



GAGASAN NADI CERGAS
BERHAD (1238966-U)

CONFLICT OF INTEREST POLICY

Document Title: GROUP POLICY – CONFLICT OF INTEREST POLICY	Company	Gagasan Nadi Cergas Berhad
	Department	QA/QC and Compliance
	Issue No.	1
	Revision No.	0
	Reference No.	GNCB/QAC/POL/COI10/1.0
	Effective Date	7 February 2023

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1.0 INTRODUCTION

Gagasan Nadi Cergas Berhad (“GNCB” or “the Company”) and its group of companies (“the Group”) are committed to maintaining the highest of ethical standards at all times with high standards of governance. Accordingly, the Company expects all Directors and Employees to conduct themselves with integrity, impartiality and professionalism at all times and to avoid any conflict of interest that may arise in the performance of their duties.

Proper identification and management of conflicts of interest ensures that business decisions are made in the best interests of the Company, and the Company is protected from any consequent damage to its assets and reputation.

2.0 OBJECTIVE

This Conflict of Interest Policy is established to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively. It is intended to provide guidance in managing situations where conflict of interest situations may arise.

3.0 SCOPE

This Policy applies to:

- i. All Directors; and
- ii. Employees, of the Group.

This Policy applies whenever an individual recognises, or should reasonably recognise, that a conflict of interest may arise from their current or future activities. This Policy provides guidance on how to identify and declare all conflicts of interest, how to develop and implement actions to appropriately manage the conflicts, and how to deal with breaches of this Policy. As it is not possible for the Policy to be all-inclusive, Directors and Employees must exercise reasonable judgment and seek to comply with this Policy.

4.0 DEFINITIONS

“Beneficial interest” refers to the right to receive economic 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” refers to a situation where a person with a vested interest in the Company is in a position or has the opportunity to influence the Company’s business or other decisions in ways that could lead to personal gain or advantage of any kind.

Transactions which involve a certain level of conflict of interest may be due to the close proximity (e.g., relationship) of the counterparties with a Director or Employee within the Group who is involved in the transactions. This includes any transaction, procedure or course of conduct that raises questions about management’s integrity.

Conflict of interest includes actual, potential or perceived conflicts of interest.

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“Directors” include all independent and non-independent directors, executive and non-executive directors of the Group.

“Employees” include all individuals directly contracted to the Group on an employment basis; including permanent, contract and temporary staff.

“Family member”, in relation to a person, refers to:

- i. A spouse of the person;
- ii. A brother or sister of the person, or their spouses;
- iii. A brother or sister of the spouse of the person;
- iv. A lineal ascendant or descendant of the person (e.g., parents or children);
- v. A lineal ascendant or descendant of a spouse of the person (e.g., parents-in-law);
- vi. A lineal descendant of a person referred to in (ii) above (e.g., niece or nephew);
- vii. The uncle, aunt or cousin of the person; or
- viii. The son-in-law or daughter-in-law of the person.

“HR” refers to the Human Resources Department.

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

5.0 IDENTIFYING CONFLICTS OF INTEREST

A conflict of interest would arise where a person’s ability to perform his/ her duties effectively or impartially is potentially impaired by personal interest, considerations or relationships.

Generally, conflicts of interest may be described under the following broad categories:

- i. Equity ownership in entities having a business relationship with GNCB and its Group of companies (Group)

This is where a Director or Employee holds shares in privately owned entities having a business relationship with the 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 the Group, unless such holding is considered to be material and the interest is likely to impair the objectivity of the Director or Employee concerned.

- ii. Directorship, partnership or other forms of beneficial interest in entities having a business relationship with GNCB and its Group of companies (Group)

This applies to situations where a Director or Employee holds a position or has an interest in entities having a business relationship with the Group. An example would be where an Employee is a Director of a company supplying materials to GNCB or any of its subsidiaries. Such situations would result in a conflict of interest.

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iii. Contractual dealings with Directors and Employees

This refers to situations where the Group purchases or leases property, equipment, materials, etc. from Directors or Employees, or enters into contractual arrangement with a Director or Employee (other than employment contracts). Such situations give rise to a conflict of interest, and should not occur.

iv. Other employment, business appointments or undertakings

A conflict of interest may arise where an Employee holds other part time employment, or have other business appointments or undertakings. An Employee is expected to devote his/her time, attention and commitment during work hours to his/her job duties. A conflict of interest can also arise where participation in any business activity outside working hours demands excessive time and attention from the Employee, thereby depriving the Company or any of its subsidiaries, of the Employee's best effort on the job or resulting in a negative impact on performance.

v. Personal relationships

A conflict of interest would exist if a family member of an Employee has a reporting relationship with the Employee. An Employee should not be in the same department/division as a family member, and should not directly or indirectly supervise, or be in a position to influence the hiring, work assignments or assessments of the family member. A conflict of interest would also arise if a Director or Employee 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 the Group.

vi. Involvement in activities where the Director or Employee concerned is the subject matter

