

CONFLICT OF INTEREST POLICY

1. INTRODUCTION

- 1.1 The Group is committed in maintaining the highest of ethical standards and recognises that it must be seen at all times to be acting in accordance with highest standards of governance. In this regard, all Directors, key Senior Management and employees are expected 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.

2. PURPOSE & SCOPE

- 2.1 The purpose of this Conflict of Interest Policy ("**Policy**") is to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively. It is intended to provide guidance on how to deal with conflict-of-interest situations as they arise.
- 2.2 Proper identification and management of conflicts of interest ensures that business decisions are made in the best interests of the Group and the Group is protected from any consequent damage to its activities and reputation.
- 2.3 This Policy applies to all Directors, key Senior Management and employees of Hartalega Holdings Berhad ("**the Company**") and its subsidiaries ("**the Group**"), including full time or permanent employees or employees on secondment, fixed-terms and contract terms.
- 2.4 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, implement and monitor actions to appropriately manage the conflict, and how to deal with breaches of this Policy.
- 2.5 The scope of this Policy is relatively wide in its coverage of activities that may give rise to conflict of interest. As it is not possible for the Policy to be all-inclusive, Directors, key Senior Management and employees must exercise reasonable judgement and comply with the spirit of this Policy and not just the letter of the Policy.
- 2.6 This policy shall be read in conjunction with the Group's Code of Conduct and Ethics for Employees, Code of Conduct and Ethics for Directors, Anti-Bribery and Anti-Corruption Policy, and Whistleblowing Policy & Procedure.

3. DEFINITION

- 3.1 A conflict of interest may arise where an individual might be seen to be influencing Group matters for actual, potential or perceived personal benefit. Such a conflict may arise in a situation when a Director, key Senior Management or an employee, is able to influence (directly or indirectly) the Group's business, or other decisions in ways that could lead to gain for themselves, their family or others.
- 3.2 An interest can be a financial or non-financial interest:
- a) Financial interests include remuneration (such as salary, wages, commission, consultancy fees, or other form of income) and assets (investments, stocks, bonds, property).
 - b) Non-financial interests include enhancement of career, education or reputation, access to privileged information or facilities.

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- c) Although many of these interests may not compete with the individual's current duties and responsibilities to the Group, however, where an individual's obligations to the Group are, or may appear, to be compromised, then a conflict of interest may still occur.

3.3 For the purpose of this Policy, the Group defines conflict of interest broadly as:

- a) Actual conflict of interest, where the individual faces a real, existing conflict;
- b) Potential conflict of interest, where the individual is in or could be in a situation that may result in a conflict, but this has not fully materialised; and
- c) Perceived conflicts of interest, where the individual is in or could be in a situation that may appear to be a conflict, even if this is not the case.

All three types of conflict of interest above are a potential risk to the Group. Therefore, all actual, potential or perceived conflicts that may arise, as a result of a business or personal relationship, should be declared.

3.4 For this Policy, the Group defines:

- a) "Director" as Director of Hartalega Holdings Berhad ("the Company") and its subsidiaries ("the Group")
- b) "key Senior Management" as senior management team of Hartalega Holdings Berhad ("the Company") and its subsidiaries ("the Group") with job grade EG15 and above
- c) "family member" comprises individual's spouse, parents, children, brothers, sisters and spouse of child, brother or sister.

4. IDENTIFYING CONFLICT OF INTEREST

4.1 In general, a conflict of interest would arise where an individual's ability to perform his/ her duties effectively and impartially is potentially impaired by personal interests, considerations or relationships.

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

- a) Equity ownership in entities having a business relationship with the Group

This is where a Director, key Senior Management or an 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 substantial and the interest is likely to impair the objectivity of the Director, key Senior Management or employee concerned. Directorship, partnership or other forms of beneficial interest in entities having a business relationship with the Group.

This applies to situations where a Director, key Senior Management or employee holds a position or has an interest in entities having a business relationship with the Group. An example would be where an individual of the Group is a Director of a company supplying materials to the Group. Such situations would result in a conflict of interest.

