

**ELK-DESA®**

**ELK-DESA RESOURCES BERHAD  
GROUP OF COMPANIES**

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**DIRECTORS' AND KEY SENIOR MANAGEMENT'S CONFLICT  
OF INTEREST POLICY**

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**Version #1 (DRAFT)  
Effective Date : 20 February, 2025**

## **1. INTRODUCTION (PURPOSE AND SCOPE OF APPLICATION)**

- 1.1** This Conflict of Interest Policy ("Policy") outlines the procedures and principles governing situations where a conflict of interest ("COI") may arise, ensuring that Directors and Key Senior Management act in the best interests of ELK-Desa Resources Berhad and its subsidiaries (collectively referred to as "the Group").
- 1.2** The purpose of this Policy is to establish a framework for identifying, disclosing, and managing COI or potential COI situations in an effective and timely manner, thereby safeguarding the integrity of decisions made by the Group. The Policy applies to all Directors and all Key Senior Management that has been spelled out in the Group Annual Report.
- 1.3** This Policy shall be read in conjunction with the Board Charter, Company's Code of Ethics and Conduct, Anti-Bribery and Corruption Policy, Whistleblowing Programme, and the statutory duties of Directors under the Companies Act 2016. Additionally, it incorporates the guidance provided under the Issuers Communication – Guidance on Conflict of Interest (ICN 1/2023) issued by Bursa Malaysia Securities Berhad on 26 May 2023, and any other relevant regulatory guidelines

## **2. POLICY STATEMENT**

- 2.1** ELK-Desa Resources Berhad is unreservedly committed to maintaining the highest standards of integrity and professionalism. All Directors and Key Senior Management are expected to act in the best interests of the Group and avoid any situation where a conflict, or the potential of a conflict, between their personal interests and the interests of the Company could arise.
- 2.2** While the Group acknowledges that COI situations may arise, it emphasizes the importance of declaring such conflicts, managing them appropriately, and maintaining the integrity of the decision-making process at all times.

## **3. DEFINITION OF CONFLICT OF INTEREST AND POTENTIAL CONFLICT OF INTEREST**

- 3.1** Conflict of Interest (COI)
- a. The interests of a Director or Key Senior Management of the Group interfere, or appear to interfere, with the interests of the Group; or
  - b. The individual's personal interests make it difficult to perform their role objectively and effectively;
- 3.2** Potential Conflict of Interest
- a. A potential COI is a situation that may not have materialized yet but could arise in the future due to the relationships, positions, or interests held by the individual.
- 3.3** Personal Interest
- a. COI may arise from a Director's or Key Senior Management's personal interests, which include financial and non-financial interests or those of close relationships, defined as family\* members or persons who influence or are influenced by the individual.

#### **4. EXAMPLES OF CONFLICT OF INTEREST SITUATIONS**

COI situations involving a Director or Key Senior Management, whether financial or non-financial, include but are not limited to the following:

- 4.1 Holding an interest in a contract or proposed contract with the Group.
- 4.2 Using their position to gain personal benefits or causing detriment to the Group.
- 4.3 Channeling business opportunities meant for the Group to a personal entity or a third party in which the Director or Key Senior Management has an interest.
- 4.4 Engaging in business activities that are in competition with the Group.
- 4.5 Having a financial or ownership interest in companies that compete directly with the Group.

#### **5. POTENTIAL CONFLICT OF INTEREST SITUATIONS**

- 5.1 Holding a significant equity stake (20% of the voting shares or above) in businesses that might conduct future transactions with the Group.
- 5.2 Entering into a contractual arrangement with a vendor or contractor shortlisted by the Group, where the individual receives a personal benefit.
- 5.3 Holding an office or directorship in competitor entities.

#### **6. OBLIGATIONS TO DISCLOSE**

A Director or Key Senior Management of the Group who has an interest,

- i) in any material transaction, or
- ii) arrangement with the Group, or
- iii) holds an office, or
- iv) possesses any property

where his/her duties or interests as a Director or a Key Senior Management of the Group may create a conflict with his/her duties or interests as a Director or a Key Senior Management of the Group, shall, as soon as practicable after the facts have come to the Director's or Key Senior Management's knowledge, or, after possessing the property (as the case may be), shall:-

- a) make a declaration of the full facts and nature of his/her interests at a Board Meeting, as the case may be;
- b) abstain and not participate in any discussion and decision making on the contract or proposed contract at the Board Meeting, as the case may be; and
- c) not vote on the contract or proposed contract.

#### **7. ROLE OF THE AUDIT COMMITTEE**

The Audit Committee ("AC") is responsible for reviewing and reporting to the Board of Directors of the Company on:

- i) COI or potential COI situations on any related party transactions;
- ii) COI and/or potential COI situations that arose, persist or may arise within the Group including a transaction, procedure or course of conduct that raises questions of the interested Director's or Key Senior Management's integrity; and
- iii) the measures taken by the Group to resolve, eliminate, or mitigate such COI situations.

The Audit Committee Report shall also disclose any COI or potential COI situations, if any, which have been reviewed by the Audit Committee of the Company (excluding related party transactions which are subject to specific disclosure requirements pursuant to Chapter 10 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements), and the measures taken by the Group to resolve, eliminate, or mitigate such COI situations for inclusion in the Annual Reports of the Company which are published on an annual basis.

