

CONFLICT OF INTEREST POLICY**1. OVERVIEW**

TXCD Berhad and its subsidiaries (“the Group”) and all their respective directors and employees are committed to achieving and maintaining high ethical standards of professionalism and integrity at all times in respect of its business and operations.

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

The Group expects all employees and directors to refrain from any conflict (both real and apparent) between their own interest and the interest of the Group in dealing with clients, vendors and suppliers and affiliate or non-affiliate Business Associates and organizations.

Conflict of interest situation generally refers to circumstances where a person with a vested interest in the Group is in a position or has the opportunity to influence the Group’s business or other decisions in ways that could lead to personal gain or advantage of any kind.

2. OBJECTIVES

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 situations as they arise and protect the Group’s interest, while assisting the directors and employees to perform with high integrity and ethical standards.

3. SCOPE

This Policy applies to all directors and employees of the Group (including employees on contract terms, temporary staff and those on internship). 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 conflicts of interest.

This Policy should be read together with the relevant policies and guidelines of the Group. In the instance that multiple policies and guidelines discuss on the same subject matter, the more stringent provision applies.

4. DEFINITIONS

“Business Associate” means an external party with whom the Group has, or plans to establish, some form of business relationship. This may include clients, customers, joint ventures, associate, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.

“Conflict of interest” is a situation in which an individual’s personal interest clashes with the professional interest owed to his or her employer, potentially undermining the impartiality of the individual concerned. Conflict of interest includes actual, potential or perceived conflict of interest.

“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 lineal ascendant or descendant of the person (e.g. parents, grandparents, guardian or children including an adopted child and step-child);
- iv. A lineal ascendant or descendant of a spouse of the person (e.g. parents-in-law);
- v. A lineal descendant of a person referred to in (ii) above (e.g. niece or nephew)
- vi. The uncle, aunt or cousin of the person; or
- vii. The son-in-law or daughter-in-law of the person.

5. IDENTIFYING CONFLICTS OF INTEREST

In general, a conflict of interest situation arises when the ability to carry out their responsibilities is compromised or potentially compromised by personal interests, concerns, or relationships.

Generally, conflict of interest may be described under the following, the list is not exhaustive:

a) Equity ownership in companies having a business relationship with the Group

Directors or employees who have ownership of shares in privately-owned companies having a business relationship with the Group, either directly or indirectly (e.g. through a family member). However, this Policy does not extend to shares held in publicly quoted companies that have a business relationship with the Group unless the holding is considered substantial and could potentially compromise the director’s or employee’s objectivity.

b) Having interest in Person, Entity or Contract that has dealing with the Group

Any direct or indirect financial or other interest in a person, entity, or contract that has dealings with the Group, where such interest could potentially influence decisions regarding the Group’s dealings with the said person, entity or contract.

Notes:

- * *Bursa Malaysia Listing Requirements, Chapter 1: Definitions and Interpretation*

In relation to a person means such person who falls within any one of the following categories:

- (a) *spouse;*
- (b) *parent;*
- (c) *child including an adopted child and step-child;*
- (d) *brother or sister; and*
- (e) *spouse of the person referred to in subparagraphs (c) and (d) above.*

- * *Section 2(1) of Child Act 2001*

“Member of the Family” includes a parent or a guardian, or a relative.

c) Directorships in Common

Holding multiple roles, including being a director or key senior management of another company which may lead to disclosure of confidential information obtained by reason of being a director or key senior management of one company to another company of which he or she is also a director or key senior management.

d) Use of the Group's Assets

All employees and directors shall share the responsibility for looking after the Group's assets, especially if it is under his or her direct control and care. Personal utilization of the Group's assets, resources, or information is strictly prohibited.

All the Group's records and information relating to its clients and/ or customers are confidential and all employees must treat them accordingly. Employees who knowingly or unknowingly reveal information of a confidential nature are subject to immediate and appropriate discipline, up to and including termination, and when appropriate, legal action.

Confidential and proprietary information includes, but is not limited to the Group's and its customers' and/ or client's intellectual property; trade and business secrets; best practices; customer requirements; copyrights; patents; logos; trademarks; employee data; software code and modifications; customer, vendor and supplier lists; computer- generated reports; electronic information and software stored and used on computers; data used in the course of business; electronic mail; costs; profit and loss statements and financial data; markets; plans for future development; corporate strategy; contracts with other parties; product lines and products; bids and quotes; pricing information, and other business information not available to the public.

e) Personal Gain through Business Related Opportunities with the Group

Director or employee pursuing personal gain related to the Group's business, utilising the Group's property, information, or position for personal gain, and engaging in any form of competition with the Group for business opportunities.

f) 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, such a situation would give rise to a conflict of interest. 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 the Group, 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 the Group to take the necessary actions to manage the conflict.

g) Personal relationships**(i) Employment of Family Member**

If a person who is a family member of an employee or director seeks employment with the Group, then to the extent that this is known or ought to be known to that employee or director, he or she shall so notify the Group Human Resources Department and the related employee or director should not take part in the employment process nor directly or indirectly supervise, or be in a position to influence the hiring, work assignments or assessments of the family member.

