

Conflict of Interest

Ditrolic Energy



DATE

16 July 2024

1. INTRODUCTION

- 1.1 Ditrolic Energy Holdings Sdn Bhd ("**Company**") and its subsidiaries (collectively "**Ditrolic Group**") are committed to upholding the highest standards of integrity, transparency, and ethical conduct in all business operations.
- 1.2 In line with this commitment, Ditrolic Group has implemented a Conflict of Interest Policy ("**Policy**") to ensure that all Employees (as define below) act in the best interests of Ditrolic Group and free from any personal, financial, non-financial or other conflicts that may compromise their judgment or impartiality.
- 1.3 This Policy shall be read together with Ditrolic Group's Anti-Bribery and Anti-Corruption Policy, Anti-Money Laundering, Anti-Terrorism Financing, and Proceeds of Unlawful Activities Group Policy, the Whistleblowing Policy and other related policies within Ditrolic Group.

2. OBJECTIVE

- 2.1 This Policy aims to protect Ditrolic Group's interest from any harmful conflict of interest situations to safeguard Ditrolic Group's reputation, minimise legal liability, and enable Ditrolic Group effectively fulfil its responsibilities to all its stakeholders, society, and the environment.
- 2.2 It provides clear guidance to effectively identify and evaluate any conflict of interest situations which may arise and to handle such situations in a fair and transparent manner.
- 2.3 Disclosure of a potential conflict of interest does not make it an actual conflict as such disclosure helps to eliminate any false perception where a conflict may have arisen. Further, disclosure of an actual conflict of interest does not remove the conflict but merely facilitates appropriate management of the said conflict. It is therefore important to disclose any actual, potential and/or perceived conflict of interest situations to enable a proper evaluation and management of the said conflict. Non-disclosure of such conflict may result in ethical and/or legal implications.

3. SCOPE

- 3.1 This Policy applies to all Directors, Board Members, key Senior Management, employees of Ditrolic Group (whether temporary, fixed-term, or permanent), interns, trainees, seconded staff, home workers, casual workers, or any of our subsidiaries or their employees at any level ("Employees") and Business Associates (as defined below) of Ditrolic Group.
- 3.2 This Policy becomes relevant whenever an individual recognises, or should reasonably recognise, that a conflict of interest may arise from their current or future activities.
- 3.3 The scope of the 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, Directors, Key Senior Management, Employees and Business Associates must exercise reasonable judgment and seek to comply with the terms under this Policy.

4. DEFINITIONS

- 4.1 **"Business Associates"** refers to an external party with whom Ditrolic Group has, or plans to establish, some business relationship. This may include clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisors, agents, distributors, representatives, intermediaries and investors.
- 4.2 **"Conflict of Interest"** or **"COI"** is a situation in which a person has competing interests and the serving of one interest could improperly influence (directly or indirectly) the performance of duties and responsibilities, and which may be at the detriment and/or personal gain to another, or which may impair or influence the performance of duties to act in the best interest of Ditrolic Group.
- 4.3 A conflict of interest is divided into three categories:
- a. **Actual** conflict of interest refers to direct or real conflict between a person's duties and responsibilities to Ditrolic Group and a competing personal interest.
 - b. **Potential** conflict of interest refers to a situation where a person's private interest could potentially develop to influence the exercise of one's power or performance of duties or responsibilities to Ditrolic Group.
 - c. **Perceived** conflict of interest refers to a situation where one may reasonably perceive, or give the perception, that a conflict of interest exists which could affect one's decision or responsibility.
- 4.4 **"Ditrolic Group"** refers to all its affiliates which consist of any entity directly or indirectly controlled by or under the common control of Ditrolic, where control means (a) direct or indirect ownership, in an entity of fifty percent (50%) or more of the voting rights conferred by all the issued shares or equity interests in the capital of that entity; or (b) the power to determine directly or indirectly the composition of the majority of the board of directors, similar management body or direct the management of such entity.
- 4.5 **"Family Member"** refers to a spouse, parents, child (including adopted child and stepchild), brother, sister, spouse of the Director, Key Senior Management or an Employee's child, brother or sister. A Family Member may also include, parents-in-law of the person, nieces or nephews, uncle aunt or cousin of the person.
- 4.6 **"Key Senior Management"** refers to the highest level of management in Ditrolic, including C-suite employees who are not on the Board of Directors and any other persons whom the Board of Directors shall consider as being Key Senior Management.

