

 IWCITY Iskandar Waterfront City Berhad <small>196801000661 (8256-A)</small>	POLICY STATEMENT AND GUIDELINES	
	DIVISION	GROUP

CONFLICT OF INTEREST POLICY

Contents

1. INTRODUCTION.....	3
2. PURPOSE.....	3
3. SCOPE.....	3
4. DEFINITIONS.....	4-5
5. IDENTIFYING CONFLICTS OF INTEREST	5-7
6. GENERAL RESPONSIBILITIES	8
7. DISCLOSURE AND MANAGEMENT OF CONFLICT OF INTEREST	8-10
8. MONITORING CONFLICTS OF INTEREST	10
9. BREACH OF POLICY	11
10. POLICY REVIEW.....	11
APPENDIX 1: CONFLICT OF INTEREST DECLARATION FORM.....	12-14

1. INTRODUCTION

IWC is committed to maintaining the highest ethical standards and recognises that it must be seen at all times to be acting in accordance with highest standards of governance. Accordingly, IWC expects all staff 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.

Proper identification and management of conflict of interest ensures that business decisions are made in the best interests of the Company and the Company is protected from any consequent damage to its activities and reputation.

2. PURPOSE

The purpose of this Conflict of Interest 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 situations as they arise.

3. SCOPE

This Policy applies to all Directors and employees of IWC (including those employees on contract terms, temporary staff and those on internship or secondment). For the purpose of this Policy, employees include consultants engaged by IWC on a full-time basis.

This Policy applies whenever an individual recognises, or should reasonably recognise, that a conflict of interest may arise from their current or future activities. The Policy provides guidance on how to identify and declare all conflicts of interest, how to develop, implement and monitor actions to appropriately manage the conflict, and how to deal with breaches of this Policy. The scope of this Policy is relatively wide in its coverage of activities that may give rise to conflict of interest. As it is not possible for the Policy to be all-inclusive, Directors and employees must exercise reasonable judgement and comply with the spirit of this Policy and not just the letter of the Policy.

4. DEFINITIONS

“**AC**” refers to the Audit Committee of the Company.

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

- i. A spouse of the person;
- ii. A brother or sister of the person, or their spouses;
- iii. A brother or sister of the spouse of the person;
- iv. A lineal ascendant or descendant of the person (e.g. parents or children);
- v. A lineal ascendant or descendant of a spouse of the person (e.g. parents-in-law);
- vi. A lineal descendant of a person referred to in (ii) above (e.g. niece or nephew)
- vii. The uncle, aunt or cousin of the person; or
- viii. The son-in-law or daughter-in-law of the person.

For the purpose of this Policy, family member also includes persons with whom an intimate relationship exists.

“**HOD**” means Head of Department / Division.

“**HRD**” means the Human Resource Department.

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

“**IWC**” or “**Company**” refers to Iskandar Waterfront City Berhad.

“**IWC Group**” refers to IWC and its subsidiaries.

Type of Interest

“**Actual conflicts of interest**” refers to the direct or real conflict between your duties and responsibilities to the Company/Group and a competing personal interest.

“**Beneficial interest**” refers to the right to receive economic 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 an individual’s personal interest clashes with the professional interest owed to his/her employer, potentially undermining the impartiality of the individual concerned. Conflict of interest includes actual, potential or perceived conflict of interest.

“Potential conflict of interest” refers to a situation where your private interest could potentially develop to influence the exercise of your power or performance of your duties or responsibilities to the Company/Group.

“Perceived conflict of interest” refers to a situation where others may reasonably perceive, or you give the perception, that a conflict of interest exists on your part that could affect your decision or responsibility.

5. IDENTIFYING CONFLICT OF INTEREST

In general, a conflict of interest would arise where a person’s ability to perform his/her duties effectively and impartially is potentially impaired by personal interests, considerations or relationships.