(ii) Dealings with Family Member, Business Associate or Friend

A conflict of interest would also arise if:

- 1) a director or employee or their respective family member has a contractual arrangement with the Group; or
- 2) any company in which that director or employee or their respective family member has an interest (e.g. in the form of ownership, directorships, partnerships, employment, etc.), which has a contractual arrangement with the Group; or
- 3) any Business Associate or friend with whom a director or employee has a relationship external to the Group that may in any way influence his or her ability to act entirely in the interest of the Group.

If an employee or director finds him/herself in any one of the above situations, he or she should inform their superior or the Board of Directors, as applicable, immediately.

The superior or the Board of Directors, as applicable, may approve the employee or director continuing to deal with the related party, after considering the circumstances, or may require someone else to act on the Group's behalf.

(iii) Dealings with Suppliers

The Group is a large buyer of goods and services and awards its business strictly on a basis of suitability and price. Competitive quotes must be obtained whenever this is possible.

An employee or director who is involved in buying goods and services on the Group's behalf must demonstrate independence and avoid any relationship; financial or otherwise, with suppliers that could be seen as unfairly influencing their judgement.

Therefore, all directors and employees of the Group are obliged to promptly disclose any actual, potential, or perceived conflict of interest and/or seek the necessary approvals arising from any one of the above situations.

h) Acceptance of Gift and Donation

A conflict of interest arises when a gift is given or received for reasons beyond official service or compensation. The Group understands that gift giving or receiving is warranted under reasonable circumstances but the giving or receiving of gifts shall be conducted with honesty, integrity and openness. Employees and directors are allowed to present or receive items of nominal value such as promotional products (e.g. office stationeries, mugs, bags) and festive products (e.g. festive cakes/ food, festive kits).

Any giving or receiving of gifts valued above RM500.00 shall be authorised or declared to the respective superior or upper management. Giving and receiving any share of profits, commissions (other than through Representation Agreements approved and executed by the Group), cash and its equivalent are strictly prohibited. Gift giving by the Group to employees and directors shall be limited to service and recognition awards. The Group encourages charitable donations by member companies under reasonable circumstances and approval on a case-by-case basis is required from the Managing Director before any donation is made.

i) Engaging in Entertainment

The Group recognises the need to entertain clients and/ or Business Associates under reasonable circumstances. Corporate entertainment shall strictly be conducted for official purposes and business of the Group only. The use of the Group's resources for personal entertainment is strictly prohibited. Corporate entertainment shall be conducted in a form and venue that is legal and appropriate (e.g. dining in an established food and beverage outlet). A game of golf and/ or any other sporting activities are also encouraged where appropriate.

6. GENERAL RESPONSIBILITIES

All directors and employees 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 judgement 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, remove themselves from the decision-making process and not seek to influence such decisions any further.

7. MANAGING CONFLICTS OF INTEREST

- a) Any conflict of interest must be declared by filling up the Conflict of Interest Declaration Form. The conflict of interest must be escalated to the Immediate Superior/ Head of Department ("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.
- b) 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 totally avoid the conflict, in which case, appropriate actions must be taken, depending on the nature and severity of the conflict.
- c) 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. Abstaining from voting on the decision.
- d) 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 of the Group.

8. MAINTENANCE OF RECORDS

For conflicts of interest involving director and employees, the group secretarial department and human resource department, respectively, shall ensure proper maintenance and retention of documentation to facilitate scrutiny of the conflict of interest matter by regulators or auditors. Such documentation should be readily accessible to regulators and other relevant parties.

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 disciplinary action being taken by the Group.

Disclosure of this Policy

This Policy shall be published on the Company's website for public information.

EFFECTIVE DATE

This Policy will take effect from 1 January 2026.

CONFLICT OF INTEREST DECLARATION FORM

Director/ Employee's Name : _____

A Conflict of Interest ("COI") occurs when an individual's personal or professional interests, whether direct or indirect, financial or non-financial, could potentially compromise their objectivity or impartiality in the performance of their duties as a director or employee of TXCD Berhad and its subsidiaries ("the Group").

Do you have any actual/ potential/ perceived conflicts of interest that could influence your judgment or actions in performing your duties as a director or employee of the Group?

Yes
 No

If Yes, please provide details of the conflict of interest below:

Actual COI is where a conflict already exists	
Potential COI is where the conflict is about to happen or could happen	
Perceived COI is where other people might reasonably think you are not acting objectively	

I will inform the Group immediately should my circumstances change in any way that affects this declaration.

.....
Signature

Date:

IMMEDIATE SUPERIOR'S ASSESSMENT AND ACTION PLAN

Immediate Superior to state a brief description of the actions taken to manage the conflict.

I hereby confirm that the conflict has been addressed and mitigated.