#### *Processes and steps for managing the Conflict of Interests*

*Besides the annual declaration of Conflict of Interest, all Directors and Key Senior Management must promptly declare any COI or potential COI by completing the Conflict-of-Interest Declaration Form (Appendix I) at the earliest opportunity upon becoming aware of the conflict. The completed form shall be submitted to the AC and subsequently escalated to the Board of Directors for further review. The Company Secretary is responsible for maintaining all records of these declarations for safekeeping and compliance purposes.*

*Upon receiving the declaration, the AC will review and assess the COI or potential COI situation and determine the appropriate measures to manage, resolve, or eliminate the conflict. The AC will also ensure that appropriate steps are taken to mitigate any impact the conflict may have.*

*The AC shall report any material COI situations, along with the measures implemented to address or resolve them, to the Board of Directors. Additionally, any significant COI or potential COI situations will be disclosed in the Group's Annual Report, where necessary, in accordance with the applicable disclosure requirements, while maintaining the confidentiality of the information disclosed.*

*In cases where the COI or potential COI situation raises concerns regarding the integrity of a Director or Key Senior Management, the AC will report the matter to the Board of Directors and recommend appropriate actions to safeguard the interests of the Group.*

## **8. CONFIDENTIALITY**

All declarations made under this Policy will be treated with utmost confidentiality. The Company Secretary will maintain records of all COI disclosures and ensure that these records are only shared with relevant stakeholders for the purpose of managing the conflicts.

## **9. GUIDING PRINCIPLES FOR DIRECTORS AND KEY SENIOR MANAGEMENT**

### **9.1 Duty to Act in the Best Interest of the Company**

Directors and Key Senior Management must place the Company's interests above personal gain. In any situation where personal interests conflict with fiduciary duties, the duty to act in the Group's best interest must prevail.

### **9.2 Avoiding Conflicts of Interest**

Wherever possible, Directors and Key Senior Management must avoid placing themselves in situations that could lead to a conflict of interest. If such a situation is unavoidable, immediate disclosure and appropriate action must be taken to manage and mitigate the conflicts.

### **9.3 Confidential Business Information**

Directors and Key Senior Management must protect confidential business information and refrain from using it for personal gain or sharing it with unauthorized persons. The Group's proprietary data, business strategies, and internal records are strictly private and must be handled with integrity.

#### **9.4 Personal Relationships**

Any conflict of interest arising from personal relationships, such as family\* members employed by the Group and holding an interest in a competitor, must be disclosed. This applies to ownership, directorships, partnerships, or any form of significant interest in competing entities.

### **10. POLICY REVIEW**

This Policy shall be reviewed annually and updated when necessary whenever there are amendments to any relevant regulatory requirements.

*\*In relation to Family it has the same meaning as defined in Chapter 1 of the Main Market Listing Requirements ("MMLR")*

Google Form Link for the Declaration : <https://forms.gle/fG9usaeDwHd3btXj8>

**ELK-DESA RESOURCES BERHAD  
DECLARATION OF INTEREST (ANNUALLY / ADHOC)**

I hereby declare, to the best of my knowledge, all of the following outside interests or activities so as to comply with the rules regarding conflict of interest and limitations on outside activities.

<b>1. My role as director, officer or any other similar role occupied in a company</b>	
<b>Entity 1</b>	
Person's Name	
Position	
Entity Name	
Entity Type	<input type="checkbox"/> Public company <input type="checkbox"/> Private company <input type="checkbox"/> Non-profit organization <input type="checkbox"/> Sole Proprietor / Partnership
Sector	
<b>Entity 2</b>	
Person's Name	
Position	
Entity Name	
Entity Type	<input type="checkbox"/> Public company <input type="checkbox"/> Private company <input type="checkbox"/> Non-profit organization <input type="checkbox"/> Sole Proprietor / Partnership
Sector	
<b>2. Role as director, officer or any other similar role occupied by my spouse in a company which is business associate of ELK-Desa</b>	
<b>Entity 1</b>	
Person's Name	
Position	
Entity Name	
Entity Type	<input type="checkbox"/> Public company <input type="checkbox"/> Private company <input type="checkbox"/> Non-profit organization <input type="checkbox"/> Sole Proprietor / Partnership
Sector	
<b>Entity 2</b>	
Person's Name	
Position	
Entity Name	
Entity Type	<input type="checkbox"/> Public company <input type="checkbox"/> Private company <input type="checkbox"/> Non-profit organization <input type="checkbox"/> Sole Proprietor / Partnership
Sector	

<b>3.</b>	<b>Role as director, officer or any other similar role held by members of my immediate family (parent, brother, sister, legal child, parents-in-law) in a company which is business associate of ELK-Desa</b>	
<b>Entity 1</b>		
	Person's Name	
	Position	
	Entity Name	
	Entity Type	<input type="checkbox"/> Public company <input type="checkbox"/> Private company <input type="checkbox"/> Non-profit organization <input type="checkbox"/> Sole Proprietor / Partnership
	Sector	
<b>Entity 2</b>		
	Person's Name	
	Position	
	Entity Name	
	Entity Type	<input type="checkbox"/> Public company <input type="checkbox"/> Private company <input type="checkbox"/> Non-profit organization <input type="checkbox"/> Sole Proprietor / Partnership
	Sector	
<b>4.</b>	<b>Other intentional, perceived or potential conflicts of interest including a related person who may be perceived as having influence on my professional judgement, objectivity or independence</b>	
	<b>Name of the entity/person involved</b>	<b>Nature of interest or situation</b>
<b>5.</b>	<b>Investments in my portfolio* which may be perceived as having influence on my professional judgement, objectivity or independence</b>	
	<i>* Shareholdings of 5% or more in any <b>supplier</b> of goods and services, <b>clients</b> or <b>competitors</b> of the Company</i>	
	<b>Name of Company</b>	<b>Shareholdings Percentage</b>

I certify that the information provided in this Declaration of Interest Form is complete and accurate.

I consent to the disclosure of my declared interests to authorize persons solely for the prevention and management of conflicts of interest.

**Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**NRIC No:** \_\_\_\_\_

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