



Company Registration No. 198701001365 (160032-K)
(Incorporated in Malaysia)

CONFLICT OF INTEREST POLICY

1.0 INTRODUCTION

The directors, management, staff, and employees (including contract employees) of PLS Plantations Berhad and its subsidiaries ("PLS") uphold the ethical standards of business practice and corporate integrity and are committed to ensuring that any conflicts of interest are avoided, mitigated, and resolved and if they arise, Proper identification and management of conflicts 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.

2.0 PURPOSE

The purpose of this Conflict of Interest and/ or Potential Conflict of Interest, including interest in competing business involving directors, key senior management, and legal representatives, hereinafter as Conflict of Interest ("COI") 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 COI situations as they arise.

3.0 SCOPE

This policy applies whenever an individual recognises, or should reasonably recognise, that a conflict of interest may arise from current or future activities and 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 COI. As it is not possible for the Policy to be all-inclusive, Directors and employees must exercise reasonable judgement and comply not only with the form, but also the spirit and substance of this Policy.

4.0 DEFINITION

A conflict of interest arises when an individual has private interests, whether direct or indirect, that may conflict with the Company's interest. Hence, questions may arise about whether the individual's actions, judgment, and decision-making can be unbiased or affected by the conflicting interest.

Conflict of interest can be actual, potential or perceived: -

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Actual conflict of interest	It arises when an individual can derive personal benefit (directly or indirectly) from actions or decisions made or not made in their official capacity.
Potential conflict of interest	It may arise when an individual's interest (directly or indirectly) may cause them when discharging their duty to make such a decision (directly or indirectly) that could conflict with the Company's interest. There is a risk that conflict will arise and inappropriate decisions will be made.
Perceived conflict of interest	It may arise when an individual has two competing interests which is likely to interfere with or undermine their ability to fulfil their responsibilities, thus resulting in members of the public forming a view that the individual's actions may have undermined the Company's interests.
Key Senior Management	Refers to the Senior Management personnel (excluding Directors) of a listed corporation who are vested with authority and accountability for the conduct of business operations or the management of the corporation, irrespective of their designated titles. For the avoidance of doubt, this includes Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer.

5.0 CONNECTED PERSONS

Persons connected to director, management and employees shall mean:

- (a) a member of the director's, management staff's and employee's family;
- (b) a body corporate which is associated with the director, management staff and employees; and
- (c) a partner of the director, management staff and employee or a partner of a person connected with the director, management staff and employee.

A family member is further defined as “.... the individual's spouse, parent, child, including adopted child and stepchild, brother, sister and the spouse of the individual's child, brother or sister.”



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6.0 CONFLICT OF INTEREST SITUATIONS

The following scenarios provide guidance for understanding, interpreting, identifying, assessing and reporting conflict of interest situations. These situations are not exhaustive. All employees should develop a good understanding of conflict of interest principles and are encouraged to share their experience with their supervisors and the Human Resource Department to enhance this Policy. Personnel are advised to consult the HR Department and/ or the Management for any uncertainty about a situation of potential conflict of interest.

I. Contractual Dealings with Employees

Company may lease or purchase property, equipment, or materials from directors or employees, or enter into contractual arrangements with directors or employees (other than employment contracts). Under such circumstances, the said individual shall make the necessary declaration of their interest, and the Company must document the basis of decisions, including quantification of the price comparison and the benefits and advantage comprehensively and adhere to the procedures provided under the Monitoring of Conflict of Interest section.

II. Other Employment

When an employee engages in part-time employment or other business activities outside the Company's working hours, a conflict of interest may arise if the additional commitment impact negatively the employee's time, attention and commitment to work. A conflict of interest can also occur when participating in any business activity outside working hours demands excessive time and attention from the employee until it adversely impacts their performance with the Company.

III. Board Membership

An employee should not serve as a director of a non-group company without the approval of the Executive Chairman or any individual vested with the authority and accountability equivalent to that of an Executive Chairman, regardless of designation. An employee who holds directorship without such approval must seek approval immediately, if they wish to remain as a director of other company.

The exception applies when such board appointments relate to family business or companies/ unincorporated entities formed by not-for-profit organisations (e.g. social or community-related clubs and associations).

IV. Acceptance of Gifts, Meals or Entertainment



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Accepting gratifications may affect a director or employee's objectivity and judgment. All employees must comply with the Company's Gift Policy to ensure that nothing is received/ given which might create a conflict of interest or bring their integrity into question.

V. Family Members and Personal Relationships

Family members of directors or employees may be hired as employees or consultants only if the appointment is based on qualification, performance, skills and experience, and in accordance with the Group's hiring policies and procedures. A director or an employee must also disclose business activities in the Group which involve family members and refrain from any related decision making process. Any substantial interest held by the director's or employee's family members in a competing company or other related companies must be declared.

- Business entity associated with an employee who can determine the conduct of the business with the Company.
- Material transactions and contracts with another legal entity connected to an employee who can influence or decide about the transaction.

However, due care and consideration shall apply when assessing the possibility of a conflict of interest situation. For example, there should not be any concern if the Company enters into a contract with another company in which the employee's spouse is merely working as clerical staff and has no influence in negotiating and approving the contract.

VI. Dealing with Competitors

A conflict of interest situation would happen between the Company and its competitor when a director, employee, or person connected with a director or an employee has significant financial or other interests; or occupies a directorship or senior management position in the competitor companies.

