

<b>LMS COMPLIANCE LTD.</b>		<b>CONFLICT OF INTEREST POLICY MY/HRD/006</b>	
<b>TITLE: CONFLICT OF INTEREST POLICY</b>			
Document No: MY/HRD/006	Revision No: 01	Page 1 of 11	
Effective Date: March 2023			

Issue by:



HR Department



Reviewed And Approved by:



Ooi Shu Geok  
CEO

## 1.0 INTRODUCTION

LMS Compliance Ltd. and all its subsidiary and associated companies (hereinafter collectively referred to as "LMS Compliance") are committed to uphold, advocate and maintain the highest ethical standards and it must be seen at all times in accordance with the highest standard of corporate governance. Accordingly, LMS Compliance requires its Office Bearer and all Employees to conduct themselves with integrity, impartiality and professionalism at all times, and to take all reasonable measures to avoid any conflict of interest that may arise in the performance of their duties.

## 2.0 PURPOSE & SCOPE

- 2.1** The purpose of this Conflict of Interest Policy (hereinafter referred to as "**the 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.
- 2.2** This Policy shall be read together with Section C of My CO2 Group's Code of Conduct and Ethics Policy (hereinafter referred to as "**the Code**").

## 3.0 SCOPE

- 3.1** This Policy applies to all Office Bearer and Employees of LMS Compliance.
- 3.2** This Policy applies whenever an individual recognises, or should reasonably recognise, that the circumstances of potential conflict of interest may arise from their engagement in self-dealing or gain or further their personal interest or profit by taking advantage of their official capacity. This Policy provides guidance on the assessment of conflict of interest situations and measures taken for resolving, eliminating or mitigating such conflict. As it is not possible for this Policy to be all-inclusive, all Office Bearer and Employees must exercise reasonable judgement and comply with the spirit of this Policy.

*(The remainder of this page is intentionally left blank)*

<b>LMS COMPLIANCE LTD.</b>		<b>CONFLICT OF INTEREST POLICY MY/HRD/006</b>	
<b>TITLE: CONFLICT OF INTEREST POLICY</b>			
Document No: MY/HRD/006	Revision No: 01	Page 2 of 11	
Effective Date: March 2023			

#### **4.0 DEFINITION**

**“Beneficial interest”** means 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”** means the actual, potential or perceived conflict of interest situation in which an individual’s personal interest conflicts with the corporate or personal interest owing to LMS Compliance, potentially undermining the impartiality of the individual concerned.

**“Employee”** means all employees of LMS Compliance, including full time or permanent employees, part time employees, contract employees, employees on probation, trainees and interns, employees on secondment and personnel on fixed-term contracts.

**“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 of LMS Compliance.

**“HRD”** means Human Resource Department of LMS Compliance.

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

**“Office Bearer”** means the directors and the management of LMS Compliance.

<b>LMS COMPLIANCE LTD.</b>		<b>CONFLICT OF INTEREST POLICY MY/HRD/006</b>	
<b>TITLE: CONFLICT OF INTEREST POLICY</b>			
Document No: MY/HRD/006	Revision No: 01	Page 3 of 11	
Effective Date: March 2023			

## **5.0 IDENTIFYING CONFLICTS OF INTEREST**

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

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

### **5.1 External Board Membership**

- a) A conflict of interest can arise when Office Bearer or Employee of LMS Compliance hold any external board membership in other company which allows them to exploit their official capacity in some way for either corporate or personal interest to the detriment of interest of LMS Compliance.
- b) Office Bearer or Employee of LMS Compliance shall declare any existing board membership in any capacity in any company outside LMS Compliance by submitting the Conflict of Interest Declaration Form to HOD (of which the completed form shall then be escalated to HRD by HOD) or Board of Directors.
- c) Office Bearer or Employee of LMS Compliance who has been invited to serve on the board membership in any capacity in any company outside LMS Compliance may only accept such appointment after obtaining approval from HRD or Board of Directors.
- d) Office Bearer or Employee shall satisfy HRD or Board of Directors that such appointment is not detrimental to their responsibilities to LMS Compliance in seeking approval from HRD or Board of Directors.
- e) Should HRD or Board of Directors opines that a conflict of interest shall arise or it is detrimental to the Office Bearer or Employee's responsibilities to LMS Compliance, Office Bearer or Employee shall be informed of the same and thereafter HRD or Board of Directors shall take appropriate action to resolve the conflict.

