

SMIS CORPORATION BERHAD
[Registration No. 199901016957 (491857-V)]

Conflict of Interest Policy

1. Introduction

This policy outlines the disclosure obligations of each Director and Key Senior Management of SMIS Corporation Berhad and its subsidiaries with respect to conflict of interest, and the procedures to be followed when a conflict of interest arises or potentially arises to ensure systematic identification, disclosure, and management of conflict of interest in an effective and timely manner.

The objective of this policy aims to ensure that actual, potential and perceived conflicts of interest are identified and handled appropriately, promoting transparency, protecting the interest of the SMIS Corporation Berhad and its subsidiaries, foster a culture of honesty and accountability, and good governance within SMIS Corporation Berhad and its subsidiaries.

2. Definitions

Board	:	The Board of Directors of SMIS Corporation Berhad.
Director	:	Includes all independent and non-independent director, executive and non-executive director of the Group and shall also include alternate or substitute director.
Key Senior Management	:	Key Senior Management are Executive Directors, Chief Executive Officer, Group Financial Controller, and Director, Manufacturing (Automotive Division), including any position having authority and responsibility for planning, directing and controlling the business operations of the Group's core business, directly or indirectly (C suite level).
The Group	:	SMIS Corporation Berhad and its subsidiaries, collectively.
SMIS or the Company	:	SMIS Corporation Berhad [Registration No. 199901016957 (491857-V)].

A conflict of interest arises when the interests of an individual (“**Individual**”), such as a Director or Key Senior Management, interfere or appear to interfere with the interests of the Group. It may also occur when an Individual's interest makes it difficult to perform their roles objectively and effectively.

A potential conflict of interest is a conflict of interest that has not yet materialised but may arise subsequently due to prevailing relationships or interests of an Individual.

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A perceived conflict of interest is a conflict which could exist but is not directly tied to any Individual.

Interest in competing business refers to direct or indirect financial interest, non-financial interest, or competing loyalties or interests in a business that competes with the Group.

3. Scope

This policy applies to all Directors and Key Senior Management of the Group. It covers conflict of interest that may arise between their personal interests and the interests of the Company or its subsidiaries. The personal interests shall include but not limited to the interests of family member, i.e. spouse, parent, child (including adopted child or step-child), siblings, spouse of child or siblings of the Director and Key Senior Management of the Group or any company, corporation owned or controlled by them in which they have substantial personal interests.

This policy shall be read together with:

- SMIS's Anti-Bribery and Anti-Corruption Policy
- SMIS's Code of Ethics
- SMIS's Code of Conduct
- SMIS's Whistle Blower Policy

4. Circumstances which constitute or may give rise to conflict of interest

A conflict of interest may be actual, potential or perceived and may be financial or non-financial interests arising from relationships (family, business, or professional), or competing loyalties or interests.

Conflict of interest situations may take many forms. Director and Key Senior Management should be vigilant in identifying situations that may give rise to a conflict of interest.

Examples of situations (non-exhaustive) where a conflict of interest could arise are as follows:

- (a) Where a Director or Key Senior Management is interested in a contract or proposed contract with the Company or the Group.
- (b) Where a Director holds another office or possesses any property where duties or interests are created which may conflict with his duties and interest as a Director.

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- (c) Where a Director or Key Senior Management uses the Group's property, information, position or resources for personal gain.
- (d) Where a Director or Key Senior Management takes advantage of any opportunity which may be given to the Group.
- (e) Channelling benefits or resources meant for the Company or the Group to a company in which the Director or Key Senior Management has an interest in.
- (f) Disclosing trade secrets to competitors when the Director or Key Senior Management has an interest in such competitors.
- (g) Leveraging the Group's business plans for personal gain through private companies.
- (h) Involvement in a business that competes with the products or services offered by the Group.
- (i) Holding offices or directorships in companies that compete with the Group.

5. Disclosure and Declaration of Conflict of Interest

- (a) Any Director or Key Senior Management who becomes aware of a conflict of interest or potential conflict of interest must promptly disclose the nature and extent of the conflict to the Company.
- (b) Disclosure should occur as soon as practicable after the relevant facts have come to the knowledge of the individual and should be made on a periodic and regular basis, including at all Board meetings.
- (c) The disclosure should include all relevant details, such as the nature and extent of interest (including interest in any competing business with the Company or the Group), the relationship or transaction involved and the potential impact on the Group using the prescribed standard form as per the **Appendix A** annexed with this policy.
- (d) Such disclosure shall be submitted to the Company Secretary and subsequently be reviewed by the Audit and Risk Committee and reported to the Board.
- (e) Where there is any change in the nature and extent of conflict of interest subsequent to the disclosure, the interested Director or Key Senior Management shall make further disclosure of such changes in the manner as set out in clause (c).