- b) Other employment, business appointments or undertakings

A conflict of interest may arise where the Director, key Senior Management or employee holds other part-time employment, or has other business appointments or undertakings. The individual 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 individual, thereby

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depriving the Group of the individual's best effort on the job or resulting in a negative impact on performance.

c) Personal relationships

A conflict of interest would exist if a family member of a Director, key Senior Management or employee has a reporting relationship with the individual. An individual 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, key Senior Management or employee has a family member with an interest (e.g. in the form of ownership, directorships, partnerships, employment) in entities which have a contractual arrangement with the Group. An example would be where the spouse of a Director, key Senior Management or employee of the Group is working in a company providing consultancy services to the Group. This also applies to situations where a family member of an individual of the Group is working in a company bidding for a project to be awarded by the Group, although there is no contractual arrangement yet.

d) Contractual dealings

This refers to situations where the Group purchases or leases property, equipment or materials from Directors, key Senior Management or employees, or enters into contractual arrangements with Directors, key Senior Management or employees (other than employment contracts). Such situations give rise to a conflict of interest, and should not occur except in exceptional circumstances.

e) Dealings with competitors

If a Director, key Senior Management, employee or family member of a Director, key Senior Management 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, key Senior Management or employee concerned. If an individual has accepted employment with a competitor, this could also result in a conflict of interest during the period which the individual is still employed with the Group, especially if the individual is dealing with sensitive or confidential information. As such, the conflict of interest must be declared immediately upon acceptance of employment with the competitor to enable the Group to take the necessary actions to manage the conflict.

f) Involvement in activities where the Director, key Senior Management or employee concerned is the subject matter

A conflict of interest arises if a Director, key Senior Management or 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, key Senior Management or employee through the whistleblowing channel, and the Director, key Senior Management or employee is part of the investigating team tasked with investigating the allegation.

g) Acceptance of gifts or entertainment

The acceptance of gifts or entertainment may affect a Director, key Senior Management or employee's objectivity and judgement. It is the responsibility of the Director, key Senior Management or employee to comply with the Group's Anti-Bribery and Anti-Corruption Policy

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to ensure that nothing is received or given which might create a conflict of interest or bring their integrity into question.

4.3 Other examples where roles, activities or relationships should be declared and potential conflicts of interest that may arise are as below:

a) Interests

i) Paid employment

This includes self-employment, offices held (such as public appointments) or employment where regular income is received and should be declared. An individual should refer to their employment terms and conditions (including Group's Employee Handbook, Code of Conduct and Ethics of Directors and Code of Conduct and Ethics of Employees) and ensure the necessary permissions are gained.

ii) Directorships

All paid directorship and unpaid directorship interests in entities other than the Group should be declared.

iii) Relationships

Personal relationships may give rise to a conflict of interest as they have the possibility to influence decisions made or may be seen to give rise to biased decisions. All personal relationships must be declared as required by the Group's Employee Handbook and Code of Conduct and Ethics.

iv) Land or property

Other than a home used solely for personal accommodation, Directors, key Senior Management and employees are requested to declare personal or commercial property which may lead to an association with the Group. This includes leasing or renting to or from the Group, living in Group buildings or buying or selling property to or from the Group.

i) Others

Interests that do not fall into the above categories but may give rise to a conflict of interest. For example, unremunerated interests, positions of authority held or other significant involvement in other organizations, e.g. charitable, or political or other educational bodies. It is particularly important for members of the governing body and Senior Management involved in procurement to disclose interests they have in, or with, any organization from whom the Group procures goods or services. Where the interest is of relevance to the business of the Board or one of its Committees, the declaration shall be made as soon as practicable either at the meeting or in advance to the Audit Committee Chairman or Company Secretary.

b) Potential Conflicts of Interests

i) Research Projects and Commercial Entities

Where a research project is expected to generate data/ findings that have commercial value, and if such commercial value is realized, the individual stands, or may stand to profit personally through involvement in an associated company or partnership.