### **5.2 Equity ownership in entities having a business relationship with LMS Compliance**

- a) This is where Office Bearer or Employee holds shares in privately owned entities having a business relationship with LMS Compliance, either directly or indirectly. This does not apply to shares held in publicly quoted companies which have a business relationship with LMS Compliance, unless such holding is considered to be material and the interest is likely to impair the objectivity of the employee concerned.

<b>LMS COMPLIANCE LTD.</b>		<b>CONFLICT OF INTEREST POLICY MY/HRD/006</b>	
<b>TITLE: CONFLICT OF INTEREST POLICY</b>			
Document No: MY/HRD/006	Revision No: 01	Page 4 of 11	
Effective Date: March 2023			

**5.3** Other employment, business appointments or activities.

- a) A conflict of interest may arise where Office Bearer or Employee hold other employment, conduct and/or be involved in any other business appointments or activities during working hours which detract their time and commitment from performing duties of that position to the best of their ability. Office Bearer or Employee is expected to devote their time, attention and commitment during work hours to their job duties.
- b) A conflict of interest can also arise where participation in any business activity outside working hours demands excessive time and attention from Office Bearer or Employee, thereby depriving LMS Compliance of the best effort from Office Bearer or Employee on the job or resulting in a negative impact on their performance.
- c) Office Bearer or Employee shall not at all times use the office facilities and premises to conduct their other business appointment or activity.
- d) Office Bearer or Employee is to discuss with HOD and obtain approval from HRD on possible part-time employment or other business activities outside the working hours of LMS Compliance. In amplification thereto, the approval of HRD should be granted only where the interest of LMS Compliance will not be prejudiced or jeopardized.

**5.4** Non-disclosure of personal or financial interest

- a) A conflict of interest would exist if the commitments and obligations owed by Office Bearer or Employee to LMS Compliance is likely to be compromised or may appear to be compromised by their personal gain or gain to their family members. For example, where Office Bearer or Employee fails to disclose the interest of his family members in the business transactions involving goods or services, either directly or indirectly, with LMS Compliance, whom the Office Bearer or Employee had extensive official dealings.
- b) In the event that conflict of interest arises due to personal or financial interest, Office Bearer or Employee who is involved in any way in the decision-making process, dealings or transactions, shall during the course of employment with LMS Compliance, disclose the issue via the Conflict of Interest Declaration Form to HOD or Board of Directors. HRD or Board of Directors may then in their best opinion, recuse the Office Bearer or Employee concerned from any related proceedings including but not limited to the decision making process such as

<b>LMS COMPLIANCE LTD.</b>		<b>CONFLICT OF INTEREST POLICY MY/HRD/006</b>	
<b>TITLE: CONFLICT OF INTEREST POLICY</b>			
Document No: MY/HRD/006	Revision No: 01	Page 5 of 11	
Effective Date: March 2023			

work assignment, performance assessment, vendor selection and purchase approval.

**5.5** Dealings with competitors

- a) While in the employment with LMS Compliance, Office Bearer or Employee and their family member shall not run any business of his own similar to that of LMS Compliance. Nor the Office Bearer or Employee and their family member shall be involved in the business of a competitor, or holds a directorship in a competitor of LMS Compliance whereby such a situation would give rise to a conflict of interest.
- b) This does not apply to the holding of publicly quoted shares of competitor companies, unless such holding is considered to be material and the interest is likely to impair the objectivity and professional judgment of the Office Bearer or Employee concerned.
- c) If the Office Bearer or Employee has accepted employment or is involved in other business dealings with a competitor of LMS Compliance that is not known to LMS Compliance, this could also result in a conflict of interest during the period which the Office Bearer or Employee is still employed by LMS Compliance, especially if the Office Bearer or 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 LMS Compliance to take the necessary actions to manage the conflict.

**5.6** Acceptance and Providing Inducement, Gifts and other Benefits

LMS Compliance practise “No Gift Policy” which may influence business decisions or gives rise to risks of actual, potential, perceived improper advantage to LMS Compliance.

Please refer to the Anti Bribery and Anti Corruption Policy for further details.