Generally, conflict of interest may be described under the following broad categories:

i. **Equity ownership in entities having a business relationship with IWC**

This is where a Director or an employee holds shares in privately owned entities having a business relationship with IWC, either directly or indirectly (e.g. through family member). This does not apply to shares held in publicly quoted companies which have a business relationship with IWC, unless such holding is considered to be material and the interest is likely to impair the objectivity of the Director or employee concerned.

ii. **Directorship, partnership or other forms of beneficial interest in entities having a business relationship with IWC**

This applies to situations where a Director or employee holds a position or has an interest in entities having a business relationship with IWC. An example would be where an employee of IWC is a Director of a company supplying materials to IWC. Such situations would result in a conflict of interest.

iii. Other employment, business appointments or undertakings

A conflict of interest may arise where employees hold other part time employment, or have other business appointments or undertakings. An employee is expected to devote his/her time, attention and commitment during work hours to his/her job duties. A conflict of interest can also arise where participation in any business activity outside working hours demands excessive time and attention from the employee, thereby depriving the Company of the employee's best effort on the job or resulting in a negative impact on performance.

iv. Personal relationships

A conflict of interest would exist if a family member of an employee has a reporting relationship with the employee. An employee should not be in the same department / division as a family member, and should not directly or indirectly supervise, or have the ability to influence the hiring, work assignments or assessments of the family member. A conflict of interest would also arise is if a Director or employee has a family member with an interest (e.g. in the form of ownership, directorships, partnerships, employment, etc.) in entities which have a contractual arrangement with IWC. An example would be where an IWC employee's spouse is working in a company providing consultancy services to IWC. This also applies to situations where a family member of an IWC staff is working in a company bidding for a project to be awarded by IWC, although there is no contractual arrangement yet.

v. Contractual dealings with employees

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

vi. Dealings with competitors

If a Director, employee or family member of a Director or employee has financial or other interests or any involvement in the business of a competitor, or holds a directorship in a competitor company, such a situation would give rise to a conflict of interest. This does not apply to the holding of publicly quoted shares of competitor companies, unless such holding is considered material, and the interest is likely to impair the objectivity of the Director or employee concerned. If an employee has accepted employment with a competitor, this could also result in a conflict of interest during the period which the employee is still employed with IWC, especially if the employee is dealing with sensitive or confidential information. As such, the conflict of interest must be declared immediately upon acceptance of employment with the competitor to enable IWC to take the necessary actions to manage the conflict.

vii. Involvement in activities where the Director or employee concerned is the subject matter

A conflict of interest arises when a Director or employee 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 employee through the whistleblowing channel, and the Director or employee is part of the investigating team tasked with investigating the allegation.

viii. Acceptance of meals or entertainment

The acceptance of meals or entertainment may affect a Director's or employee's objectivity and judgement. It is the responsibility of the Director or employee to adhere to IWC's Code of Conduct and Ethics (CCE) to ensure that they do not receive or give anything that might create a conflict of interest or bring their integrity into question.

6. GENERAL RESPONSIBILITIES

All employees are responsible for identifying and managing conflict of interest on an ongoing basis and are required to:

- i. Comply with this Policy and other applicable policies and guidelines relating to the identification, documentation, escalation and management of conflict of interest;
- ii. Act with objectivity, integrity and independence, and exercise sound judgement and discretion;
- iii. Avoid, wherever possible, situations giving rise to conflict of interest as described in this Policy; and
- iv. Immediately declare the conflict of interest in accordance with this Policy, abstain themselves from the decision-making process and not seek to influence such decisions any further.

7. DISCLOSURE AND MANAGEMENT OF CONFLICT OF INTEREST

- 7.1 Any conflict of interest must be declared by filling up the Conflict of Interest Declaration Form (as attached in Appendix 1).

The conflict of interest must be escalated to the HOD for further action. In the case of Directors, the conflict must be disclosed to the Board of Directors and recorded by the Company Secretary.