.....
Signature

Date:

HOD'S RECOMMENDATION

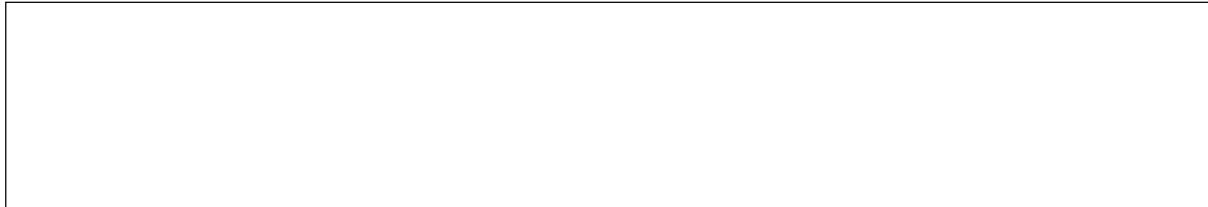
HOD to recommend actions to be taken to address, manage or mitigate the conflict.



.....
Signature

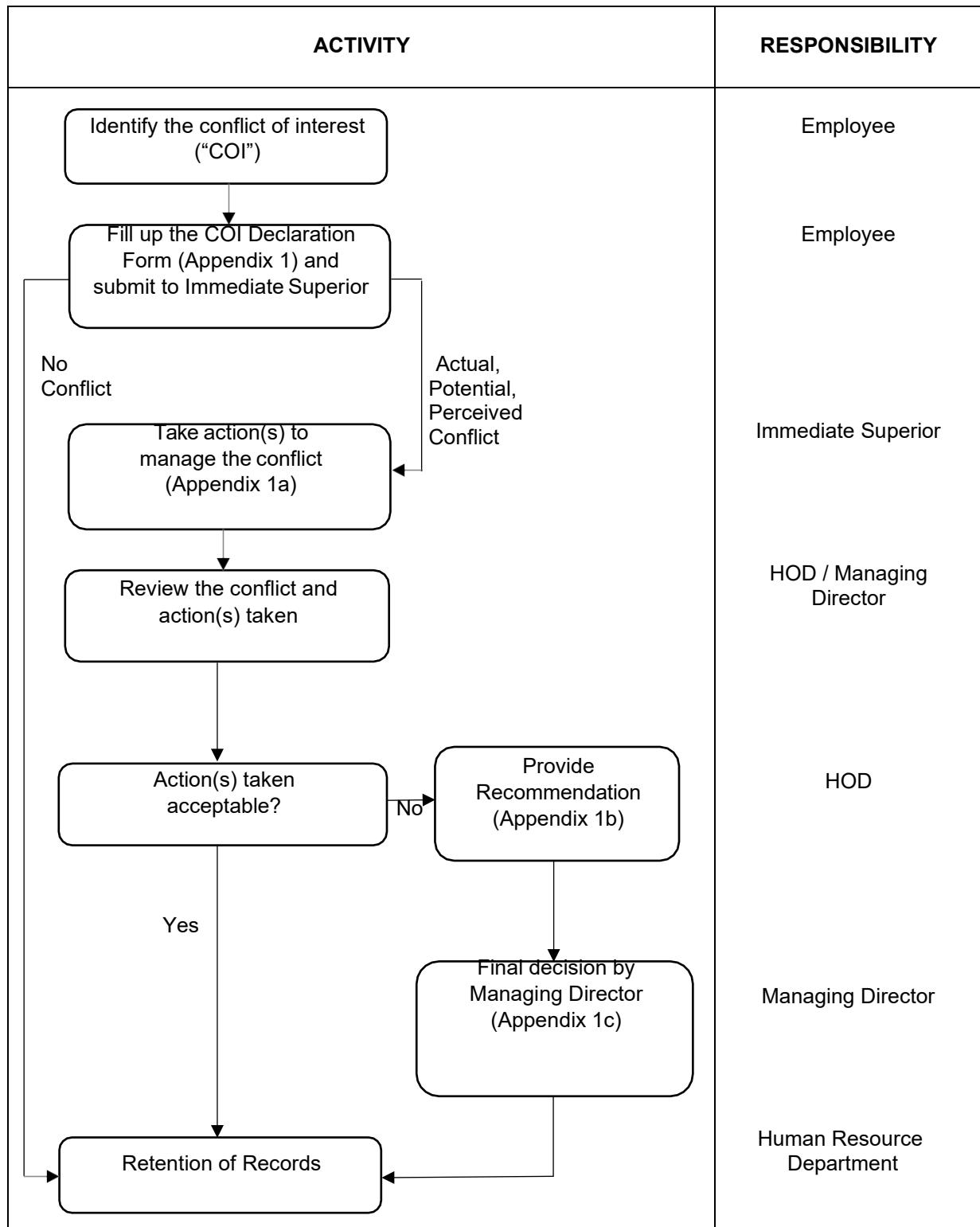
Date:

FINAL DECISION BY MANAGING DIRECTOR



.....
Signature

Date:

EMPLOYEE CONFLICT OF INTEREST DECLARATION PROCESS FLOW

Appendix 3

DIRECTOR CONFLICT OF INTEREST DECLARATION PROCESS FLOW

