



INTEGRITY & GOVERNANCE UNIT

CONFLICT-OF-INTEREST POLICY & PROCEDURE

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1. INTRODUCTION

- 1.1 This Conflict-of-Interest Policy (“Policy”) serves as a guideline for Qhazanah Sabah Berhad (“QSB” or “Company”) to conduct its daily business operations and decision-making with the highest level of integrity and ethics, complies fully with the applicable laws and regulatory requirements on corruption and conflict-of-interest.
- 1.2 The objectives of this Policy are as follows:
 - (a) To set out the responsibilities of QSB Group, employees, and directors in observing and upholding high integrity and ethical standards in their professional conduct.
 - (b) To provide information and guidance to the employees, directors and business associations on the declaration of conflict of interests, as per requirement of this Policy and the relevant law.
 - (c) To protect the QSB against possible penalties and repercussions resulting from non-compliance.

2. SCOPE

- 2.1 This Policy applies to all employees, directors, business associates, and stakeholders of QSB. It covers the conflict of interest that may arise between their personal interests and the interest of QSB. The personal interest shall include but not limited to the interest of their relatives or any company or corporation owned or controlled by them in which they have substantial personal interest.
- 2.2 This Policy forms part of the Anti-Bribery Management System (“ABMS”) Manual and shall be read in conjunction with the Anti-Bribery and Anti-Corruption Policy, No Gift Policy other internal policies and/or circulars endorsed by the QSB Board, and applicable laws and regulations.
- 2.3 This Policy does not absolve employees, directors, business associates and stakeholders from any statutory obligations contained in any law and/or regulation to report criminal offences and/or breaches of law with the relevant enforcement agencies.



3. INTERPRETATIONS

3.1 BIGC

Refers to the Board Integrity and Governance Committee established by the QSB Board.

3.2 Business associate

Refers to an external party with whom QSB has or plans to establish some form of business relationship. This primarily includes business partners, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries, and investors.

3.3 CM team

Refers to the Complaint Management team of the IGU.

3.4 Confidential Information

Refers to the interpretation provided under Section 3 of the Whistleblowers Protection Act 2010 as follows:

Includes: -

- (a) *Information about the identity, occupation, residential address, work address, or whereabouts of (i) the Whistleblower; and (ii) the person against whom the Whistleblower has made a Complaint;*
- (b) *Information disclosed by the Whistleblower; and*
- (c) *Information that, if disclosed, may cause detriment to any person.*
- (d) *Consequence management*
- (e) *Refers to the coordination of measures taken in order to react to and to reduce the impact of the improper misconduct. It includes, but not limited to, disciplinary action and corrective action.*

3.5 Director

Includes all independent, non-independent, executive, non-executive, nominee, and alternate directors of the Qhazanah Sabah Berhad.



3.6 Employee

Refers to any person employed by Qhazanah Sabah Berhad, its group of subsidiary companies, indirect subsidiaries and company limited by guarantee (“CLBG”) whether permanent, on contract, on temporary assignment, or on secondment from another organisation.

3.7 Gratification

Refers to the interpretation provided in Section 3 of Malaysian Anti-Corruption Commission (“MACC”) Act 2009 as follows:

- (a) *money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;*
- (b) *any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;*
- (c) *any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;*
- (d) *any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;*
- (e) *any forbearance to demand any money or money's worth or valuable thing;*
- (f) *any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and*
- (g) *any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).*

3.8 IGU

Refers to the Integrity and Governance Unit of QSB.



3.9 Law enforcement agencies

Refers to law enforcement agencies with investigative authority in Malaysia as defined under the Whistleblower Protection Act 2010, including but not limited to:

- (a) Malaysian Anti-Corruption Commission (“SPRM”)
- (b) Royal Malaysian Police (“PDRM”)
- (c) Securities Commission (“SC”)
- (d) Bank Negara Malaysia (“BNM”)
- (e) Immigration Department of Malaysia
- (f) Malaysian Communications and Multimedia Commission (“MCMC”)

3.10 QSB

Refers to Qhazanah Sabah Berhad.