In such an event, the conflict of interest must be declared immediately or before accepting employment with the competitor to enable the Company to take the necessary actions to manage the conflict.

7.0 MANAGING CONFLICTS OF INTEREST

The Board shall ensure that:

- The COI Policy, Whistleblowing Policy and reporting channels are effectively communicated to all employees of the Group; and
- The Company and its subsidiaries' directors and Key Senior Management acknowledge and comply with the COI compliance declaration form.



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All employees are responsible for identifying, reporting, and managing conflicts of interest and shall:

- i. understand the principles of conflict of interest;
- ii. discharge their duty and responsibility with integrity and professionalism and exercise sound judgement;
- iii. avoid and disclose any Conflict of Interest that may arise in the performance of their duties;
- iv. ensure business decisions are made in the best interests of the Company at all times;
- v. maintain their independence and avoid placing themselves in a Conflict of Interest position;
- vi. abstain from participating in discussion and decision-making in transactions involving their interest;
- vii. comply with this policy and other applicable policies and guidelines relating to the identification, documentation, escalation and management of conflicts of interest; and
- viii. Immediately declare their conflict of interest by completing the Conflict of Interest Compliance Declaration Form and escalating it to the Department Head for further action. In the case of Directors, the conflict must be disclosed to the Board of Directors and minuted by the Company Secretary.

In addition, the director, management staff, or employees shall not have access to sensitive documents or confidential information relating to Conflict of Interest transactions until a decision is made.

8.0 MONITORING AND REPORTING CONFLICT OF INTEREST

- i. When employees know they are in a conflict of interest position, they must complete the Conflict of Interest Compliance Declaration Form and report to their immediate supervisor and Heads of Department (“HODs”). The HODs shall acknowledge the form and forward it to the Chief Financial Officer (“CFO”)/ Financial Controller (“FC”) for monitoring purposes. For the purpose of this Policy, ‘CFO’ shall mean the Chief Financial Officer or any other person for the time being performing the functions of a CFO, by whatever name called.
- ii. If a conflict of interest transaction involves the CFO/ FC, the Declaration Form shall be provided to any Executive Director (“ED”). In contrast, the Declaration Form shall be extended to the Audit and Risk Management Committee (“ARMC”) when the conflict of interest transaction involves directors and the ED.
- iii. Upon receiving the Declaration Form, the ED, ARMC or CFO / FC shall review the adequacy and effectiveness of actions taken to address the conflict and decide on further action, if needed.



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- iv. The register recording the conflict of interest of employees and the Declaration Form, action taken, and the relevant supporting documents shall be maintained by the Human Resources Department. For conflicts of interest involving the Directors, ED and CFO, the documentation shall be maintained by the Company Secretary.
- v. 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 measures must be considered, depending on the nature and severity of the conflict.
- vi. For conflict not likely to arise frequently, and the impact of the conflict is minimal, the participation of the conflicted person in the decision-making process should be restricted including, but is not limited to, the following:
 - a. Not participating in any critical criteria setting or decision-making role in the process.
 - b. Recusal from meetings, participating and deliberation about the matter.
 - c. Limiting access to information and restricting access to sensitive documents or confidential information in the process.
 - d. Abstaining from voting on the decision.
- vii. Where the conflict is ongoing and could have serious implications, the conflicted person should be removed from the process, which includes the following:
 - a. Abstaining from any involvement whatsoever in the matter;
 - b. Rearranging duties and responsibilities to a non-conflicting function but not to a person who is supervised by the person with the conflict;
 - c. Transferring the conflicted person to another project or area of the Company and/or subsidiaries;
 - d. Resignation or Leave of absence;
 - e. Executing of non-disclosure or confidential agreement to protect any type of confidential and proprietary information or trade secrets; and
 - f. Divesting interest in conflicting entity.

9.0 GOVERNANCE OF COI

- i. An assessment on COI of incumbent directors should be conducted by the Board, together with the Nominating Committee, on an annual basis,



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regardless of whether they are subject to new appointed director(s) or re-election at the Annual General Meeting.

- ii. Nominating Committee shall act as a key gatekeeper in the process of recruiting directors, evaluating and check on the COI (including competing business).
- iii. ARMC must review and report to the Board any COI situation that arose, persists or may arise during the financial year together with the measures to resolve, eliminate or mitigate such conflicts and disclose such report in the ARMC Report in the Annual Report, detailing the COI that arose or might arise during the financial year, as well as any persisting COIs from previous financial years.
- iv. Statement accompanying notices of the Annual General Meetings shall disclose any COI that arose, persists or may arise about the re-elected directors.

10.0 NON-COMPLIANCE

In the event of a breach of this Policy, including but not limited to failure to disclose a conflict of interest, provide complete and accurate information on the conflict, or manage it appropriately, the ARMC reserves the right to investigate and take appropriate disciplinary or legal action against the individuals. The individuals who are being investigated must provide their full cooperation in the investigation.

11.0 REVIEW OF POLICY

The Board, through the ARMC, shall review this Policy annually, or more frequently, if necessary, to ensure it remains relevant, effective and aligned with evolving COI regulations, corporate governance standards, and best practices. Any amendments to this Policy must be approved by the Board of Directors, supported with a clear rationale for the proposed changes.