



# SKP RESOURCES BERHAD

## Conflict of Interest

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### POLICY

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## 1. Introduction

SKP Resources Bhd (“**the Company**”), its subsidiaries and its affiliated companies (“**SKP Group**”) aim to maintain the highest ethical standards in carrying out the SKP Group’s business activities. Accordingly, the Company expects all directors, officers, employees, agents and legal representatives of the SKP Group (“**personnel**”) to conduct themselves with integrity, impartiality and professionalism at all times.

## 2. Purpose

The purpose of this 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 situations involving conflict of interest situations as and when they arise and protect the interest of the SKP Group while assisting personnel to perform their duties with high integrity and ethical standards.

## 3. Scope

This Policy applies to all personnel whenever he/she recognises, or should reasonably recognise, that a conflict of interest, which extends to the persons connected to them, may arise from their existing and/or future activities.

The scope of this Policy is relatively wide in its coverage of activities that might give rise to conflicts of interest. As it is not possible for the Policy to be all- inclusive, all personnel must exercise reasonable judgment and seek to comply with this Policy. When in doubt, personnel should presume that the activities are in conflict and seek the advice of compliance officer or legal counsel as appointed by the Company.

## 4. Reference

This Policy shall be read in conjunction with the following guidance, policies and statutory provisions, including all amendments, updates or reissuance that may be made from time to time: -

- a. The Company’s Board Charter;
- b. The Company’s Code of Ethics and Conduct;
- c. The Company’s Whistleblowing Policy;
- d. The Company’s Integrity Policy;
- e. The Company’s Anti-Bribery and Anti-Corruption Policy and Guidelines;
- f. Paragraphs 3.05 & 3.06 of Guidelines on Conduct of Directors of Listed Corporations and its Subsidiaries issued by the Securities Commission Malaysia;
- g. The statutory duties and responsibilities of Directors under the relevant provisions as set out in the Companies Act 2016; and
- h. Issuers Communication – Guidance on Conflict of Interest (ICN 1/2023) issued by Bursa Malaysia Securities Berhad.

## 5. Definitions

**“Beneficial interest”** refers to the right to receive either monetary or non-monetary 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/or the serving of one’s interest could improperly influence (directly or indirectly) the performance of duties and responsibilities, and which may be to the detriment of the SKP Group and/or lead to personal gain or advantage of any kind. A conflict of interest is generally divided into three (3) categories –

- a. **Actual** conflict of interest refers to direct or real conflict between a person’s duties and responsibilities to the Company and a competing personal interest.
- b. **Potential** conflict of interest refers to a situation where a person’s interest could potentially develop to influence the exercise of one’s power or performance of duties or responsibilities to the Company.
- c. **Perceived** conflict of interest refers to a situation where others may reasonably perceive, or give the perception, that a conflict of interest exists which could affect one’s decisions, duties or responsibility.

**“Family member”**, in relation to a person, means: -

- a. A spouse of the person;
- b. A brother or sister of the person, or their spouses;
- c. A brother or sister of the spouse of the person (e.g. brother-in-law or sister-in-law);
- d. A lineal ascendant or descendant of the person (e.g. parents or children);
- e. A lineal ascendant or descendant of a spouse of the person (e.g. parents-in-law or stepchildren);
- f. A lineal descendant of a person referred to in (b) and (c) above (e.g. niece or nephew);
- g. The uncle, aunt or cousin of the person; or
- h. The son-in-law or daughter-in-law of the person.

**“HOD”** stands for “Head of Department” and refers to a senior-level executive designated as such, and who is responsible for overseeing and managing a specific functional area within the SKP Group.

**“Key Senior Management”** refers to individuals primarily responsible for the business operations of the SKP Group. This includes executives at the C-suite level, and other top-tier executives responsible for crucial decision-making and strategic direction of the SKP Group, and have access or are privy to price-sensitive information in relation to the SKP Group.

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

**“Person connected”** to any person (referred to as **“said Person”**) means such person who falls under any one of the following categories: -

- a. A family member of the said Person;
- b. A trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the beneficiary;
- c. A partner of the said Person;
- d. A person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
- e. A person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
- f. A body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
- g. A body corporate which is a related corporation of the said Person.