3.11 Relative

Refers to interpretation provided under Section 3 of the MACC Act 2009 as follows:

In relation to a person, means –

- (a) *a spouse of the person;*
- (b) *a brother or sister of the person;*
- (c) *a brother or sister of the spouse of the person;*
- (d) *a lineal ascendant or descendent of the person;*
- (e) *a lineal ascendant or descendant of a spouse of the person;*
- (f) *a lineal descendant of a person referred to in paragraph (b);*
- (g) *the uncle, aunt, cousin of the person; or*
- (h) *the son-in-law or daughter-in-law of the person.*

3.12 Stakeholder

Refers to group of persons or organisation in their professional capacity that may affect or be affected by QSB’s decisions and/or actions.



3.13 Whistleblower

Refers to the person who made a disclosure of improper conduct in good faith and with a reasonable belief that the information provided is accurate, in accordance with this Policy.

4. CIRCUMSTANCES WHICH CONSTITUTE OR GIVE RISE TO CONFLICT OF INTEREST

- 4.1 QSB recognises the inevitability of conflict of interest due to the law of six degrees of separation and that a conflict-of-interest may be direct or indirect, may be actual, potential or perceived, and may be financial and non-financial.
- 4.2 In general, a conflict of interest would arise where a person's ability to perform his/her duties effectively and impartially is potentially impaired by personal interest, considerations and/or relationships.
- 4.3 Conflict-of-interest may arise in situations, including but not limited to, the following:
 - (a) Where an employee or a director takes action or has interests that make it difficult for them to carry out their duties for QSB objectively and/or effectively;
 - (b) When an employee or a director, or the relatives of an employee or a director, directly or indirectly receives improper personal gratification as a result of their position in QSB.
 - (c) Where an employee or a director is interested in a contract or proposed contract with QSB;
 - (d) Where an employee or a director holds another office or possesses any property where duties or interest are created which may conflict with his duties and interests in QSB;
 - (e) Where an employee or a director uses the company's property, information or position for personal gain;
 - (f) Where an employee or a director takes advantage of any opportunity which may be given to QSB.



5. DISCLOSURE REQUIREMENT

- 5.1 QSB requires all employees and directors to proactively disclose any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest during the following:
 - (a) During their onboarding process;
 - (b) On annual basis;
 - (c) On an ongoing basis as soon as practicable after becoming aware of a conflict of interest.
- 5.2 When in doubt whether he/she has a conflict of interest, he/she shall make a disclosure as a potential or perceived conflict.
- 5.3 The Conflict-of-Interest Declaration Form must be completed and submitted to the CM team of IGU, which will be logged into the Registry of Conflict-of-Interest Declarations.
- 5.4 In the case of Directors, the conflict must be disclosed to the Board of Directors and recorded by the Company Secretary.

6. MANAGEMENT OF CONFLICT-OF-INTEREST

- 6.1 Disclosure gives transparency to actual, potential and/or perceived conflicts of interest. This Policy requires that a Conflict of Interest be addressed so that the conflict presents is effectively mitigated.
- 6.2 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 give 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.
- 6.3 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 participating in any 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.

6.4 Where the conflict is ongoing and would have serious implications, the person with the conflict 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 non-conflicting function but not 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 the company.

7. MONITORING CONFLICT-OF-INTEREST

7.1 The IGU is responsible for monitoring conflict of interest involving employees and shall be consulted for guidance on any conflict-of-interest issues.

7.2 Upon receiving the Conflict-of-Interest Declaration Form, the IGU shall review the actions taken to address the conflict and decide on a case-by-case basis whether such actions are appropriate and/or sufficient.

7.3 If IGU is of the view that actions taken by the person with the conflict is not sufficient to manage or address the conflict, IGU will recommend additional measures to be taken by the person with the conflict.

7.4 In cases where disagreement arise between the person with the conflict and IGU regarding the management of a conflict, the issue will be escalated to BIGC, who will make the final decision with endorsement of QSB Board.

7.5 The procedures for declaring, managing and monitoring of conflict of interest involving employees are provided in Appendix 3.



