

MCE HOLDINGS BERHAD

Registration No. 201501033021 (1158341-K)

(Incorporated in Malaysia)

CONFLICT OF INTEREST POLICY

“Conflict of Interest”

Generally, Conflict Of Interest 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 make it difficult to perform his or her role objectively and effectively.*

1. INTRODUCTION

MCE Holdings Berhad (“the Company”) and its subsidiaries (collectively referred to as “the Group”) recognises and is committed to maintaining, observing and practicing high ethical standards of professionalism and integrity at all times in respect of its business and operations.

The Board of Directors and Senior Management¹ of the Group are expected to discharge their 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 a Conflict of Interest Policy (“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 in order 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.

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 conflict of interest or potential conflict of interest situations as they arise and protect the interest of the Group, while assisting the Directors and Senior Management to perform with high integrity and ethical standards.

3. SCOPE

This Policy applies to all Directors and Senior Management of the Group.

This Policy applies whenever an individual recognises, or should reasonably recognise, that a conflict of interest or potential conflict of interest may arise from their current or future activities.

4. REFERENCE

This Policy shall be read in conjunction with the following guidance, policies and statutory provisions:-

- a. Code of Conduct and Business Ethics Policy;
- b. Whistleblowing Policy;
- c. Anti-Bribery and Anti-Corruption Policy;
- d. Para 3.05 & 3.06 of Guidelines on Conduct of Directors of Listed Corporations and its subsidiaries;

¹ Senior Management includes managerial level employees and above.

- e. 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;
- f. Issuers Communication – Guidance on Conflict of Interest (ICN 1/2023) issued by Bursa Malaysia on 26 May 2023.

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

The Directors and Senior Management of the Group should pay attention to the following situations to avoid any actual or potential conflict of interest :-

a. Equity ownership or participation in other organisations and/or entities

This is where a Director or Senior Management holds shares or equity ownership in other entities or other organisations, and in particular where they are 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 public listed/quoted companies which have a business relationship with the Group, unless such holding is considered to be material (5% or more) and the interest is likely to impair the objectivity of the Director or Senior Management concerned.

b. Directorship, partnership or other forms of interest in entities having a business relationship with the Group

This applies to situations where a Director or Senior Management holds a position or has an interest in entities having a business relationship with the Group, including financial interest in any of the Group's projects, contracts, sale, transactions, or other business dealing or have family members, close relatives or associates with such interests.

c. Other employment, business appointments or undertakings

A conflict of interest or potential conflict of interest may arise where a Director or Senior Management hold other part time employment or have other business appointments, opportunities or undertakings which may interfere with the proper discharge of official duties in the Group, resulting in a negative impact on their performance or give rise to conflict of interest or potential conflict of interest with regards to their employment.

Directors or Senior Management is expected to devote his/her time, attention and commitment during the performance of his/her duties. A conflict of interest or potential conflict of interest may also arise where the participation in any outside business interest or any non-business activity requires excessive time and attention from the Director or Senior Management, thereby depriving the Group of the Director or Senior Management's best effort and performance on the job.

d. Personal relationships

A conflict of interest or potential conflict of interest would exist if a family member of a Director or Senior Management has a reporting relationship with the Director or Senior Management. The Director or Senior Management 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 or potential conflict of interest would also arise if a Director or Senior Management has a family member with an interest (e.g. in the form of ownership, directorships, partnerships, employment, etc) in entities or organisations which have a

contractual arrangement with the Group.

e. Contractual dealings with Director or Senior Management

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

f. Dealings with competitors

If a Director, Senior Management or family member of a Director or Senior Management 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 or potential 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 (5% or more) and the interest is likely to impair the objectivity of the Director or Senior Management concerned.

If a Director or Senior Management has accepted employment with a competitor, this could also result in a conflict of interest or potential conflict of interest during the period which the Director or Senior Management is still employed with the Group, especially if the Director or Senior Management is dealing with sensitive or confidential information. As such, the conflict of interest or potential 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 of interest or potential conflict of interest.

g. Involvement in activities where the Director or Senior Management concerned is the subject matter

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

h. Acceptance of meals or entertainment

The acceptance of meals or entertainment may affect a Director's or Senior Management's objectivity and judgement. It is the responsibility of the Director or Senior Management to comply with the Company's relevant policies to ensure that nothing is received / given which might create a conflict of interest or potential conflict of interest or bring their integrity into question.

For the purpose of this Policy, "family member" refers to a spouse, parents, siblings, children, grandparents, grandchildren, step relationships, in-laws or any individual related by blood or affinity whose close association with the Directors or Senior Management is equivalent of a family relationship

6. GUIDING PRINCIPLES

- a. All directors and Senior Management shall act in the best interest of the company and in the event of any conflict of interest or potential conflict of interest between his/her duty to act in the best interest of the company and his/her personal interest, he shall not subordinate his duty to act in the best interest of the company against his personal interest.

- b. All directors and Senior Management shall refrain and avoid placing themselves in a position of conflict of interest or potential conflict of interest and where this is unavoidable, the director or Senior Management should make the relevant declaration.
- c. In respect of directorship / employment with other organisations/entities, exceptional consideration will be taken in relation to this where such directorship / employment / arrangement relates to family businesses or companies including unincorporated entities such as social or community related clubs or associations and Companies Limited By Guarantee (“CLBG”).
- d. All directors and Senior Management must protect the confidential business information of the Group and never use it for their own benefit or the benefit of other persons or to recommend or cause a third party to do so.

The business affairs and information records of the Group which includes business, financial, legal, personal data, intellectual property, contractual records and documents comprising e-mails, letters, reports, drawings, calculations, specifications, forms, licences, agreements or other documents or computers software or files of whatever nature and information belonging to the Group are all confidential information belonging to the Group.

Such information is strictly private and confidential and may not be utilised, discussed with, divulged or disclosed to third parties except for legitimate official business purposes by the Director and Senior Management authorised to do so.

- e. All directors and Senior Management must not make use of his/her position in the Group to influence a business decision by the Group that may result in personal gain or benefit to the Director and Senior Management, their family member or persons connected to them.
- f. Business decisions made by Director or Senior Management must be based on integrity, sound judgement and ethical practices and not be influenced by personal interest.

7. DISCLOSURE AND DECLARATION

All Directors and Senior Management are required to make a declaration by completing the Conflict of Interest or Potential Conflict of Interest Declaration Form (Appendix 1) (“Declaration Form”) as and when the conflict of interest or potential conflict of interest situation arises at the earliest opportunity, i.e., as soon as the Director or Senior Management becomes aware of any conflict of interest or potential conflict of interest.

The declaration form of Directors and Senior Management must be escalated to the Audit & Risk Management Committee (“ARMC”), disclosed to the the Board and recorded by the Company Secretary.

In addition to the declaration, the Director and Senior Management with the conflict of interest or potential conflict of interest following consultation with the ARMC must take reasonable steps and measures to manage, resolve, eliminate the conflict of interest or potential conflict of interest and/or to mitigate the impact of the conflict of interest or potential conflict of interest on the negotiation/discussion/decision making process. The participation of the Director and Senior Management with conflict of interest or potential conflict 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. 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 Director or Senior Management must be retained by the Company Secretary for safekeeping and record. For conflicts of interest or potential conflict of interest involving the Directors and Senior Management of the Group, the Company Secretary shall maintain records of the declarations and any other related documents.

8. POLICY REVIEW

This Policy will be subject to review and revision from time to time as and when the need arises but in any event at least once every two years.

This Policy has been adopted by the Board of Directors and shall come into force with effect from 26 June 2023.

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**CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST
DECLARATION FORM**

Ref. No. : _____

I, _____ (NRIC No. _____) hereby declare an actual/potential conflict of interest as follows:

CATEGORIES OF CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST

	Equity ownership in entities having a business relationship with the Group
	Directorship, partnership or other forms of interest in entities having a business relationship with the Group
	Other employment, business appointments or undertakings
	Personal relationships
	Contractual dealings with employees
	Dealings with competitors
	Involvement in activities where the Director or employee concerned is the subject matter
	Acceptance of meals or entertainment

(please tick ✓ whichever is applicable)

DETAILS OF CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST

I hereby confirm that this is a complete disclosure of all conflicts of interest or potential conflict of interest to the best of my knowledge and I acknowledge, agree and undertake to comply with, any approach identified for removing/managing/mitigating an actual/potential conflict of interest that may be prescribed by the Audit and Risk Management Committee / Board of Directors.

Name :
Position :
Date of Declaration :

