

	KUM FATT ENGINEERING SDN BHD Reg. Co. No. 200901003119 (846046-M) No.55 & 57 Jalan Teratai 7, Taman Johor Jaya, 81100 Johor Bahru, Johor Tel : (6)07-355 0028 Email : info@kumfatt.com	Doc. No.	KFE-SM-AP14
	CONFLICT OF INTEREST POLICY	Rev. No.	00

1. Introduction

- 1.1 The purpose of this document is to set out the Kum Fatt Engineering Sdn Bhd policy on Conflicts of Interest.
- 1.2 The HOD of Human Resource & Administration shall be responsible to review yearly and update this policy where appropriate, to ensure they reflect all regulatory and business requirements.

2. Policy

- 2.1 An employee should not put himself in a position in which there is or might be a conflict between his duties as an employee and his personal or family's interests or, between those duties and any duties he owes to any other person. An employee must act in good faith and in the best interests of the Company at all times.
- 2.2 A conflict of interests can arise where an employee, or persons connected with employees, hold any office or possesses any property whereby, whether directly or indirectly, duties or interests are created in conflict with his duties or interest as an employee. This includes a situation where an employee, whether directly or indirectly, is interested in a contract or proposed contract with the company.
- 2.3 Personal relationships or financial involvement with clients can affect an Employee's objectivity. Employees therefore, must ensure connected parties business transactions are transacted on an arm's length basis.
- 2.4 Employees are prohibited from participating directly or indirectly in the deliberation and decision-making process of the business transactions where they and their connected parties have an interest including the management and credit exposure of the said business transaction.
- 2.5 Employees shall not engage in "Back-Scratching" exercise to provide mutually beneficial transactions with Employees of the industries in return for similar gains, designed to circumvent ethical behavior.
- 2.6 All employees will be required to declare in writing upon joining the Group and subsequently, on an annual basis, that they are aware of this Policy and that it has not been contravened in any way. Notwithstanding this, any conflict of interest, whether actual or potential, must be reported in writing, as soon as practicable after the relevant facts have come to the employee's knowledge, to the respective Head of Division and, where executive employees are connected, also to the HRM, stating the facts, nature and extent of the conflict. In the case of directors, the conflict must also be disclosed to his board of directors, and where relevant, the prior approval of shareholders sought. (Note: Directors duty to disclose their interests is a statutory requirement set out in Section 131 of the Companies Act, 1965). The Head of Division, on the advice of the HRM, shall then take such action as is considered necessary to safeguard the interest of the company/ Group and / or provide dispensation under allowable circumstances. Where the conflict involves a contract or proposed with the company/ Group, the Head of Division will ensure that the terms of the contract are

	KUM FATT ENGINEERING SDN BHD Reg. Co. No. 200901003119 (846046-M) No.55 & 57 Jalan Teratai 7, Taman Johor Jaya, 81100 Johor Bahru, Johor Tel : (6)07-355 0028 Email : info@kumfatt.com	Doc. No.	KFE-SM-AP14
	CONFLICT OF INTEREST POLICY	Rev. No.	00

negotiated and decided independently e.g. through an independent tender committee.

- 2.7 Reference to “family” in this document includes spouse, parent, child (including adopted child and step-child), brother, sister and spouse of child, brother or sister.

3 Breach of Policy

An employee who contravenes this policy is liable to disciplinary proceedings and management reserves the right to initiate legal or any other appropriate action against the employee.