5. IDENTIFYING A COI CIRCUMSTANCE AND SITUATION

- 5.1 A COI situation would arise when a person's ability to perform his/her duties effectively or impartially is potentially impaired by personal interest, financial interests or non-financial interests.
- 5.2 We set out below a non-exhaustive list of some examples of COI:
- 5.2.1 Equity ownership in companies that have a business relationship with Ditrolic Group

This is where Director(s) or Key Senior Management has ownership of shares in privately-owned companies having a business relationship with the Group, either directly or indirectly e.g. through family member. However, this COI Policy does not extend to shares held in publicly listed / quoted companies that have a business relationship with Ditrolic Group, unless the holding is considered material (5.00% or more) and the interest is likely to impair the objectivity of the Director(s) or Key Senior Management concerned.

5.2.2 Directorships, partnership or other forms of interest in entities having a business relationship with Ditrolic Group

This applies to situations where a Director, Key Senior Management or any Employee holds a position or has an interest in entities having a business relationship with the Ditrolic Group, including financial interest in any of Ditrolic Group's projects, contracts, sale, transactions, or other business dealing or have Family Members, close relatives or associates with such interests.

5.2.3 Personal Relationships

A conflict of interest or potential conflict of interest would exist if a Family Member of the Director, Key Senior Management, Employee or Business Associate has a reporting relationship with the Director or Key Senior Management of Ditrolic Group.

A conflict of interest would also arise if a Director or Key Senior Management has a family member with an interest (e.g. in the form of ownership, directorships, partnerships, employment etc.) in entities or organisations which have a contractual arrangement with Ditrolic Group.

5.2.4 Personal Use of the Group's Assets

Unauthorised personal use of Ditrolic Group's assets, resources, or information, without prior approval from the Chairman of the Board and, in the case involving the Chairman, approval from the Board.

5.2.5 Contractual dealing with Directors of Key Senior Management

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

5.2.6 Personal Gain through Business Related Opportunities with Ditrolic Group

This refers to situations where Director(s), Key Senior Management or Employees of Ditrolic Group pursues personal gain related to Ditrolic Group's business, utilising Ditrolic Group's property, information, or position for personal gain, and engaging in any form of competition with Ditrolic Group for business opportunities.

5.2.7 Employment with Competitor

If anyone of the Director, Key Senior Management or Employees of Ditrolic Group has accepted employment with a competitor, this could also result in a COI during the period which he/she is still employed with Ditrolic Group, especially if the Director, Key Senior Management or the Employees are dealing with sensitive or confidential information. As such, the conflict of interest or potential conflict of interest must be declared immediately upon acceptance of employment with the competitor to enable Ditrolic Group to take the necessary actions to manage the conflict of interest or potential conflict of interest.

5.2.8 Involvement in activities where the Director or Key Senior Management concerned is the subject matter

A conflict of interest or potential conflict of interest arises if a Director, Key Senior Management or an Employee participates in activities where he/she is the subject of the discussion or where the decision involves him/her.

An example of this situation is where an allegation is made against a Director or Key Senior Management or any member of the Whistleblowing Committee or the Compliance Officer through the Whistleblowing Policy / whistleblowing channel and the Director or Key Senior Management is part of the investigating team tasked with investigating the allegation.

6. DISCLOSURE REQUIREMENTS

6.1 How to disclose a COI situation?

6.1.1 A COI situation can be made by way of completing the **Conflict of Interest Declaration Form ("CIDF")** as set out below in Appendix A as and when the conflict of interest or potential conflict of interest situation arises at the earliest opportunity.

6.1.2 All information shared pursuant to this Policy shall be kept strictly confidential.

6.1.3 The CIDF may be submitted by hand in person, or in writing via email to the following personnel:

Attention : **Audit and Risk Management Committee**
Address : **D8-1-G, Pusat Perdagangan Dana 1, Jalan PJU 1a/46, Ara Damansara, 47301 Petaling Jaya, Selangor**

Mark "Strictly Confidential"

6.2 What to include in the CIDF?

6.2.1 Individuals must disclose any actual, potential or perceived conflicts of interest in comprehensive detail, including the nature of the relationship, interest and its potential impact on Ditrolic Group.

