



POWER ROOT BERHAD

Registration No.: 200601013517 (733268-U)

CONFLICT OF INTEREST (“COI”) POLICY

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A. INTRODUCTION

POWER ROOT BERHAD (“PRB” or “The Company”) and its subsidiary companies’ (“The Group”) is committed to maintaining, observing and practicing high ethical standards of professionalism and integrity at all times in respect of its business activities.

The Board of Directors and all employees of the Group are expected to discharge their responsibilities and duties in a professional, honest and ethical manner at all times, and to avoid any conflict or potential conflict between their personal interests and the Group’s interest.

The establishment of this Conflict of Interest Policy (“**COI Policy**”) which sets out the framework and appropriate controls and measures to ensure systematic identification and management of such conflict of interest or potential conflict of interest in an effective and timely manner, is therefore important to ensure that the interest of the Group are protected and that any situation which could give rise to a conflict of interest or potential conflict of interest is properly reported and managed.

B. AMBIT OF CONFLICT OF INTEREST (“COI”)

Generally, COI refers 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 unduly influence or make it difficult to perform his or her role objectively and effectively.

Interest in a COI involving the said person is not limited to direct financial interest but also include any indirect financial interest, non-financial interest (e.g. arising from relationships whether family, business or professional interests), or competing business loyalties or interests.

C. SCOPE

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

D. REFERENCES

This Policy shall be read in conjunction with the prevailing statutory provisions, guidance and policies (which may be amended from time to time) including: -

- a. The statutory duties and responsibilities of directors under the relevant provisions as set out under Section 214, 217 to 219, 221, 222 and 228 of the Companies Act 2016;
- b. Issuers Communication – Guidance on Conflict of Interest (ICN 1/2023) issued by Bursa Malaysia on 26 May 2023.
- c. Para 3.05 & 3.06 of Guidelines on Conduct of Directors of Listed Corporations and its subsidiaries;
- d. The Company's Code of Conduct;
- e. The Company's Whistleblowing Policy;
- f. The Company's Anti-Bribery and Anti-Corruption Policy;
- g. The Company's Gifts Policy

E. SITUATIONS THAT MAY GIVE RISE TO CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST

i. COI situations

The Directors and employees of the Group should pay attention to the following situations (which are non-exhaustive) to avoid any actual or potential conflict of interest: -

- (a) uses property or resources of the listed issuer group for his or her personal purpose or business;
- (b) channels benefits or resources meant for the listed issuer group to a company which he or she has an interest in;
- (c) discloses trade secrets to a competitor/ company where he or she has an interest in;
- (d) influences decision of a property developer listed issuer to develop an area where the said person owns property so that he or she will also enjoy the benefit either financially (e.g. capital appreciation of the property) or non-financially (e.g. convenience from the infrastructure developed) from such development;
- (e) prioritizes his or her private venture by depriving the listed issuer from an identified business opportunity;
- (f) leverages on the listed issuer's business or developmental plan by acquiring adjacent lands using the said person's private company;

- (g) is involved in a business which offers similar products or services that are likely to replace or substitute the products or services offered by the listed issuer group;
- (h) holds offices or directorships in competitors of the listed issuer group; or under Para 10 Section 221(6) of CA 2016 re: COI Guidance (i) provides financial assistance to, or receives financial assistance from, the listed issuer group on terms and conditions which are more favorable to the said person than normal commercial terms.

ii. Potential COI

A potential COI is a COI that has yet to materialize or happen, but may arise subsequently due to, among others, prevailing relationships or interests of the said person. Examples (which are not exhaustive) include the following:

- (a) The said person having similar business with that of the listed issuer group in a geographical location which the listed issuer group is not currently operating in, but which the listed issuer group may expand its venture in subsequently.
- (b) The said person purchasing substantial building materials for construction of his or her own property at a massive discount from a contractor which has been shortlisted as one of the contractors for the listed issuer's project. There could be potential COI as the said person may favor awarding the listed issuer's project to the contractor that gave him the discount.

F. DECLARATION AND DISCLOSURE

Directors, Key Senior Management and Employees with a conflict of interest must disclose any obligation, commitment, relationship or interest that could conflict or may be perceived to conflict with his or her duties by making a declaration using the 'Conflict of Interest Declaration Form' as set out in **Appendix I** of this Policy and is available from the Human Resources Department.

