\_  
 Designation/Position : \_\_\_\_\_  
 Date : \_\_\_\_\_

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***Section B: To be completed by the Audit Committee***

<i>Date of disclosure</i>	
<i>Name of individual</i>	
<i>Description of the nature of the conflict</i>	
<i>Approved by the board?</i>	
<i>Outline of the discussion about managing the conflict</i>	
<i>Details of the actions agreed to manage the conflict in the best interests of the Company</i>	
<i>Date from which the conflict arose</i>	
<i>Annual report disclosure?</i>	

Acknowledged by:

Signature : \_\_\_\_\_  
 Name : \_\_\_\_\_  
 Designation/Position : \_\_\_\_\_  
 Date : \_\_\_\_\_