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 or employee becomes aware of the conflict.

- 7.2 The completed Form shall be forwarded to HRD by the HOD of the person with the conflict. A sample of the Form is attached in Appendix 1.

7.3 In addition to declaring the conflict of interest, appropriate steps must be taken to manage the conflict and to mitigate the impact of the conflict on the decision-making process. Ideally, the conflict should be avoided altogether, e.g. by relinquishing the interest that gives rise to the conflict. However, there are circumstances where it may not be practical to completely avoid the conflict. In such cases, appropriate actions must be taken, depending on the nature and severity of the conflict.

7.4 HRD shall on a quarterly basis, submit the report to AC, of the conflict of interests or such disclosures received.

7.5 The AC shall :

- (i) Review and report any conflict of interest situations to the Board, along with the measures taken to resolve, eliminate, or mitigate such conflicts.
- (ii) Include in the AC Report for inclusion in the Annual Report a summary of such situations reviewed by the committee and the measures taken.

The review and disclosure must cover conflict of interest situations that arose or may arise during the financial year, as well as those persisting from previous financial years.

7.6 Where the conflict is not likely to arise frequently, and the impact of the conflict is minimal, the participation of the person in the decision-making process should be restricted. Restriction should include, but is not limited to the following:

- i. Not participating in any critical criteria setting or decision-making role in the process.
- ii. Refraining from discussions about the matter.
- iii. Limiting access to information and denying access to sensitive documents or confidential information in the process.
- iv. Refraining from casting a vote and abstaining from voting on the decision.

- 7.7 Where the conflict is ongoing and could have serious implications, the person with the conflict should be removed from the process, which includes the following:
- i. Abstaining from any involvement whatsoever in the matter.
 - ii. Rearranging duties and responsibilities to a non-conflicting function but not to a person who is supervised by the person with the conflict.
 - iii. Transferring the person with the conflict to another project or another area / department of the Company.

8. MONITORING CONFLICT OF INTEREST

- 8.1 HRD is responsible for monitoring conflict of interest involving staff. Upon receiving the conflict of interest Declaration Form, HRD shall review the actions taken to address the conflict and decide, on a case-by-case basis, whether such actions are appropriate and/or sufficient.
- 8.2 If HRD is of the view that actions taken by the person with the conflict or the HOD is not sufficient to manage or address the conflict, further action shall be recommended by HRD.
- 8.3 In the event there is any conflict of interest between a person with his/her HOD and HRD, the matter shall be escalated to the Chief Executive Officer or higher authority, and so on for a decision to be made. HRD shall be consulted if there are any doubts with regards to a conflict of interest situation.
- 8.4 For conflict of interest involving staff, HRD shall maintain records of all conflict of interest declarations as well as other related documents such as documentation reflecting the mitigating actions taken. For conflicts of interest involving Directors, the Company Secretary shall maintain records of the declarations and any related documents.

9. BREACH OF POLICY

Failure to disclose a conflict of interest, provide complete and accurate information on the conflict or appropriately manage the conflict is a breach of this Policy and could result in, amongst others, disciplinary action and applicable civil and criminal liability to be imposed by IWC.

10. POLICY REVIEW

This Policy may be reviewed and updated from time to time, as and when necessary. Changes or updates to this Policy will be made available upon the approval of the Board.

