

ACO GROUP

Corporate Governance

Document No.: ACO(CG)_005

Revision: 1.0

Effective Date: 24/10/2024

CONFLICT OF INTEREST POLICY

Table of Contents

1. INTRODUCTION AND OBJECTIVES.....	3
2. SCOPE.....	3
3. IDENTIFYING CONFLICT OF INTEREST	3
4. DISCLOSURE OF CONFLICT OF INTEREST	4
5. MANAGEMENT OF CONFLICT OF INTEREST.....	5
6. RECORDS MAINTENANCE.....	6
7. BREACH OF POLICY.....	6
8. PERIODIC REVIEW	6

1. Introduction and Objectives

This policy outlines the disclosure obligations of the Directors and Key Senior Management of ACO Group Berhad (“ACO” or the “Company”) and its subsidiaries (‘the Group’) with respect to conflict of interest (“COI”), and the procedures to be followed when a COI arises or potentially arises.

The objective of this policy is to ensure that COIs are identified and managed effectively, promoting good governance practices and accountability within the Group. It also serves as a guide to the Audit and Risk Management Committee (“ARMC”) and Board of Directors (“the Board”) of ACO in discharging their role, which is to provide oversight and review of COI situations.

In formulating this policy, the requirements outlined in the ACE Market Listing Requirements (“ACE LR”) have been taken into account as well as other relevant regulatory frameworks.

2. Scope

This policy applies to all Directors and Key Senior Management of ACO Group Berhad and its subsidiaries. It covers COIs that may arise between their personal interests and the interests of the Company. In the event that the Company appoints a Legal Representative, he or she shall be bound by the same disclosure requirements.

3. Identifying Conflict of Interest

3.1. Generally, COIs refer to situations where: -

- a) The interests of the said person (who is often a person in a position of trust), interfere or appear to interfere, with the interests of the listed issuer or its subsidiaries (“listed issuer group”); or
- b) The said person has interests that may make it difficult to perform his or her role objectively and effectively.

3.2. A COI involving the said person is not limited to direct financial interest but also includes an indirect financial interest, non-financial interest (e.g., arising from relationships whether family, business or professional interest), or competing loyalties or interests.

A COI is generally divided into three (3) categories: -

- I. **Actual COI** – refers to direct or real conflict between the said person’s duties and responsibilities to the Group and a competing personal interest.

ACO GROUP Corporate Governance	Document No.: ACO(CG)_005 Revision: 1.0 Effective Date: 24/10/2024
--	--

- II. **Potential COI** – refers to situations where the said person's private interest could potentially develop to influence the exercise of one's power or performance of duties or responsibilities to the Group.
- III. **Perceived COI** – refers to situations where others may reasonably perceive or give the perception that a COI exists.

Examples of COI (non-exhaustive) involving a said person which would warrant disclosure i.e., where the said person: -

- a) uses the property or resources of the Group for his or her personal purpose or business;
- b) channels benefits or resources meant for the Group to a company which he or she has an interest in;
- c) leverages the Group's business plans for personal gain to a company which he or she has an interest in;
- d) prioritises his or her private venture by depriving the Group from an identified business opportunity;
- e) discloses trade secrets to a competitor where he or she has an interest in;
- f) is involved in a business that competes with products or services offered by the Group;
- g) holds offices or directorships in companies that compete with the Group;
- h) provides financial assistance to, or receives financial assistance from the Group on terms and conditions which are more favourable to the said person than normal commercial terms.

4. Disclosure of Conflict of Interest

4.1. Quarterly Disclosure

All Directors and Key Senior Management are required to declare any COIs on a quarterly basis, prior to the quarterly ARMC meetings, using the Conflict of Interest Declaration Form, as outlined in Appendix A of this Policy.

The Management shall table the quarterly declarations received at the ARMC meetings.

Directors should declare any interests related to agenda items at the start of a meeting and/or during the discussion, including situations where there is potential for a perceived COI. When a COI exists, the director in question must refrain from participating in the

ACO GROUP Corporate Governance	Document No.: ACO(CG)_005 Revision: 1.0 Effective Date: 24/10/2024
--	--

discussion of the relevant item, withdraw from the discussion, and not vote on the resolution related to that item. If needed, the Chair will determine whether a COI is present.

To further strengthen conflict of interest disclosures, the Chairman of the Board or the Chairman of the meeting should remind directors, before the start of the agenda items, to declare any COI (including potential conflicts) related to the matters being discussed at that meeting.

4.2. Immediate Disclosure

All Directors and Key Senior Management are required to disclose any potential or actual COIs as soon as practicable after becoming aware of the situation. The disclosure should be made through written notice or electronic means, such as email or the Conflict of Interest Declaration Form, to the ARMC, detailing the nature and extent of the conflict.

The ARMC will review the disclosure and assess the situation to determine the appropriate course of action.

4.3. Disclosure for New Appointments

Candidates for consideration for Director and Key Senior Management positions are required to submit the Conflict of Interest Declaration Form to the Nomination Committee (“NC”), disclosing any existing or potential COIs that may affect their appointment.

The NC, together ARMC, will review the declarations submitted to assess any potential conflicts, in addition to other considerations or criteria as guided by the Directors' Fit and Proper Policy.

All records of disclosure shall be communicated to the Company Secretary for record-keeping.

5. Management of Conflict of Interest

5.1. The ARMC shall: -

- a. Review and report any COI situations to the Board, along with the measures taken to resolve, eliminate, or mitigate such conflicts.
- b. Include in the ARMC Report for inclusion in the Annual Report a summary of such situations reviewed by the committee and the measures taken.

The review and disclosure must cover COI situations that arose or may arise during the financial year, as well as those persisting from previous financial years.

ACO GROUP Corporate Governance	Document No.: ACO(CG)_005 Revision: 1.0 Effective Date: 24/10/2024
--	--

5.2. The ARMC and Board may determine appropriate measures to address COIs, including but not limited to the following: -

- a. Restricting the participation of the said persons in any applicable board, committee or general meetings and requiring the said persons to abstain or recuse themselves from deliberation and voting on matters relating to the said COIs. However, the director(s) concerned may be present only to make the quorum counted at the meeting.
- b. Undertaking an assessment on COIs of the said persons during the performance appraisal on an annual basis and for new appointments, before the appointment.
- c. Requiring the said person to execute a non-disclosure or confidentiality agreement to protect any type of confidential and proprietary information or trade secrets.
- d. Restricting the said person from participating in business which competes with ACO.
- e. In extreme circumstances where the COI is likely to affect the performance of the said person, requiring such person to either divest the interest causing the conflict or resign from the Group.

6. Records Maintenance

The Company Secretary of the Company shall record all COI disclosures by the interested Director and Key Senior Management in the minutes of meeting of the Committee and Board or in the board circular resolutions, as applicable.

7. Breach of Policy

Failure to disclose a COI, provide complete and accurate information on the conflict or appropriately manage the conflict is a breach of this policy and ACE LR, and could result in amongst others, disciplinary action and applicable civil and criminal liability.

8. Periodic Review

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

This Policy was adopted by the Board of Directors of the Company on 24 October 2024.