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ii) **Personal Relationships**

The Group discourages any closely related relationship between Director, key Senior Management and employees where:

- There is a direct supervisory relationship in existence (e.g. employee and supervisor).
- An employee has direct or indirect responsibility for, or involvement in, the other employee's work.

c) **Staff Recruitment, Allocation of Duties or Promotion**

No individual should be involved in decisions relating to the recruitment or assessment, allocation of duties or promotion of another individual with whom they have a personal relationship. All individual must declare their relationship with another person of interest, either during their own job application or immediately once such knowledge is availed to them.

d) **Procurement**

No individual should be involved in the decision-making process for procurement of goods or services where they have a relationship with or connection to one of the parties involved. Further on, no individual should accept gifts, hospitality or entertainment offered by any party involved in the procurement process (especially during tenders or contract negotiations), other than the modest refreshments during meetings.

5. General Responsibilities

5.1 All Directors, key Senior Management and employees 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) Adequate training and awareness to be conducted to Directors, key Senior Management and employees with regards to declaration, management, review, dealing and monitoring of conflict of interest;
- c) Act with objectivity, integrity and independence, and exercise sound judgement and discretion;
- d) Avoid, wherever possible, situations giving rise to conflicts of interest as described in this Policy;
- e) Perform annual conflict of interest declaration; and
- f) Whenever becomes aware of a potential conflict of interest, 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.

6.0 Managing Conflicts of Interest for Director and Key Senior Management

6.1 Any conflict of interest for Director and key Senior Management must be declared as and when the conflict arises, and shall be made at the earliest opportunity in accordance to process flow (in attached **Appendix 2**).

6.2 In respect of Directors and key Senior Management, the following provisions will apply:

- a) **Declaration Of Interests and Other Information Requirements**
 - i) Directors and key Senior Management must declare any conflict of interest in accordance with the Group's procedure, which includes reviewing and updating their conflict of interest

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record regularly. Directors and key Senior Management should also inform the Company Secretary and the Audit Committee of any significant changes, as and when they occur.

- ii) Directors and key Senior Management should declare any interests relevant to the agenda items at the start of a meeting and/ or during discussion (including where there is potential for a perceived conflict of interest). Where there is a conflict of interest, the said Director or key Senior Management will not participate in the consideration of the relevant item and shall withdraw from the discussion (recuse/ abstain) thereon and shall not vote on the resolution in respect of the relevant item. If necessary, the Audit Committee Chairman will determine whether there is a conflict of interest.
- iii) Directors and key Senior Management must also provide any other information that the Group requires to fulfil its regulatory requirements.

6.3 The conflict of interest involving Directors and key Senior Management must be disclosed to the Board 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 and key Senior Management becomes aware of the conflict.

7.0 Review and Dealing with Declaration of Interest by Directors and Key Senior Management

7.1 The Audit Committee Chairman and Company Secretary, will review all declared interest to determine:

- a) Whether there is a conflict of interest as determined by the Group policy.
- b) If there is a conflict of interest, whether this can be dealt with to allow the Director or key Senior Management in question to participate in the business of the Board or whether the matter should be referred for further consideration.
- c) The Audit Committee Chairman or the Company Secretary, can request a Director or key Senior Management to provide any information necessary to help in deciding in the best interests of the Group. Where the interest concerns positions of authority held, or other significant involvement in, a third-party organization, the Company Secretary, or his/ her designated representative, may consider approaching that third party organization for relevant information on the conflict of interest.

7.2 If the Audit Committee Chairman has a conflict of interest, the Committee should agree for the Deputy Chair or another appropriate member to act as the Committee Chair for the relevant conflict/ matter.

7.3 Having recorded the declared interest, the Audit Committee Chairman will review the declaration and propose the course of action to take to mitigate the conflict. The Audit Committee Chairman and Company Secretary will then provide their recommendation to the Board's Chairman, for his/ her approval.