In the case of employees of the Group, the Declaration Form must be forwarded to the Chief Executive Officer ("CEO") for his/her decision and disposition. For cases involving Directors and Key Senior Management, the Declaration Form detailing any conflict of interest or potential conflict of interest situation must be presented to the Audit Committee ("AC") and the Board for deliberation and decision regarding the COI and shall be minute by the Company Secretary.

Upon receipt of the declaration, the CEO shall consult with the Executive Directors and Key Senior Management in relation to the employee with the conflict of interest or potential conflict of interest and take reasonable steps and measures to manage, resolve, or eliminate and/or mitigate the impact the conflict of interest or potential conflict of interest.

In relation to the Directors and Key Senior Management with conflict of interest or potential conflict of interest, the AC and the Board, after consultation with the CEO/ Executive Directors (who are not conflicted) and after due consideration and deliberation shall take reasonable steps and measures to manage, resolve, eliminate or mitigate the impact of the conflict of interest or potential conflict of interest.

The participation of the Director or employee with conflict of interest or potential conflict of interest shall be limited and restricted. Such limitation or restriction should include, but not limited to the following: -

- a. Abstaining and/or excusing himself/ herself from the project or matter, including any involvement in presentation, discussion or decision making;
- b. Limiting access to information;
- c. Re-arranging duties or responsibilities to a non-conflicting function, if necessary.

Any information disclosed under this Policy shall be strictly confidential. The Declaration Form duly completed and signed by an employee must be retained by the person in charge of the Human Resources Department for safekeeping and record. For conflicts of interest or potential conflicts of interest involving the Directors and Key Senior Management of the Group, the Company Secretary shall maintain records of the declarations and any other related documents.

Where an employee is found to have any real, apparent or potential conflict of interest but failed to declare it, the employee is deemed to be in violation of the Code of Conduct and may be subject to disciplinary action including termination of employment or legal action in a court of law.

G. EXCEPTIONS TO THE POLICY

This Policy shall not apply to an arrangement or transaction by an entity within The Group and any of its subsidiary companies, whether wholly-owned or direct or indirect subsidiaries as defined under the Companies Act 2016.

H. REVIEW OF THE COI POLICY

The COI Policy shall be reviewed as and when the need arises to keep it current and relevant as all times with the prevailing rules, regulations and laws.

Appendix I – Conflict of Interest Declaration Form

POWER ROOT BERHAD CONFLICT OF INTEREST DECLARATION FORM			
Employee Name:		REF:	
Employee ID:			
I understand that a conflict of interest (COI) may arise where my private interests influence, or may be seen to influence, my actions. In accepting this Contract, I affirm that: ☐ I understand my obligations to declare any conflict of interest to Power Root Berhad. ☐ I do not have any financial or personal gain from the transaction or dealing between Power Root Berhad and its customer, distributor, supplier or business partner. ☐ I do not receive any financial or personal benefits, such as gifts, salary, fees, loans or guarantees of obligations, free service or discounts from customer, distributor, supplier or business partner. ☐ I do not have interest of any family members which could be seen as undermining my independence. ☐ If a conflict of interest arises during my involvement with the assessment, I will declare it to Power Root Berhad immediately. I hereby declared that: ☐ I have no conflict of interest ☐ I have conflict of interest (please complete the details below)			
Supplier/ Vendor/ Others	Relationship	Is there a COI? ☐ Yes ☐ No	Describe any Conflict of Interest <i>(Continue on a separate sheet if necessary)</i>
		☐ Yes ☐ No	
		☐ Yes ☐ No	
		☐ Yes ☐ No	
Name:		Signature:	
Designation:		Date:	
Power Root Berhad Review and Declaration <i>Head of Department review and declaration is required in all cases with this exception: If the Employee completes the COI declaration above and has no conflict of interest to declare, then the Head of Department review and declaration below is not necessary.</i>			
I have reviewed the above declaration and (choose one): ☐ Agree that there is no conflict of interest. ☐ There is conflict of interest. Recommended action be taken to mitigate the declared conflict:			
Name:		Signature:	
Designation:		Date:	
<i>*Completed Declaration Form will be kept with the employee personnel file.</i>			