

## **ASTUTE FUND MANAGEMENT BERHAD**

Company No.: 199701004894 (420390-M)

Incorporated in Malaysia

### **CONFLICTS OF INTEREST POLICY FOR DIRECTORS**

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The purpose of this policy is to assist the Directors in identifying, disclosing and managing any actual or potential conflicts of interest.

A conflict of interest occurs when a Director's personal interests conflict with his/her duty to act in the best interest of the Company. The term 'personal interests' does not need to be the Director's own interest, but may also arise from the interests of his/her Associates.

A conflict of interest may be actual or potential and may be financial or non- financial.

In this policy, "Associate" means a person who falls under any one (1) of the following categories:-

- i. a family member of the Director;
- ii. a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director or a family member of the Director is the sole beneficiary;
- iii. a partner of the Director, means such person who falls within any one of the following categories:
  - a. a person with whom the Director is in or proposes to enter into partnership with. "Partnership" for this purpose refers to a "partnership" as defined in section 3 of the Partnership Act 1961 or "limited liability partnership" as defined in section 2 of the Limited Liability Partnerships Act 2012, as the case may be; or
  - b. a person with whom the Director has entered or proposes to enter into a joint venture, whether incorporated or not.
- iv. a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director;
- v. a person in accordance with whose directions, instructions or wishes the Director is accustomed or is under an obligation, whether formal or informal, to act;
- vi. a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director;
- vii. a body corporate or its directors whose directions, instructions or wishes of which, the Director is accustomed or under an obligation, whether formal or informal to act;
- viii. a body corporate in which the Director or a family member of the Director is entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
- ix. a body corporate which is a related corporation as defined under Section 7 of the Companies Act 2016.

#### **1.0 Circumstances which amount to or may give rise to conflicts of interest**

Conflicts situations can take many forms which include, but not limited to the following:

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- 1.1 Holding another office including being a Director of another company;  
e.g. a Director must not divulge confidential information obtained by reason of being a Director of one company to the second company of which he/she is also a Director.
- 1.2 Having an interest in a contract with the company;  
e.g. the Director enters into a contract to sell property to the company or buy property from the company. In the case of a contract to sell property to the company, there is a conflict between the personal interest of the Director (which is to obtain the highest price possible for the property) and the Director's duty to act in the interest of the company (which is to ensure that the company buys the property at the lowest price possible).
- 1.3 Use of the company's property;  
e.g. using company's property, information or position for personal gain.
- 1.4 Taking advantage of any opportunity which may be given to the company;  
e.g. a Director must not take a business opportunity which the company is currently considering or which it might reasonably be expected to be interested to take, given the company's current line of business.

**2.0 Disclosure Requirement**

- 2.1 A Director shall disclose to the Board the nature and extent of his/her interest, whether directly or indirectly, in any transaction or arrangement with the Company as soon as practicable after the relevant facts have come to his/her knowledge; and if the transaction or arrangement or proposed transaction or arrangement is being deliberated at a board meeting, before the commencement of that deliberation, by way of a written notice to all members of the Board and the Company Secretary.
- 2.2 The interested Director shall be counted only to make the quorum at the board meeting but shall not participate in any discussion where the transaction or arrangement is being deliberated by the Board by excusing himself/herself from the Board meeting where the transaction or arrangement is being deliberated by the Board.
- 2.3 Where there is any change in the nature and extent of the Director's interest subsequent to the disclosure, the Director shall make a further disclosure of such changes.
- 2.4 The Company shall not carry into effect any material arrangement or material transaction where a Director has an interest unless shareholders' approval is

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obtained at a general meeting. An arrangement or transaction is considered material if the percentage resulting from each of the following calculation is **25% or more:-**

- i. the value of the assets which are the subject matter of the transaction, compared with the net assets of the Company;
- ii. net profits of the assets which are the subject matter of the transaction, compared with the total net profit of the Company;
- iii. the aggregate value of the consideration given or received in relation to the transaction, compared with the net assets of the Company;
- iv. the number of shares issued by the Company as consideration for an acquisition, compared with the total issued share capital of the Company;
- v. the aggregate value of the consideration given or received in relation to the transaction, compared with the total issued share capital of the Company;
- vi. the total assets which are the subject matter of the transaction compared with the total assets of the Company;
- vii. in respect of joint ventures, business transactions or arrangements, the total project cost attributable to the Company compared with the total assets of the Company or in the case where a joint venture corporation is incorporated as a result of the joint venture, the total equity participation of the Company in the joint venture corporation (based on the eventual issued capital of the joint venture corporation) compared with the net assets of the Company. The value of the transaction should include shareholders' loans and guarantees to be given by the Company; or
- viii. the aggregate original cost of investment of the subject matter of the transaction divided by the net assets of the Company, in the case of a disposal and where the acquisition of the subject matter took place within last 5 years.

**3.0 Non-Compliance with this Policy**

- 3.1 If a Director has reasonable cause to believe that an interested Director has failed to disclose an actual or potential conflict of interest, he/she should inform the Chairman of the Board and such interested Director of the basis for such belief.
- 3.2 If the interested Director is the Chairman of the Board, the Director should inform the Chairman of the Audit Committee.
- 3.3 The Chairman of the Board or the Audit Committee (as the case may be) shall bring the matter to the Board and the Board shall afford such interested Director an opportunity to explain the alleged failure to disclose. If, after hearing the response and making such further investigation as may be warranted by the circumstances, the Board determines that such interested Director has in fact

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failed to disclose an actual or potential conflict of interest, it shall take appropriate action which may include removal from the Board (subject to relevant regulatory authorities' approval), as appropriate, as well as reconsideration of whether the material transaction or material arrangement was made in the best interests of, and fair and reasonable to the Company at the time it was undertaken, and decide whether such transaction / contract is voidable or / and should be discontinued / terminated.

- 3.4 Failure by an interested Director to disclose an actual or potential conflict of interest, he/she in addition to any other liability, shall be liable:-
- i. to account to the Company for any gain which he/she had made directly or indirectly by the arrangement or transaction; and
  - ii. indemnify the Company for any loss or damage resulting from the arrangement or transaction.

**4.0 Records Maintenance**

- 4.1 The Company Secretary shall be responsible for maintaining updated records on each Director's conflicts of interest.
- 4.2 These records shall be made available for inspection by the Auditors or other regulatory authorities upon request.

**5.0 Board Approval**

This Policy was reviewed and approved by the Board of Directors of the Company on [ ].

This Policy was adopted by the Board on 26 September 2023 and was revised on:-

- n/a
- n/a

