



**GLOBALTEC FORMATION BERHAD**

CONFLICTS OF INTEREST POLICY

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## 1. Introduction

GLOBALTEC FORMATION BERHAD (“**the Company**”) and its subsidiaries (“**Group**”) aim to maintain the highest ethical standards in carrying out the business activities. Accordingly, the Group expects all Directors and employees to conduct themselves with integrity, impartiality and professionalism at all times, and to avoid any conflicts of or potential conflicts of interest that may arise in the performance of their duties.

This Conflict of Interest Policy (“**Policy**”) shall be read together with the Code of Ethics and Conduct, Anti-Bribery and Anti-Corruption Policy and other related policies of the Group.

## 2. Purpose

The purpose of this Policy is to ensure that actual, existing, potential and perceived conflicts of or potential conflicts of interest are identified and managed effectively. It is intended to provide guidance on how to deal with situations involving conflict of interest situations as when they arise.

## 3. Scope

This Policy is intended to apply to all Directors and employees of the Group (including employees on contract terms, temporary staff and those on internship or secondment). This Policy applies whenever an individual recognises, or should reasonably recognise, that a conflict of interest may arise from their current or future activities.

The scope of this Policy is relatively wide in its coverage of activities that might give rise to conflicts of or potential conflicts of interest. As it is not possible for the policy to be all-inclusive, Directors and employees must exercise reasonable judgment and seek to comply with the Policy.

## 4. 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**” is a situation in which a person has competing interests and the serving of one interest could improperly influence the performance of duties and responsibilities, and which may be at the detriment and/or personal gain to another. A real conflict of interest exists at the present time and a potential conflict of interest could be reasonably foreseeable to exist in the future.

“**Family member**” means the spouse, parent, brother, sister, child (including adopted or stepchild) and the spouses of such brother, sister or child of the person.

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

## 5. Identifying conflicts of or potential conflicts of interest

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

5.2. Generally, conflicts of or potential conflicts of interest may be described under the following broad categories:-

**(a) Equity ownership in entities having or potentially may have a business/operational relationship with the Group**

This is where a Director or an employee of the Group holds shares in privately owned entities having or potentially may have a business/operational 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/operational 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.

**(b) Directorship, partnership or other forms of Beneficial Interest in entities having or potentially may have a business/operational relationship with the Group**

This applies to situations where a Director or an employee of the Group holds a position or has an interest in entities having or potentially may have a business/operational relationship with the Group. An example would be where an employee of the Group is a Director of a company providing services to the Group. Such situations would result in a conflict of interest.

**(c) Equity ownership in entities having or potentially may have a competing business/operational relationship and/or similar business (in part or wholly) with the Group**

This is where a Director or an employee of the Group holds shares in privately owned entities having or potentially may have a competing business/operational relationship and/or similar business (in part or wholly) 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/operational 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.

**(d) Directorship, partnership or other forms of Beneficial Interest in entities having or potentially may have a competing business/operational relationship and/or similar business (in part or wholly) with the Group**

This applies to situations where a Director or an employee of the Group holds a position or has an interest in entities having or potentially may have a competing business/operational relationship and/or similar business (in part or wholly) with the Group. An example would be where an employee of the Group is a Director of a company supplying materials to the Group. Such situations would result in a conflict of interest.

**(e) Personal or family relationships**

A conflict of interest would or may exist where a Director or an employee of the Group has a personal or family relationship with a person(s) who is having Material equity ownership, Directorship, partnership or other forms of Beneficial Interest in entities having or potentially may have a competing business/operational relationship and/or similar business (in part or wholly) with the Group.

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**6. General responsibilities**

All Directors and employees of the Group are responsible for identifying and managing conflicts of or potential 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 or potential 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 or potential conflicts of interest as described in this Policy; and
- (d) Immediately declare the conflict of interest in accordance with this Policy, abstaining from the decision-making process and not seek to influence such decisions any further.