8. RAISING A CONCERN

- 8.1 QSB strongly encourages employees, directors, business associates, and stakeholders to notify or report any real or suspected cases of conflict-of-interest to the IGU without fear of retaliation or reprisal through the mechanism set out under the Whistleblowing Policy.
- 8.2 A whistleblower making a disclosure in good faith shall not be subject to unfair dismissal, victimisation, demotion, suspension, intimidation or harassment, discrimination, any detrimental action by the Company and shall be eligible for protection under Whistleblowing Policy.
- 8.3 Any queries concerning the Whistleblowing Policy and related requirement may be directed to the HIGU for further clarification.

9. SANCTION FOR NON-COMPLIANCE

- 9.1 QSB regards bribery and corruption as a serious matter and major misconduct. Non-compliance to this Policy may lead to disciplinary action, which includes termination of employment, as according to the Employment Policy Manual ("EPM").
- 9.2 QSB may take legal action if its interests have been harmed by non-compliance.
- 9.3 QSB shall notify and provide full cooperation to the relevant law enforcement authority if any identified bribery or corruption incidents have been proven beyond reasonable doubt.
- 9.4 Any deviation or waiver from this Policy must be approved by the QSB Board.

10. TRAINING AND AWARENESS

- 10.1 All employees and directors of QSB will receive the relevant training on conflict-of-interest and its declaration procedures. The training will be given in accordance with the position and function.
- 10.2 All employees and directors of QSB shall be deemed to have read, understand and would abide by this Policy upon its circulation and publication on the Company's official website.



10.3 QSB's zero-tolerance approach to bribery and corruption and this Policy must be clearly communicated to all business associates at the outset of the business relationship with QSB and as appropriate thereafter.

11. RECORD KEEPING

11.1 The IGU shall manage and maintain the Registry of Conflict of Interest for employees, including the declaration forms and documentation of any mitigating actions taken. For conflicts involving directors, these records are maintained by the Company Secretary.

11.2 The Registry may be used by IGU to prepare trend analysis report on Conflict-of-Interest to be presented to BIGC and QSB Board, as and when required. The Registry shall also be furnished to the external auditor(s) annually, as and when requested during external audit process.

11.3 All records shall be retained for at least seven (7) years from its date of generation and produced on request by relevant authorised person and/or law enforcement agencies.

12. OVERSIGHT AND REVIEW

12.1 The QSB Board has the overall responsibility and delegated the monitoring and review of the implementation and compliance of this Policy to Board Integrity & Governance Committee ("BIGC"). The BIGC has empowered the day-to-day responsibilities for the administration and implementation of this Policy to the IGU.

12.2 This Policy shall be periodically reviewed and updated by the QSB Board, taking into consideration the needs of the company as well as any development in the law and regulation that may have an impact on the discharge of the Board's duties and responsibilities.

12.3 This Policy is made available to the public via the company's public website, <https://qhazanahsabah.com.my/>.



13. ENQUIRIES AND REPORTING

13.1 Any inquiries or reports on violation of this Policy may be submitted through the reporting channels as follows:

(a) Whistleblowing Channel/E-mail:

whistleblowing@qhazanahsabah.com.my

via <https://qsbconnect.com.my/>

(b) Attend and meet at:

Head of Integrity & Governance Unit

Qhazanah Sabah Berhad,

Level 5, Menara Kinabalu,

Jalan Sulaman, Teluk Likas,

88400 Kota Kinabalu,

Sabah.