7.4 In proposing the course of action to take to mitigate such conflict, the Audit Committee Chairman:

- a) Must ensure their proposal is in the best interest of the Group and independently of any competing interest.
- b) Must always protect the Group's reputation and be aware of the impression that their proposed actions may have on those outside the Group.

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- c) May require the withdrawal of the affected Director and key Senior Management from participation in any decisions where the other interest may result in a high risk, or controversial decision, or could significantly affect, or could be seen to significantly affect, the Director and key Senior Management's decision-making at the Group.
- 7.5 The Audit Committee Chairman may consult the Internal Audit, Legal Department or external legal advice, if deemed necessary.
- 7.6 A report will be made to the Board on any conflict of interest matters that arise and to confirm the decisions of the Board's Chairman, based on the recommendation of the Audit Committee Chairman.
- 7.7 Where conflicts of interest are declared at a meeting, the Committee concerned will follow the Policy to consider how the member may proceed.

8. Managing Conflicts of Interest For Employees

- 8.1 Any conflict of interest for employees must be declared by filling up the Conflict of Interest Declaration Form (attached in **Appendix 1**). The conflict of interest must be escalated to the respective Deputy General Manager and above (EG13 and above) of the person with the conflict for further action.
- 8.2 The completed Conflict of Interest Declaration Form shall be forwarded to the HR Department ("HR") by the Deputy General Manager and above (EG13 and above) of the person with the conflict.
- 8.3 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, depending on the nature and severity of the conflict.
- 8.4 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:
 - a) Not participating in any critical criteria setting or decision-making role in the process
 - b) Refraining from discussions about the matter
 - c) Limiting access to information and denying access to sensitive documents or confidential information in the process
 - d) Abstaining from voting on the decision
- 8.5 Where the conflict is ongoing and could have serious implications, the individual with the conflict should be removed from the process, which includes the following:
 - a) Abstaining from any involvement whatsoever in the matter;
 - b) Rearranging duties and responsibilities to a non-conflicting function but not to an individual who is supervised by the individual with the conflict; and
 - c) Transferring the individual with the conflict to another project or another area of the Group.

9. Review and Monitoring Conflict of Interest For Employees

- 9.1 HR is responsible for monitoring conflicts of interest involving employees in accordance with the process flow chart attached as **Appendix 3**. Upon receiving the Conflict of Interest Declaration Form, the HR shall review the actions taken to address the conflict and decide, on a case-by-case basis whether such actions are appropriate and/or sufficient.

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- 9.2 If the HR is of the view that actions taken by the employee with the conflict or the Deputy General Manager and above (EG13 and above) is not sufficient to manage or address the conflict, further action shall be recommended by the HR.
- 9.3 In the event of a dispute between the employee with the conflict or his/her Deputy General Manager and above (EG13 and above) and the HR, the matter shall be escalated to the Chief Executive Officer for a decision to be made. The Chief Human Resource Officer shall be consulted if there are any doubts with regards to a conflict-of-interest situation.
- 9.4 For conflicts of interest involving employee, the HR shall maintain records of all conflict of interest declarations as well as other related documents such as documentation reflecting the mitigating actions taken in the Conflict of Interest Registry.
- 9.5 No employee is allowed to approve their own Conflict of Interest Declaration. Where the conflict involves Deputy General Manager and above (EG13 and above), the declaration should be made as follows:
- a) Deputy General Manager and above (EG13 and above) to Chief Human Resource Officer
 - b) C-Suite member (EG15 and above) to Chief Executive Officer
 - c) Chief Executive Officer to Company Secretary or Audit Committee Chairman

10.0 Potential Outcomes

10.1 No Conflict of Interest

- a) Where the HR (or the Audit Committee Chairman) determines that there is no conflict of interest, this should still be formally recorded and lodged in the COI Register. An explanation and any supporting documentation, i.e. Conflict of Interest Declaration Form, should be included as to grounds it was concluded that no conflict of interest arose.
- b) In the instance that the overlap of two or more interests is so slight that it does not constitute a real conflict of interest, for example, where the connection between the interests is remote or insignificant, then it may be determined that such interests do not represent a conflict.