**7. Managing conflicts of or potential conflicts of interest**

- 7.1 Any conflict of interest must be declared by filing up the Conflict of Interest Declaration Form (as attached in Appendix A). The conflict of interest must be escalated to the Head of Division or his/her direct superior for further action. In the case of Directors, the conflict must be disclosed to the Audit Committee and recorded by the Company Secretary.
- 7.2 The declaration shall be made as and when the conflicts of or potential conflicts of interest arises, and shall be made at the earliest opportunity i.e., as soon as the Director or employee becomes aware of the conflicts of or potential conflicts of interest.
- 7.3 In addition, for good governance, in the case of Directors, being persons ultimately responsible for the management of the affairs of the Company and the Group, every Director is to fill up the Conflict of Interest Declaration Form (as attached in Appendix A), regardless of any conflict of interest or potential conflict of interest, and disclose to the Audit Committee and recorded by the Company Secretary on as and when the situation arises.
- 7.4 The completed Declaration Form shall be forwarded by the employee with the conflicts of or potential conflicts of interest concerned to the Division Head.
- 7.5 In addition to the declaration, the employee with the conflicts of or potential conflicts of interest and the respective Head of Division must take reasonable steps to manage/resolve the conflicts of or potential conflicts of interest and to mitigate the impact of the conflicts of or potential conflicts of interest on the negotiation/discussion/decision-making process. The participation of the person with conflicts of or potential conflicts of interest should be limited and restricted. Such limitation or restriction should include, but is not limited to the following:-
  - (a) Abstaining from the project/matter, including any involvement, discussion and/or during the process of decision making;
  - (b) Limiting access to information;
  - (c) If necessary, re-arranging duties or responsibilities to a non-conflicting function; and
  - (d) Terminating or refraining from the business relationship.
- 7.6 In the case of a Director, who having an interest, either directly or indirectly, in any material transaction or arrangement with the Group, or, holding any office or possessing any property where duties or interests as Director may be created in conflict with his duties or

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interests as Director of the Group, shall as soon as practicable after the facts have come

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to the Director's knowledge, or, after becoming director or possessing the property (as the case may be), declare the nature, character and extent of the Director's interest and conflicts of or potential conflicts of interest to the Audit Committee by way of written notice to the Audit Committee Chairman and the Company Secretary and; if the transaction or arrangement was being deliberated at a Board meeting, before the commencement of that deliberation.

7.7 Where there is any change in the nature and extent of the Director's interest subsequent to the disclosure, the Director shall make a further disclosure of such changes.

7.8 Directors are permitted to deal with the Group on the condition that full disclosure is made to the Group and shareholders' approval is obtained where required under the Companies Act 2016 ("**the Act**") and the Listing Requirements and/or any relevant regulatory requirements. The Act and Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**") also provide specific criteria and thresholds which, when triggered, will require the approval of shareholders of the Company at general meeting.

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

The interested Director 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, the Group's Conflicts of Interest Policy, requirements under the Listing Requirements or any other relevant regulatory requirements, where applicable.

## **9. Records maintenance**

For conflicts of or potential conflicts of interest involving employees, each Division Head shall maintain records of all conflict of interest declarations as well as other related documents. For conflicts of or potential conflicts of interest involving Directors, the Company Secretary shall maintain records of the declarations and any other related documents.

## **10. Breach of Policy**

Failure to disclose a conflict of or potential conflict of interest is a breach of this Policy and may lead to disciplinary action.

## **11. Review**

This Policy will be reviewed annually by the Company, updated and approved by the Board and the Audit Committee.

**CONFLICT OF INTEREST DECLARATION FORM****Section A: To be filled up by Director/employee**

I hereby disclosed an actual/potential Conflict of Interest as follows (tick where applicable):

1	Equity ownership in entities having or potentially may have a business/operational relationship with the Group	
2	Directorship, partnership or other forms of Beneficial Interest in entities having or potentially may have a business/operational relationship with the Group	
3	Equity ownership in entities having or potentially may have a competing business/operational relationship and/or similar business (in part or wholly) with the Group	
4	Directorship, partnership or other forms of Beneficial Interest in entities having or potentially may have a competing business/operational relationship and/or similar business (in part or wholly) with the Group	
5	personal or family relationship with a person(s) who is having Material equity ownership, Directorship, partnership or other forms of Beneficial Interest in entities having or potentially may have a competing business/operational relationship and/or similar business (in part or wholly) with the Group	
6	None of the above	

Where items 1 to 5 are ticked, the nature, name and details of the relationships are as follows:

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I hereby confirm that this is a full and complete disclosure of all conflicts of or potential conflicts of interest concerning personal interests or that of a related person which has business/operational dealings or potential business/operational dealings with the Group.

I acknowledge, I have received and agree to comply with the Conflict of Interest Policy.

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_