## **6. Identifying Conflicts of Interest**

- 6.1. 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.
- 6.2. Generally, conflicts of interest may be described under the following broad categories: -

### **(a) Equity ownership in entities within the SKP Group and in external entities having a business relationship with SKP Group**

This is where a personnel or persons connected to them owns or holds shares in the Company’s non-wholly owned subsidiaries and/or privately owned entities having a business relationship with the SKP 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 SKP Group, unless such holding is considered to be material and the interest is likely to impair the objectivity of the personnel concerned.

### **(b) Directorship, partnership or other forms of Beneficial Interest in entities within the SKP Group and in external entities having a business relationship with SKP Group**

This applies to situations where a personnel or persons connected to them holds a position or has a material interest in the Company’s subsidiaries (both wholly-owned and non-wholly owned) and/or entities having a business relationship with SKP Group. An example would be where personnel is a director and/or a shareholder of a company supplying materials/services to the SKP Group and vice versa. Such situations would result in a conflict of interest.

**(c) Personal relationships**

A conflict of interest would exist if a family member of a personnel or a person connected to them has a conflict of interest.

**(d) Contractual dealings with employees**

This refers to situations where the SKP Group purchases or leases property, equipment, services, materials etc from a personnel or persons connected to them, or enters into contractual arrangements with a personnel or persons connected to them. Such situations give rise to a conflict of interest, and should be declared.

**(e) Board membership outside the SKP Group**

Being a board member outside the SKP Group may present a situation of conflict of interest and could cause an employee of the SKP Group to be distracted from discharging his/her duties to the SKP Group. This will require approval from the SKP Group prior to accepting such a duty.

**(f) Personal investment activities**

Although employees and directors are allowed to take part in personal investment activities, such activities should not create a conflict with the SKP Group's interests and/or compromise the employee or the Directors' ability to make objective and independent decisions for the SKP Group. Should the employee or Director discover any business opportunity that the SKP Group has an interest in, they shall declare the said opportunity to the relevant personnel.

**(g) Gifts and entertainment**

Giving, offering, soliciting or accepting gifts of any kind or value offered by and to current and potential vendors, suppliers, business partners, agents, employees or any other third party at any time may constitute a conflict of interest or the appearance of a conflict of interest in any of SKP Group's business dealings.

**(h) Outside employment or activities outside the SKP Group**

An employee of the SKP Group is prohibited from taking up employment outside the SKP Group or engaging in any outside business/service which may be in competition with the SKP Group or give rise to actual or perceived or potential conflict of interests with his/her duties to the SKP Group unless written approval is obtained from relevant personnel. If approval is provided, an employee must take steps to ensure the role will not create actual, perceived or potential conflicts of interest.

## **7. General Responsibilities**

All personnel 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) Act with objectivity, integrity and independence and exercise sound judgment 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 in accordance with this Policy, abstaining from the decision-making process and not seeking to influence such decisions any further.

## **8. Managing Conflicts of Interest**

### **8.1 Employees**

- (a) Employees must disclose any conflict of their interest (direct/indirect, actual/potential) by completing the Conflict of Interest and Potential Conflict of Interest Declaration Form upon joining.
- (b) The conflict of interest must be escalated to the HOD and Human Resources Department for further action and should be properly documented by the Company.
- (c) The declaration shall be made as and when the conflict arises, or may potentially arise, and shall be made at the earliest opportunity i.e., as soon as the personnel aware of the conflict or potential conflict.
- (d) Employees involved in the conflict situation must work with their HOD and Human Resources Department without involvement of Audit Committee to achieve a resolution of the conflict in the best interest of the Group. Depending on nature of the conflict, action that can be taken includes the employee being removed from a position of decision-making authority with respect to the conflict situation.
- (e) Employees should continue to disclose the conflict annually if the conflict is ongoing or remains unresolved.