**5.7** Insider Trading

All Office Bearer or Employee who is in possession of confidential information which is not generally make available to the public are not allowed to trade in the related securities. The Office Bearer or Employee may have in possession of such confidential information by virtue of their position in LMS Compliance or someone in such position may have provided them with the information, directly or indirectly.

<b>LMS COMPLIANCE LTD.</b>		<b>CONFLICT OF INTEREST POLICY MY/HRD/006</b>	
<b>TITLE: CONFLICT OF INTEREST POLICY</b>			
Document No: MY/HRD/006	Revision No: 01	Page 6 of 11	
Effective Date: March 2023			

Insider trading shall include trading in:-

- LMS Compliance
- Customer or supplier companies

**5.8** Involvement in activities where the Office Bearer or Employee concerned is the subject matter

A conflict of interest arises if Office Bearer or Employee participate in activities where he is the subject of the discussion or where the decision involves him. An example of this situation is where an allegation is made against Office Bearer or Employee through the whistleblowing channel, and the Office Bearer or Employee is part of the investigating team tasked with investigating the allegation.

**6.0 GENERAL RESPONSIBILITIES**

Office Bearer and Employee are responsible for identifying and managing conflicts of interest on an ongoing basis and are required to:

- 6.1** Comply with this policy and other applicable policies and guidelines relating to the identification, documentation, escalation and management of conflicts of interest;
- 6.2** Ensure that their personal financial circumstances and transactions do not jeopardise their independent judgment and adversely affect their job performance;
- 6.3** Not have any direct or indirect involvement in other employment (remunerated or otherwise);
- 6.4** Act with objectivity, integrity and independence and exercise sound judgement and discretion and to make full disclosure of any potential conflict of interest to LMS Compliance upon identifying the same;
- 6.5** Avoid, wherever possible, situations giving rise to conflicts of interest as described in this policy; and
- 6.6** Immediately declare the conflict of interest in accordance with this policy, abstain from participating in the decision-making process and not seek to influence such decisions any further.

**7.0 MANAGING CONFLICTS OF INTEREST**

- 7.1** 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 HOD for

<b>LMS COMPLIANCE LTD.</b>		<b>CONFLICT OF INTEREST POLICY MY/HRD/006</b>	
<b>TITLE: CONFLICT OF INTEREST POLICY</b>			
Document No: MY/HRD/006	Revision No: 01	Page 7 of 11	
Effective Date: March 2023			

further action. In the case of Office Bearer, 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 Office Bearer or Employee becomes aware of the conflict.

- 7.2** The completed Conflict of Interest Declaration 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 totally avoid the conflict, in which case, appropriate actions must be taken, depending on the nature and severity of the conflict.
- 7.4** 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:
- a) Not participation in any critical criteria setting or decision making role in the process.
  - b) Refraining from discussions about the matter.
  - c) Limiting access to information and denying access to sensitive documents or confidential information in the process.
  - d) Abstaining from voting on the decision.
- 7.5** Where the conflict is ongoing and could have serious implications, the Office Bearer or Employee with the conflict should be removed from the process, which includes the following (whichever is applicable):
- 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 person with the conflict to another project or another area of LMS Compliance.

## **8.0 MONITORING CONFLICTS OF INTEREST**

- 8.1** HRD is responsible for monitoring conflicts of interest involving the Office Bearer or Employee. Upon receiving the Conflict of Interest Declaration Form, HRD

<b>LMS COMPLIANCE LTD.</b>		<b>CONFLICT OF INTEREST POLICY MY/HRD/006</b>	
<b>TITLE: CONFLICT OF INTEREST POLICY</b>			
Document No: MY/HRD/006	Revision No: 01	Page 8 of 11	
Effective Date: March 2023			

shall review the actions to be 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 in a proper position to manage or address the conflict, further action shall be recommended by HRD.
- 8.3** In the event of a dispute between the person with the conflict or his HOD and HRD, the matter shall be escalated to the Managing Director of LMS Compliance 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 conflicts of interest involving Employee, 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 Office Bearer, the Company Secretary shall maintain records of the declarations and any related documents.
- 8.5** The process for declaring, managing and monitoring conflicts of interest involving staff is shown in Appendix 2.

**9.0 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 LMS Compliance.

*(The remainder of this page is intentionally left blank)*





**Appendix 2 - Conflict of Interest Declaration Process Flow**