Appendix 1

Conflict of Interest Declaration Form

1.0 PERSONAL DETAILS	
Name:	
Designation:	
Phone:	Email:

2.0 DISCLOSURE DETAILS											
<p>The actual / potential conflict of interest relates to <i>(tick all appropriate box/es):</i></p> <table border="0"> <tr> <td><input type="checkbox"/> Relationship with family or friends</td> <td><input type="checkbox"/> Employee recruitment</td> </tr> <tr> <td><input type="checkbox"/> Outside work activities (paid/unpaid)</td> <td><input type="checkbox"/> Public officials / Government officials</td> </tr> <tr> <td><input type="checkbox"/> Financial interest</td> <td><input type="checkbox"/> Relationship with external parties</td> </tr> <tr> <td><input type="checkbox"/> Gifts/benefits</td> <td><input type="checkbox"/> Provision of external consultancy services</td> </tr> <tr> <td><input type="checkbox"/> Others, please specify:</td> <td><input type="checkbox"/> Procurement of goods / services</td> </tr> </table> <p>_____</p>		<input type="checkbox"/> Relationship with family or friends	<input type="checkbox"/> Employee recruitment	<input type="checkbox"/> Outside work activities (paid/unpaid)	<input type="checkbox"/> Public officials / Government officials	<input type="checkbox"/> Financial interest	<input type="checkbox"/> Relationship with external parties	<input type="checkbox"/> Gifts/benefits	<input type="checkbox"/> Provision of external consultancy services	<input type="checkbox"/> Others, please specify:	<input type="checkbox"/> Procurement of goods / services
<input type="checkbox"/> Relationship with family or friends	<input type="checkbox"/> Employee recruitment										
<input type="checkbox"/> Outside work activities (paid/unpaid)	<input type="checkbox"/> Public officials / Government officials										
<input type="checkbox"/> Financial interest	<input type="checkbox"/> Relationship with external parties										
<input type="checkbox"/> Gifts/benefits	<input type="checkbox"/> Provision of external consultancy services										
<input type="checkbox"/> Others, please specify:	<input type="checkbox"/> Procurement of goods / services										
<p>Please provide a brief outline of the nature of the conflict of interest:</p> 											
<p>The (actual / potential) conflict is expected to last <i>(please tick the appropriate box):</i></p> <table border="0"> <tr> <td><input type="checkbox"/> 0–12 months</td> <td><input type="checkbox"/> >12 months or ongoing</td> </tr> </table>		<input type="checkbox"/> 0–12 months	<input type="checkbox"/> >12 months or ongoing								
<input type="checkbox"/> 0–12 months	<input type="checkbox"/> >12 months or ongoing										

3.0 ACTION PLAN

(To be completed by the HOD / The Board)

In my opinion the details provided: *(please tick the appropriate box)*

- Do not constitute a conflict of interest, and I authorise the Employee to continue the activity *(If there is no conflict, please skip to Section 4).*
- Do constitute an actual or potential conflict of interest *(If there is an actual or potential conflict, please provide a detailed action plan below).*

Note:

If the situation does constitute an actual or potential conflict of interest, please ensure that the following actions have been considered:

- Ensure all information surrounding the conflict has been disclosed and documented.
- Reformulate the scope of work or restricting the Employee’s access to certain information.
- Remove or restrict the Employee’s involvement from the relevant process or responsibilities that lead to the conflict.
- Recommend to relinquish the interest that is causing the conflict.
- Monitor the person’s activities closely in relation to the conflict of interest
- Seek further advice from the Board of Directors in the event the conflict may not be adequately mitigated or avoided.
- Take no further action because the conflict is minimal.

I have reviewed the above considerations and request that the Employee takes the following action to eliminate / manage the conflict:

I will ensure this action plan is reviewed:

- Within 1 month
- Within 3 months
- Within 6 months
- Within 12 months
- Others, please specify: _____
- N/A: the conflict is one-off or in a short duration

4.0 DECLARATION

To the best of my knowledge and belief any actual or potential conflicts between my duties as an Employee and my private and/or business interests have been fully disclosed in this Declaration Form in accordance with the requirements of the ABAC Manual.

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

SIGNATURE:

DATE:

5.0 HOD / THE BOARD

I have reviewed the conflict disclosure and the actions described in section 3.0 have been put in place to effectively manage any actual or potential conflict of interest disclosed in section 2.0.

I will continuously monitor the action plan throughout the duration specified in section 3.0.

NAME:

SIGNATURE:

DATE:
