



**P&O GROUP**

## **CONFLICTS OF INTEREST POLICY**

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## **1. Introduction**

- 1.1 A conflict of interest can arise when a person's personal interests (or those of a Closely Related Person or business contact), conflict, or appear to conflict, with the business interests of Pacific & Orient Berhad and its subsidiaries ("**P&O Group**"). Conflicting interests can make it difficult for a person to work objectively and effectively when making judgments, taking decisions, or pursuing certain actions that their role requires. This Conflicts of Interest Policy ("**Policy**") has been established to manage these conflicts and safeguard the wellbeing of P&O Group.
- 1.2 Conflicts of interest must not count against the individual Employee or Business Associate who made the declaration but rather be seen as a sign of integrity.
- 1.3 Specifically, P&O Group expects the relevant party to whom the declaration was made to:
  - a) Treat the information disclosed by the person confidentially and without bias. Discloser should not be penalised for the additional work created by the information disclosed;
  - b) Fairly evaluate the conflict of interest situation, including the risks to the business interests and reputation of P&O Group;
  - c) Seek guidance, if needed, such as from the discloser's Head of Department ("**HOD**"), P&O Group Human Resource Department, P&O Group Anti-Corruption Committee ("**GAC Committee**"), Chief Executive Officer, or related business division;
  - d) Make a pragmatic decision to address the conflict of interest. This should be done in such a way that any risks to P&O Group are minimised, the ongoing operation of the department is not necessarily disrupted, and the personal interests of the discloser are protected as far as possible; and
  - e) Communicate the decision and its reasoning to the discloser and follow-up to ensure the discloser understands and complies with it.

## **2. Objective**

- 2.1 The objectives of this Policy are to prevent conflicts of interest from damaging the well-being, business interests and reputation of P&O Group, and provide guidance to Employees and Business Associates to identify and understand their obligations in disclosing and managing conflicts of interest.

### 3. Scope

- 3.1 This Policy applies to Employees and Business Associates who have business dealings with P&O Group. The failure of Employees to notify their HOD or the P&O Group Human Resource Department, where applicable, and of Business Associates to notify the related business division and the relevant Head responsible for the procurement about the conflict of interest (whether actual or potential conflict) or any breach of this Policy by Employees and Business Associates may result in disciplinary or other action being taken against the Employee or Business Associate concerned.
- 3.2 Directors must disclose their conflicts to the Board of Directors, and where relevant, the prior approval of shareholders must be sought, in accordance with the applicable laws and regulations. The P&O Group Company Secretary shall record the declaration in the meeting minutes.

### 4. Definitions

Business Associate	An external party with whom P&O Group has, or plans to establish, some form of business relationship. This may include a client, customer, joint venture partner, consortium partner, outsourcing service provider, contractor, consultant, subcontractor, supplier, vendor, adviser, agent, panel workshop, adjuster, legal firm, distributor, representative, intermediary and investor. A Business Associate is a subset of Third Party.
Closely Related Person	A person's relative (as defined by Section 3 of the Malaysia Anti-Corruption Commission Act 2009 ("MACCA")), anyone living in the same household as the person, or a close personal friend. A closely related person is therefore a broader term than 'relative' or 'family member'.
Director	Member of the Board of Directors of a company within the P&O Group.
Employee	Any individual directly contracted to P&O Group on an employment basis, including permanent, direct hire contract, part-time hire, temporary Employee, expatriate, secondee and intern.
Third Party	A person, business or entity that is independent from P&O Group. A broader group than Business Associates. Note therefore that all Business Associates are Third Parties, but not all Third Parties are Business Associates. Examples of Third Parties include media organisations, non-governmental organisations ("NGOs"), charitable organisations, government departments, regulators, clients, suppliers, members of the public, etc.

## **5. Types of Conflicts of Interest**

- 5.1 P&O Group defines conflicts of interest broadly as:
- a) **Actual** conflicts of interest where the person faces a real, existing conflict; or
  - b) **Potential** conflicts of interest where the person is in a situation that could result in a conflict, but this has not yet fully materialise.
- 5.2 Both types of conflicts of interest, regardless of whether they arise due to a business or personal relationship, are a potential risk to P&O Group, the person(s) involved and any Third Party implicated.
- 5.3 A conflict of interest may arise from an Employee's own assets, income or other factors which could influence the person's decision making. Conflicts of interest may also arise when an Employee's decision making is affected by a 'Closely Related Person'.
- 5.4 The situations under which conflicts of interest may arise include, but are not limited to:
- a) Benefitting from a sale, loan or gift of any of P&O Group's property or asset;
  - b) Failing to give P&O Group the opportunity to benefit from a business opportunity and seeking to benefit personally by directing it elsewhere;
  - c) Obtaining a direct or indirect benefit as a result of any contract entered into by P&O Group;
  - d) Making use of confidential information received due to the scope of employment for personal benefit or the benefit of a Closely Related Person;
  - e) Owning a significant shareholding or other interest in a company that does business with P&O Group;
  - f) Conducting P&O Group's business with a family member, or a company a family member is associated with without disclosing such relationship; or
  - g) Working for a competitor or company that P&O Group does business with, other than within the Employee's or Business Associate's scope of employment.

## **6. General Principles**

- 6.1 P&O Group fully recognises that the Employee's spouse or other close family members may be employed by or associated with a competitor or supplier of P&O Group. Business Associates may also have a Closely Related Person working for P&O Group. Very often, this will not give rise to any conflicts of interest, but in certain cases it will be necessary to put in place sensible protections for the benefit of all concerned.
- 6.2 It is the responsibility of all Employees to declare their conflicts of interest, upon their commencement of work, and ad hoc as they arise.

- 6.3 All Employees are required to immediately report any of their own actual or potential conflicts of interest to their HODs. All HODs are required to immediately report any of their own actual or potential conflicts of interest to their respective Chief Executive Officer (“CEO”). All CEOs are required to immediately report any of their own actual or potential conflicts of interest to their respective Board of Directors.
- 6.4 Every HOD is responsible for adherence to this Policy within their area of functional responsibility to lead by example, and to provide guidance to Employees reporting to them.
- 6.5 Any conflicts of interest declared by a Business Associate must be sent to the related business division and the relevant Head responsible for the procurement.

## **7. Conflicts of Interest Declaration by Employees**

- 7.1. All Employees must take the necessary steps to understand conflicts of interest, avoid them where possible and declare them as required by P&O Group.
- 7.2. Declarations of conflicts of interest shall be made during the onboarding process, as well as when a conflict arises.
- 7.3. Some conflicts of interest are minor and can be managed through disclosure and monitoring, with no further action required. Some, however, represent a significant risk to the reputation or business interests of P&O Group, and these should be avoided. ‘Avoiding’ a conflict of interest means taking action to ensure a conflict of interest does not occur, be it actual or potential. If avoidance is not possible, measures including reallocation of duties and in some cases redeployment within P&O Group may be necessary.
- 7.4. Where an Employee identifies a conflict or potential conflict of interest, the Employee must complete and submit a Conflicts of Interest Declaration – Employee to the Employee’s HOD as soon as the conflict or potential conflict of interest arises.
- 7.5. Employees are fully responsible for the information declared in their Conflicts of Interest Declaration and shall ensure their answers are complete, true and accurate.
- 7.6. The Employee’s HOD should review the declaration and create an action plan with the Employee to ensure the conflict is properly managed. If necessary, the HOD may consult and seek guidance from the Human Resource Department to determine the best course of action.

- 7.7. The declaration form must be signed by both the Employee and HOD and forwarded to the Human Resource Department for review. Once reviewed, the declaration form will be recorded and kept in the Employee's file.
- 7.8. If in doubt about what circumstances might create a conflict of interest, the Employee should consult the Employee's HOD, Human Resource Department and/or the GAC Committee.
- 7.9. If at any time during the tenure with P&O Group, the information in the declaration form changes, the said Employee must disclose such changes to the Employee's HOD and the Human Resource Department as soon as the Employee is aware of such changes.
- 7.10. Employees who are part of P&O Group's tender exercise are required to declare any conflicts of interest before the exercise commences. No parties involved in the exercise should be involved in the evaluation and deliberation of a particular tender when a Closely Related Person has an interest in a participating company or is the shareholder or director of such companies.
- 7.11. Failure to disclose complete and accurate information on conflicts of interest, or to appropriately manage a conflict of interest as stated in this Policy may constitute misconduct and result in disciplinary action being taken by P&O Group.

## **8. Conflicts of Interest Declaration by Business Associates**

- 8.1. Business Associates are required to declare any conflicts of interest which arise as part of their commercial relationship with P&O Group prior to executing the business agreement or the procurement process by completing and submitting a Conflicts of Interest Declaration – Business Associate to the related business division and the relevant Head of Department within P&O Group responsible for the procurement. If a conflict is identified, the necessary action will then be taken by the relevant Head responsible for the procurement to mitigate the risk, which will normally consist of adjusting the role of the Employee mentioned in the declaration, to avoid/mitigate the conflict. The Business Associate should not suffer any adverse consequences for making the declaration, but rather be commended for its transparency and supported in its bid to work with P&O Group.
- 8.2. Business Associates are also required to declare their conflicts of interest to the related business division and to the relevant Head responsible for the procurement in the event that they become aware of a conflict of interest during their business activities with P&O Group. As above, the Business Associate should not suffer any adverse consequences for making the declaration.
- 8.3. P&O Group takes conflicts of interest seriously and reserves the right to take action against Business Associates if such conflicts are not declared in accordance with this Policy.