



# CRITICAL HOLDINGS BERHAD

(Registration No. 202201031781 (1477478-K))  
(Incorporated in Malaysia)

## CONFLICT OF INTEREST POLICY

### 1. INTRODUCTION

- 1.1 Critical Holdings Berhad (“CHB”) and its subsidiaries (collectively “**the Group**”) are committed to maintaining the highest ethical standards and governance. Accordingly, the Group expects all conflicted parties 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.
- 1.2 As part of the daily activity of the Group, several transactions and interactions take place. During these interactions and transactions, conflict of interest may arise. The Group personnel must understand where such situations can arise and promptly declare any such situation to the Group to avoid or manage any conflict. The declaration shall not be made later than 3 working days once the situation of conflict of interest becomes a knowledge of the interested persons.
- 1.3 To protect the Group, its shareholders and other stakeholders against conflict of interest the Group has established this policy and a declaration procedure. These aim to manage actual, potential and perceived conflict of interest (including interest in any competing business) and clearly state the principles with which the Group approaches any such situations.

### 2. PURPOSE

The purpose of this policy is to set out what constitutes a conflict of interest and to provide guidance on how to deal with situations involving conflict of interest when they arise.

### 3. SCOPE

- 3.1 This policy is intended to apply to all Directors, major shareholders and chief executives of the Group.

- 3.2 This policy applies whenever an individual recognises, or should reasonably recognise, that a conflict of interest may arise from their current or future activities. Such an individual is connected with an interested director, interested major shareholder or interested chief executive (“an interested person connected with a director, major shareholder or chief executive”).
- 3.3 The scope of this policy is relatively wide in its coverage of activities that may give rise to conflicts of interest. As it is not possible for the policy to be all-inclusive, Directors, major shareholders and chief executives must exercise reasonable judgment and seek to comply with this policy.

#### 4. DEFINITIONS

- 4.1 “**Beneficial interest**” refers to the right to receive economic benefits from an asset without being the legal owner of the asset, e.g., the entitlement of income from shares held through a nominee.
- 4.2 “**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 present and a potential conflict of interest could be reasonably foreseeable to exist in the future.
- 4.3 “**Family member**”, in relation to a person means such a person who falls within any one of the following categories:
- (a) spouse;
  - (b) parent;
  - (c) child including an adopted child and step-child;
  - (d) brother or sister; and
  - (e) spouse of the person referred to in (c) and (d) above.
- 4.4 “**Material**” about shareholding means equity ownership of 5% or more.
- 4.5 A “**Chief Executive**” means the principal executive officer of the Group for the time being, by whatever name called, and whether or not he is a director.
- 4.6 A “**Director**” has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon –
- a director of CHB and its subsidiary(ies); or
  - a Chief Executive of CHB and its subsidiary(ies).

- 4.7 A “**Major Shareholder**” has the meaning given in Chapter 1.01 of the ACE Market Listing Requirements (“**AMLR**”) and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon.
- 4.8 A “**Person Connected**” means person connected as defined in Chapter 1.01 of AMLR.
- 4.9 A “**Related Party**” shall mean a related person as defined in Chapter 1.01 of the AMLR. It generally refers to a Director, Major Shareholder or Person Connected with such Director or Major Shareholder, who is interested in the Related Party Transactions.
- 4.10 A “**Related Party Transaction**” (“**RPT**”) is any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships required to be disclosed or approved pursuant to Chapter 10 of AMLR.
- 4.11 A “**Transaction**” means the acquisition or disposal of assets by CHB or its subsidiaries including the provision of financial assistance, Chapter 10 of the AMLR.
- 4.12 A “**Substantial Shareholder**” is as defined in section 136 of the Companies Act.

## 5. IDENTIFYING CONFLICTS OF INTEREST

- 5.1 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.
- 5.2 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, major shareholder or chief executive 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, major shareholder or chief executives concerned.
  - b) Directorship, partnership or other forms of Beneficial Interest in entities having a business relationship with the Group. This applies to situations where a director, major shareholder or chief executive holds a position or has an interest in entities having a business relationship with the Group.
  - c) Personal family relationships

A conflict of interest would exist if a family member of a director, major shareholder or chief executive has a reporting relationship with the related interested director, interested major shareholder or interested chief executive. For example, this also applies to situations where a family member of the conflicted party (as the case may be) 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 with Directors, major shareholders or chief executives. This refers to situations where the Group purchases or leases property, equipment, materials, etc. from Directors, major shareholders or chief executives enter into contractual arrangements which such situations give rise to a conflict of interest and should be declared.