A conflict of interest arises if a Director or Employee participates in activities where he/she is the subject of the discussion or where the decision involves him/her. An example is where an allegation is made against a Director or Employee through the whistleblowing channel, and the Director or Employee is part of the investigating team tasked with investigating the allegation.

vii. Dealings with competitors

If a Director, Employee or family member of a Director or Employee has financial or other interests or any involvement in the business of a competitor, or holds a directorship in a competitor, such a situation would give rise to a conflict of interest. This does not apply to the holding of publicly quoted shares of competitor companies, unless such holding is considered to be material and the interest is likely to impair the objectivity of the Director or Employee concerned. If an Employee has accepted employment with a competitor, this could also result in a conflict of interest during the period which the Employee is still employed with the Group, especially if the Employee is dealing with sensitive or confidential information.

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As such, the conflict of interest must be declared immediately upon acceptance of employment with the competitor to enable the Company to take necessary actions to manage the conflict.

6.0 GENERAL RESPONSIBILITIES

All Directors and Employees of the Group are responsible for identifying and managing conflicts of interest on an ongoing basis and are required to:

- i. Comply with this Policy and other applicable policies and guidelines relating to the identification, documentation, escalation and management of conflicts of interest;
- ii. Act with objectivity, integrity and independence, and exercise sound judgement and discretion;
- iii. Avoid, wherever possible, situations giving rise to conflicts of interest as described in this Policy; and
- iv. Immediately declare the conflict of interest in accordance with this Policy, remove themselves from the decision-making process and not seek to influence such decisions any further.

7.0 MANAGING CONFLICT OF INTEREST

Any conflict of interest must be declared by filling up the Conflict of Interest Declaration form (as per attached). For Employees, the conflict of interest must be escalated to HR for further action. In the case of Directors, the conflict must be disclosed to the Board of Directors and recorded by the Company Secretary. The declaration shall be made as and when the conflict arises, and shall be made at the earliest opportunity, i.e., as soon as the Director or Employee becomes aware of the conflict.

In addition to declaring the conflict of interest, appropriate steps must be taken to manage the conflict and to mitigate the impact of the conflict on the decision-making process. Ideally, the conflict should be avoided altogether, e.g., by relinquishing the interest that gives rise to the conflict. However, there are circumstances where it may not be practical to totally avoid the conflict, in which case, appropriate actions must be taken to manage the conflict, depending on the nature and severity of the conflict.

Where the conflict is not likely to arise frequently, and the impact of the conflict is minimal, the participation of the person in the decision-making process should be restricted. Restriction should include, but is not limited to the following:

- i. Not participating in any critical criteria setting or decision-making role in the process.
- ii. Refraining from discussions about the matter.
- iii. Limiting access to information and denying access to sensitive documents or confidential information in the process.
- iv. Abstaining from voting on the decision.

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Where the conflict is ongoing and could have serious implications, the person with the conflict should be removed from the process, which includes the following:

- i. Abstaining from any involvement whatsoever in the matter.
- ii. Rearranging duties and responsibilities to a non-conflicting function but not to a person who is supervised by the person with the conflict.
- iii. Transferring the person with the conflict to another project or another area of the Company or the Group.

8.0 MAINTAINING OF RECORDS

For conflicts of interest involving Employees, HR shall maintain records of all conflicts of interest declarations as well as other related documents. For conflicts of interest involving Directors, the Company Secretary shall maintain records of the declarations and any other related documents.

9.0 BREACH OF POLICY

Failure to disclose a conflict of interest, provide complete and accurate information on the conflict or appropriately manage the conflict is a breach of this Policy and could result in disciplinary action being taken by the Company.

10.0 REVIEW OF THIS POLICY

This Policy will be reviewed at least once every 2 years, and any amendments or updates will be immediately made available.



CONFLICT OF INTEREST DECLARATION

I, _____ (NRIC No. _____), hereby declare that I, my spouse/children/parents/in-laws/siblings is/are presently engaged/not engaged in any of the following external business interests/activities on a full-time/part-time/freelance consultancy/project basis, may it be family business and/or in partnership/shareholding.

I acknowledge that I have read the personal data protection notice provided in the Employment Application Form and hereby give my consent to Gagasan Nadi Cergas Berhad (GNCB) and its subsidiaries to process my personal data. I warrant that I have obtained all necessary consents from third parties where I have provided their personal information as part of my declaration.

Registrar of Business

Name of Business	Nature of Business	Position Held	% of share-holding	Please tick where appropriate	Since
				<input type="checkbox"/> Consultancy <input type="checkbox"/> Project <input type="checkbox"/> Full-time <input type="checkbox"/> Part-time <input type="checkbox"/> Freelance	

Registrar of Companies (ROC)

Name of Company	Nature of Business	Position Held	% of share-holding	Name & Relationship	Since

Any other possible conflicts not covered in the above sections

Nature / Type of Conflict	Description

I further undertake to update this Declaration should there be any changes in status within fourteen (14) days of the change or earlier.

Name :
Designation :
Date :