## 8.2 Key Senior Management and HOD

- (a) The Key Senior Management and the HOD must disclose any conflict of their interest (direct/indirect, actual/potential) by completing the Conflict of Interest and Potential Conflict of Interest Declaration Form upon joining.
- (b) The conflict of interest of the Key Senior Management must be escalated to the Audit Committee and the Board for further action. In the case of HOD, the escalation should be directed to the Key Senior Management for subsequent actions. The declarations of conflict of interest should be properly documented by the Company.
- (c) The declaration shall be made as and when the conflict arises, or may potentially arise, and shall be made at the earliest opportunity i.e., as soon as the personnel becomes aware of the conflict or potential conflict.
- (d) The Key Senior Management and the HOD must keep an eye on actual/potential/perceived conflict of interest involving their subordinates and review on an **annual** basis, any reported conflict of interest to ensure that they are being managed in accordance with the agreed mitigation action plans.
- (e) If a conflict of interest matter is being deliberated at any Board or Board Committee meeting, the conflicted Key Senior Management shall provide written notice to the Board and the Company Secretary before the commencement of the meeting. The Company Secretary then presents the said conflict of interest matter to the Audit Committee and the Board for discussion.
- (f) All Key Senior Management and HOD are required to make a declaration of conflict of interest on an **annual** basis via the Conflict of Interest and Potential Conflict of Interest Declaration Form.
- (g) In addition to the declaration, the Board through the Audit Committee must take reasonable steps to manage the conflict and to mitigate the impact of the conflict on the negotiation/discussion/decision-making process.

## 8.3 Directors

- (a) Directors must disclose any conflict of their interest (direct/indirect, actual/potential) by completing the Conflict of Interest and Potential Conflict of Interest Declaration Form.
- (b) The conflict of interest of the Directors must be escalated to the Audit Committee and the Board for further action and should be properly documented by the Company.
- (c) The declaration shall be made as and when the conflict arises, or may potentially arise, and shall be made at the earliest opportunity i.e., as soon as the Director becomes aware of the conflict or potential conflict.
- (d) If a conflict of interest matter is being deliberated at any Board or Board Committee meeting, the conflicted Director shall provide written notice to the Board and the Company Secretary before the commencement of the meeting. The Company Secretary then presents the said conflict of interest matter to the Audit Committee and the Board for discussion.

- (e) The participation of the interested Director should be limited and restricted. Such limitation or restriction should include, but is not limited to the following:
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  - (i) abstaining from any involvement whatsoever in the matter;
  - (ii) refraining from discussions about the matter;
  - (iii) continue to receive board papers and other information in relation to the conflict of interest matter, unless the Board determines otherwise; and
  - (iv) abstaining from voting on the decision.
- (f) All Directors are required to make a declaration of conflict of interest on an **annual** basis via the Conflict of Interest and Potential Conflict of Interest Declaration Form.
- (g) In addition to the declaration, the Board through the Audit Committee must take reasonable steps to manage the conflict and to mitigate the impact of the conflict on the negotiation/discussion/decision-making process.
- (h) Directors are permitted to deal with the SKP Group on the condition that full disclosure is made to the SKP Group and subject to the requirements of the Companies Act 2016 ("**the Act**") and/or the Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**") and/or any relevant regulatory requirements. The Act and Listing Requirements also provide specific criteria and thresholds which, when triggered, will require the consent of shareholders of the Company at a general meeting.

#### 8.4 General

- (a) The Key Senior Management and the HOD who is involved in the conflict of interest or potential conflict of interest after consultation and review by Audit Committee, should abide by the Audit Committee's determination on the reasonable steps and measures to manage, resolve or eliminate the conflict of interest or potential conflict of interest.
- (b) Where there is any change in the nature and extent of a personnel's interest subsequent to the declaration or disclosure, the personnel shall make a further disclosure of such changes.

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

The relevant personnel 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, and the relevant personnel shall also comply with the requirements under the Listing Requirements or any other relevant regulatory requirements, where applicable.

### 10. **Records Maintenance**

For conflicts of interest involving personnel, the Company shall maintain records of all conflict of interest declarations as well as other related documents for at least seven (7) years.



**11. Exception to the Policy**

This Policy shall not apply to an arrangement or transaction by an entity within the SKP Group and any of the Company's wholly-owned subsidiaries.

**12. Breach of Policy**

In the event of a breach of this Policy, specifically, failure to disclose a conflict of interest, individuals may face consequences, including potential violations and penalties under the Act and Listing Requirements. Additionally, disciplinary actions may be imposed as deemed necessary.

The Company will pursue legal actions against individuals who, despite their cognisance of a conflict of interest, fail to disclose it in accordance with this Policy.

**13. Review**

This Policy will be reviewed periodically by the Company, updated and approved by the Board as and when deem necessary.