## **6. GENERAL RESPONSIBILITIES**

6.1 All Directors, major shareholders or chief executives of the Group are responsible for identifying and managing conflicts of interest on an ongoing basis (throughout their tenure with CHB and / or the Group) 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) Act with objectivity, integrity and independence, and exercise sound judgement and discretion;
- c) Avoid, wherever possible, situations giving rise to conflicts of interest as described in this policy; and
- d) Immediately declare the conflict of interest by this policy, abstaining from the decision-making process and not seeking to influence such decisions any further.

## **7. MANAGING CONFLICTS OF INTEREST**

7.1 Any conflict of interest must be declared by filling up the “Conflict of Interest Declaration form” (as attached in “[Appendix A](#)”) where all Directors, Chief Executive and substantial shareholders are required to disclose the names of companies in which he/she and/or their person connected hold directorships and /or substantial shareholding and any potential Conflict of Interest if any.

- 7.2 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, major shareholder or chief executive becomes aware of the conflict.
- 7.3 The “Conflict of Interest Declaration form” must be disclosed to the Audit and Risk Management Committee for deliberation and approval, before submitting it to the Board of Directors for final endorsement and recorded by the Company Secretary.
- 7.4 In addition to the declaration, the person with the conflict and the Chief Executive officer must take reasonable steps to manage the conflict and mitigate the impact of the conflict on the negotiation/ discussion/ decision-making process. The participation of the person with conflict 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.
- 7.5 It is the Directors’ fiduciary duty to avoid conflict of interest and comply with the relevant guidelines in respect of their fiduciary duties.
- 7.6 In addition to item 7.1, the parties shall make an affirmative declaration to the Audit and Risk Management Committee of their respective interests in other companies at the onset and as and when there are changes in their respective interest in companies outside the Group as well as that they are not involved in any business that is similar to the Group on a quarterly basis by submitting a “Confirmation of Conflict of Interest” form (as attached in “Appendix B”) at least once every quarter or as and when there is a conflict of interest situation arises.
- 7.7 The form must be disclosed to the Audit and Risk Management Committee for deliberation and approval, before submitting it to the Board of Directors for final endorsement and recorded by the Company Secretary.
- 7.8 When a determination has been made that there is a conflict of interest case, the Audit and Risk Management Committee shall:
- (i) Immediately inform CHB Board of the conflict of interest situation; and
  - (ii) Make recommendations to CHB Board to direct the conflicted party(ies) to:
    - (a) Withdraw from all his/her executive involvement in the Group in relation to the matter that has given rise to the conflict of interest. (for example, in the case where the conflicted Director is an Executive Director); and
    - (b) Abstain from all Board deliberation and involvements in matters where he/ she has a conflict of interest situation or in relation to (ii)(a) above, the conflicted

Director shall be absent from any Board discussion relating to the recommendation of the Audit and Risk Management Committee. The conflicted Director shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may however at the request of the Chairman of the Board, be present at CHB's Board Meeting to answer any questions.

- 7.9 The conflicted parties, may however at the request of the Chairman of CHB Board, be present at CHB's Board Meeting to answer any questions. In circumstances where a party is determined to have a significant, ongoing and irreconcilable conflict of interest with the Group, and where such conflict of interest significantly impedes the conflicted party's abilities to carry out his / her fiduciary responsibility to the Group, the Audit and Risk Management Committee may determine that resignation of the conflicted party from the Group is appropriate and necessary. 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, major shareholder or chief executive becomes aware of the conflict.

## **8. MAINTAIN OF RECORDS**

For conflicts of interest involving Directors, major shareholders or chief executives, Company Secretary shall maintain records of all conflict of interest declarations as well as other related documents. For conflicts of interest involving Directors, the Company Secretary shall maintain quarterly records of the declarations, evaluation, and approval as well as any other related supporting documents for a minimum of 7 years.