Activity	Responsibility	Time Frame
Start		
Identify the Conflict of Interest	Staff	
Fill up the Col Declaration Form and submit to HOD/CoSec	Staff	
Take action to manage the conflict	HOD/CoSec	
Submit the completed Conflict of Interest Form to IGU	HOD/CoSec	
Review the conflict and action(s) taken	IGU	
Action(s) taken acceptable?		
NO	Provide recommendation	
YES		
Agree to the recommendation	HOD/CoSec	
Monitor and Review	IGU	

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graph TD; Start((Start)) --> Identify[Identify the Conflict of Interest]; Identify --> Fill[Fill up the Col Declaration Form and submit to HOD/CoSec]; Fill --> TakeAction[Take action to manage the conflict]; TakeAction --> Submit[Submit the completed Conflict of Interest Form to IGU]; Submit --> Review[Review the conflict and action(s) taken]; Review --> Decision{Action(s) taken acceptable?}; Decision -- NO --> Recommendation[Provide recommendation]; Recommendation --> Agree{Agree to the recommendation}; Agree --> Monitor[Monitor and Review]; Decision -- YES --> Monitor;
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Conflict-of-Interest Policy & Procedure

Qhazanah Sabah Berhad

Appendix 2

EMPLOYEE AND BOARD MEMBER CONFLICT OF INTEREST DECLARATION PLEDGE

Personal Information

Name:

Position/Title:

Department/Division (if applicable):

Start Date:

Pledge:

I, _____, hereby declare that I have read and understood the Conflict-of-Interest Policy of Qhazanah Sabah Berhad. I am aware of my responsibilities under this policy and the ethical standards expected of me in my role as [specify role: employee/board member].

Declaration of Conflicts:

- I hereby declare that, as of the commencement date of my employment/appointment, there are no conflicts of interest that could potentially impair my ability to perform my duties impartially and with integrity.
- I hereby declare the following potential conflicts of interest (please describe below):

Commitment:

I pledge to maintain the highest standards of integrity and transparency in all my professional dealings and to act in the best interests of Qhazanah Sabah Berhad at all times. I commit to avoiding any activities that could conflict with my professional responsibilities and the interests of the Company.

Should any conflicts of interest arise during my tenure, I will disclose them immediately to my supervisor/Company Secretary or the Integrity and Governance Unit, in accordance with the Conflict-of-Interest Policy.

I understand that failure to comply with the Conflict-of-Interest Policy could result in disciplinary action, up to and including termination of employment or dismissal from the board.

Name:

Date:

IC No.:



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Appendix 3

CONFLICT OF INTEREST DECLARATION FORM

*Refer Conflict of Interest Policy for a detailed description.

Please complete the Conflict-of-Interest Declaration Form below:

Section 1: Personal Information	
Full Name	
Position/Title	
Department/Division	
Date	DD / MM / YYYY
Section 2: Description of Conflict	
Type of Conflict (Check applicable)	<input type="checkbox"/> Equity Ownership
	<input type="checkbox"/> Directorship/Partnership
	<input type="checkbox"/> Other Employment/Business
	<input type="checkbox"/> Personal Relationships
	<input type="checkbox"/> Contractual Dealings
	<input type="checkbox"/> Dealings with Competitors
	<input type="checkbox"/> Involvement in Activities as Subject Matter
	<input type="checkbox"/> Acceptance of GHET
	<input type="checkbox"/> Other (Please specify): _____

Detailed Description of the Conflict: (Please provide a comprehensive description of the situation including names, dates, and nature of involvement that may constitute a conflict of interest as per QSB's Conflict of Interest Policy.)

Section 3: Declaration	
Have you discussed this conflict with your Head of Department/Company Secretary?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Proposed actions to manage the conflict: (Describe any steps you plan to take or have taken to mitigate this conflict, such as withdrawal from decision-making processes, reallocation of duties, etc.)	



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Qhazanah Sabah Berhad

Section 4: Approval and Recommendations (For HOD/CoSec use only)	
HOD/CoSec's Comments and Recommendations	
Signature	
Name	
Designation	
Date	DD/MM/YYYY

Section 5: IGU Review (For IGU use only)	
IGU Comments	
Signature	
Name	
Designation	
Date	DD/MM/YYYY

Section 6: Employee/Board of Director Declaration	
I hereby declare that the information provided herein is accurate and complete to the best of my knowledge and that I have read and understood QSB's Conflict of Interest Policy. I commit to adhere to the prescribed procedures and to update this declaration as necessary should any changes occur, or additional conflicts arise.	
Employee's Signature	
Date	DD/MM/YYYY