10.2 Existence of Conflict of Interest

Once a conflict of interest is determined to exist, the Audit Committee Chairman or HR will decide on the appropriate action. These may include, to:

- a) Continue: Be permitted to continue with full participation, and no restrictions.
- b) Continue with exemption: Seek a formal exemption to allow participation, i.e. remain in the meeting where the conflict of interest is considered, but not participate in discussions.
- c) Continue with restrictions or additional oversight: Additional oversight or review over their activity in relation to the project or transaction.
- d) Abstain: To abstain/ withdraw from any decision-making in relation to the matter/ project
- e) Reassign: Reassign/ refer the decision, tasks, or duties to others.
- f) Remove/ withdraw entirely: To be removed from any involvement, or to withdraw entirely from the project, where there is a significant or ongoing conflict.

11.0 Breach of Policy

- 11.1 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, the terms and conditions of employment (for employees), and could result in disciplinary action being taken by the Group.

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12.0 Review

The Policy is to be regularly reviewed by the Board and key Senior Management of the Company as and when required to ensure that it continues to remain relevant and appropriate.

This Policy was adopted by the Board on 9 July 2024.

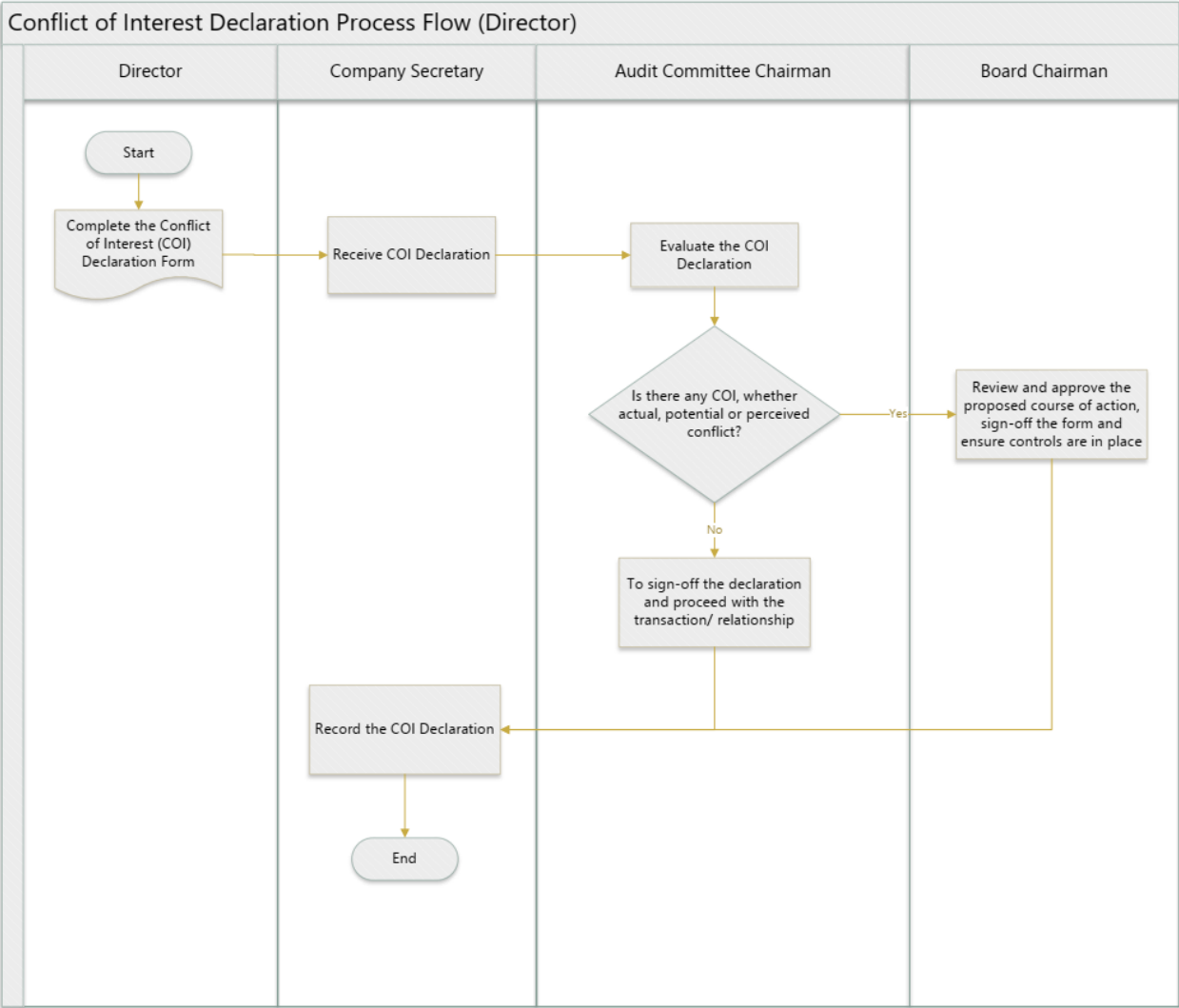
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Appendix 1