## **9. CONFLICT OF INTEREST DISCLOSURE**

Any potential Conflict of Interest situations, including interest in any competing business, that a director, chief executive, chief financial officer or key senior management, has with the Group shall be disclosed the following: -

- a) Immediate disclosure of position appointments of a director, chief executive and chief financial officer of a company that is not within the Group to the Audit and Risk Management Committee for deliberation and approval, before submitting it to the Board of Directors for final endorsement and recorded by the Company Secretary;
- b) Such a Conflict of Interest scenario in the section of the profile of directors, chief executive and key senior management to be disclosed in CHB's annual reports; and
- c) Such a Conflict of Interest Statement as part of the accompanying notices of annual general meetings for the election of new directors in the upcoming General Annual Meeting

## **10. OTHER RELEVANT DOCUMENTS**

This policy must be read in conjunction with CHB's Anti-Bribery and Corruption Policy and other related policies. The Conflict of Interest Declaration form must be used to disclose any conflicts of interest.

## **11. UPDATE AND REVIEW**

This Policy may be updated from time to time or at least once every 3 years. Any amendments and updates shall be immediately made available.

APPENDIX A1

CRITICAL HOLDINGS BERHAD  
Company Registration No. (Registration No. 202201031781 (1477478-K))  
(Incorporated in Malaysia)  
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**CONFLICT OF INTERESTS<sup>1</sup> DECLARATION FORM**  
*(TO BE COMPLETED BY DIRECTOR / MAJOR SHAREHOLDER / CHIEF EXECUTIVE)*

I understand that if I and, my family members have any direct or indirect interest in \_\_\_\_\_ (“the conflicted party” and / or “Related Party” ) which has business dealings with CHB and / or subsidiary (ies), I shall make a declaration to the Management of CHB. as follows:

<p>Do you or your family members (“related persons”) have any personal connection or interest in the related party’s dealings with CHB?</p> <p><input type="checkbox"/> Yes, I believe I have an actual/potential conflict of interest.</p> <p><input type="checkbox"/> No, I do not have any conflict of interest.</p>
<p>If yes, I hereby declare that I have an actual/potential conflict of interest as follows (<i>Briefly describe the type of interest and the parties involved.</i>):</p>          

I hereby confirm that this is a complete disclosure of all conflicts of interest concerning personal interests or that of a related person in the related party which has business dealings with CHB and / or its subsidiary (ies)

I acknowledge and agree to comply with, any approach identified in this form for removing or managing an actual/potential conflict of interest.

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

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

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

\_\_\_\_\_

<sup>1</sup> Conflict of interest is a situation in which an individual's personal interest clashes with the professional interest of CHB and / or subsidiary (ies), potentially undermining the impartiality of the individual concerned. Conflict of interest includes actual, potential or perceived conflict of interest.



APPENDIX A2

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**CONFLICT OF INTERESTS EVALUATION AND APPROVAL FORM**

*(TO BE COMPLETED BY THE AUDIT AND RISK MANAGEMENT COMMITTEE)*

In my opinion, the details provided:

- do not constitute an actual/potential conflict of interest, and I authorise the Director / major shareholder / chief executive to execute and continue the activity.
- do constitute an actual/potential conflict of interest.

If yes, I have reviewed the above considerations and request that the interested Director / major shareholder / chief executive undertakes the following action to eliminate/manage the conflict:

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

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

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

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

APPENDIX B

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**CONFIRMATION BY DIRECTOR IN RESPECT OF CONFLICT OF INTEREST**

CONFIRMATION BY DIRECTOR IN RESPECT OF CONFLICT OF INTEREST FOR THE PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

I, [ \_\_\_\_\_ ] (NRIC No. \_\_\_\_\_ ) of [ \_\_\_\_\_ ], do hereby solemnly and sincerely declare as follows:-

1. I do not have any personal connection or interest in the related party's dealings with CHB.
2. If yes, I hereby declare that I have an actual/potential conflict of interest as follows (*Briefly describe the type of interest and the parties involved*):

	Type of Interest	Parties Involved
1		
2		
3		
4		