6.3 When to disclose a COI situation?

6.3.1 At the time of appointment or recruitment:

During the onboarding process, the Human Resources Department should obtain a duly completed CIDF from an onboarding Employee.

- 6.3.2 Before executing a business agreement or during the procurement process / project development stage:

The person-in-charge who is responsible for the business dealings or procurement shall obtain a duly completed CIDF from an onboarding Business Associate.

- 6.3.3 As soon as practicable if facts have come to a Director, Key Senior Management or Employee's knowledge where there is actual, potential or perceived conflict:

The COI shall be declared at the earliest opportunity by any persons having an interest, director or indirect, in any material transaction or arrangement with Ditrolic Group, or where one's duties are in conflict with his / her duties with Ditrolic Group, or possessing any asset or having any other interest where one's interest may be in conflict with his /her duties for Ditrolic Group.

- 6.3.4 Annually as part of Ditrolic Group's compliance exercise

A duly completed CIDF should also be submitted by Directors, Key Senior Management and Employees of Ditrolic Group upon their appointment or promotion to their roles.

- 6.3.5 Where there are doubts as to when a COI situation has arisen

In the event that there are doubts as to whether a COI situation (actual, potential and/or perceived) has arisen, it is recommended that this is declared directly to the Compliance Officer, Head of Department or the Audit and Risk Management Committee] (as the case may be).

- 6.3.6 Where there is a COI situation arising under the Whistleblowing Policy

Where there is a potential conflict of interest in reporting a whistleblowing report if the whistleblower reasonably believes that the Compliance Officer or any member of the Whistleblowing Committee is implicated in the wrongdoing or is alleged to be implicated in the wrongdoing, or where the wrongdoing does not involve the Compliance Officer or any member of the Whistleblowing Committee, but there is reason to believe that they may be personally conflicted (for instance, where the Compliance Officer is close to the alleged wrongdoer).

7. EVALUATION OF THE COI DISCLOSURE

- 7.1 The Audit and Risk Management Committee or Board of Directors (as the case may be) will review disclosed conflicts of interest to determine their significance and potential impact on Ditrolic Group.

- 7.2 Based on the evaluation, the Audit and Risk Management Committee or Board of Directors (as the case may be) may recommend steps to be taken, prepare an action plan or take other appropriate measures to manage the conflict and safeguard Ditrolic Group's interests.

8. BREACH OF POLICY

- 8.1 All Directors, Key Senior Management, Employees and Business Associates are required to strictly adhere to all COI requirements as stipulated in this Policy, along with any other relevant policies which are read in conjunction with this Policy.
- 8.2 Any breach or non-compliance with this Policy will be subject to appropriate internal disciplinary action, or where applicable, civil and criminal liability, depending on the severity of the breach.

9. RECORD KEEPING

- 9.1 The Human Resources Department will maintain a register for all conflict of interest declaration forms made pursuant to this Policy ("**Conflict of Interest Register**").
- 9.2 Any action plans made by the Compliance Officer or Audit and Risk Management Committee and outcomes shall also be recorded in this register.

10. IMPLEMENTATION AND REVIEW

- 10.1 The Audit and Risk Management Committee will be reviewing any actual or potential COI situations that arise, persist or may arise within Ditrolic Group. The Audit and Risk Management Committee shall propose with the measures to resolve, eliminate, or mitigate the COI situations and report its findings to the Board.
- 10.2 The Legal and Contract Department shall review and may, at its discretion, amend the contents of this Policy from time to time, as and when necessary. This Policy shall be reviewed periodically from time to time. Any proposed changes to this Policy shall be facilitated by Ditrolic Group's Legal & Contract Department and tabled to the Board of Directors for approval.
- 10.3 The Audit and Risk Management Committee shall be responsible for overseeing and implementing the provisions of this Policy, including communication of this Policy to its Directors, Key Senior Management, Employees, and Business Associates.

First Issued: 16 July 2024