CONFLICT OF INTEREST DECLARATION FORM FOR EMPLOYEE	
Full Name :	Employee ID No. :
Phone No. :	Email Address :
Immediate Superior Name:	Designation / Department :
Section A: Description Of Conflict of Interest ("COI")	
<p>a) I hereby declare there is no conflict of interest to the best of my knowledge with regards to my employment with Hartalega Holdings Berhad and its' subsidiaries. <input type="checkbox"/></p> <p>b) I hereby declare there is a conflict of interest with regards to my employment with Hartalega Holdings Berhad and its' subsidiaries. Details of the COI is described as follows. <input type="checkbox"/></p> <p>i) What is the type of conflict of interest?</p> <p>ii) Who involves in the COI?</p> <p>iii) When did the conflict arise?</p> <p>iv) Additional Information (if applicable)</p> <p>Declaration:</p> <p>I hereby declare that the information provided herein is complete and accurate to the best of my knowledge. I agree if I become aware of any information that might change the disclosure, I shall promptly update this declaration.</p> <p>.....</p> <p>Signature: _____</p> <p>Name: _____ Date: _____</p>	
Section B: Review And Monitoring of Conflict Of Interest (To Be Completed By Deputy General Manager and Above (EG13 And Above))	
<p>I have reviewed the Conflict of Interest declaration and propose the following action plan to address the matter/ issue.</p> <p>i) Continue: Be permitted to continue with full participation, and no restrictions. <input type="checkbox"/></p> <p>ii) Continue with exemption: Seek a formal exemption to allow participation, i.e. remain in the meeting where the conflict of interest is considered, but not participate in discussions. <input type="checkbox"/></p> <p>iii) Continue with restrictions or additional oversight: Additional oversight or review over their activity in relation to the project or transaction. <input type="checkbox"/></p> <p>iv) Abstain: To abstain/ withdraw from any decision-making in relation to the project <input type="checkbox"/></p> <p>v) Reassign: Reassign/ refer the decision, tasks, or duties to others <input type="checkbox"/></p> <p>vi) Remove/ withdraw Entirely: To be removed from any involvement, or to withdraw entirely from the project, where there is a significant or ongoing conflict. <input type="checkbox"/></p> <p>vii) Others (Please Specify Below) <input type="checkbox"/></p> <p>.....</p> <p>Signature: _____</p> <p>Name: _____ Date: _____</p>	
Section C: Review & Approval	
Review & Approval	Acknowledgement of Receipt (by Human Resource Department)
Comments:	
.....
Signature: _____	Signature: _____
Name: _____ Date: _____	Name: _____ Date: _____

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Appendix 2: Conflicts of Interest for Director Process Flow



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Appendix 3: Conflicts of Interests for Employees Process Flow