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6. Management of Conflict of Interest

- (a) The Audit and Risk Committee shall review and report any conflict of interest situations to the Board, along with the measures taken to resolve, eliminate, or mitigate such conflicts. These disclosures should be included in the Audit and Risk Committee Report.
- (b) The Audit and Risk Committee's review and disclosure must cover conflict of interest situations that arose or may arise during the financial year, as well as persisting conflict of interest from previous financial years.
- (c) The Board may determine appropriate measures to address conflict of interest, including but not limited to the following:
 - (i) Requiring prompt and periodic declaration of conflict of interest by the Director and Key Senior Management of the Group, including at Board meetings and on a regular basis.
 - (ii) Restricting the participation of individuals with conflict of interest in relevant Board, committee or general meetings, requiring them to abstain or recuse themselves from deliberation and voting on matters related to the conflicts.
 - (iii) Conducting an assessment of conflict of interest during annual performance appraisal and before new appointments.
 - (iv) Executing non-disclosure or confidentiality agreements to protect confidential and proprietary information or trade secrets.
 - (v) Restricting Director and Key Senior Management from participating in businesses that compete with the Company or the Group.
 - (vi) In cases where conflict of interest significantly affects the performance of Director or Key Senior Management, requiring them to divest the conflicting interest or consider resigning from the Company or the Group. Taking into the account the significance of the conflict of interest and potential ramifications of a failure to handle the conflict properly, Directors should consider whether to inform the Board not to send them Board papers relating to the resolution.

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7. Records Maintenance

- (a) The Company Secretary shall be responsible to record all conflict of interest disclosures by the interested Director or Key Senior Management in the minutes of meeting of the Board and/or Audit and Risk Committee, or in the Board and/or Audit and Risk Committee's resolution in writing as the case may be, at which the declaration was made and to maintain an updated record of such conflict of interest disclosures received.
- (b) These records shall be made available for inspection by auditors or other regulatory authorities upon request.
- (c) The Group will take all reasonable steps to ensure compliance with Personal Data Protection Act in collecting and using the information as part of the assessment process. The information gathered from the assessments shall be strictly for the Board and Audit and Risk Committee's use for the purpose of the assessment and not for public disclosure.

8. Periodic Review

This policy shall be reviewed by the Audit and Risk Committee and recommended to the Board for approval periodically or as and when required and updated in compliance with the prevailing applicable laws and regulations or in accordance with the needs of the Group, where necessary.

9. 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 amongst others, this policy, Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Companies Act 2016, and could result in amongst others, disciplinary action being taken by the Company.

This policy is reviewed and approved by the Board on 20 November 2023.

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APPENDIX A

Disclosure of Conflict of Interest or Potential Conflict of Interest Form

The Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires a listed issuer to disclose the nature and extent of any conflict of interest or potential conflict of interest including interest in competing business involving Directors and Key Senior Management of a listed corporation. The purpose of this Disclosure Form is to assist the Director/Key Senior Management of SMIS Corporation Berhad (“**the Company**”) in disclosing conflict of interest or potential conflict of interest that arises/may arise.

This declaration applies to all Directors and Key Senior Management of the Company. It covers conflict of interest that may arise between their personal interests and the interests of the Company or its subsidiaries. The personal interests shall include but not limited to the interests of family member, i.e. spouse, parent, child (including adopted child or step-child), or siblings, spouse of child or siblings of the Director and Key Senior Management of the Company or any company, corporation owned or controlled by them in which they have substantial personal interest.

Instruction to complete the form

Kindly indicate with a ✓ on the relevant section and complete the information as required. Supporting documents could be appended if required.

No Conflict of Interest

After having read and considered the contents of the Conflict of Interest Policy of the Company, I hereby declare that I am not aware of any conflict of interest (both financial and non-financial) or potential or perceived conflict of interest (both financial and non-financial) including interest in competing business with the Company and its subsidiaries (“**Group**”).

Conflict of Interest (if any)

I, being a Director/Key Senior Management of the Company do hereby declare on conflict of interest (if any) with the Group as follows (to delete if not applicable):

I use property, information, position or resources of the Group for my personal purpose or business.

Date	Property, information or position of the Group which is used	Purpose for the use of property, information or position	Impact to the Group

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I channel benefits or resources meant for the Group for my personal purpose or business.

Date	Benefits or resources meant for the Group	Purpose for the use of benefits or resources	Impact to the Group

I leverage on the Group's business plans/information for my personal purpose or business.

Date	Business plans/information of the Group being leveraged	Purpose for the leveraging of the business plans	Impact to the Group

I am involved in a business which offers similar products or services that are likely to replace or substitute the products or services offered by the Group.

Name of business	Products or services offered by the business	Nature of involvement* (Director/Shareholder/Others)	Impact to the Group

**For shareholding, kindly state if it is direct or indirect interest and the number of shares held*

I hold offices, directorships or shares (whether direct or indirect) in business which is competing with the Group.

Name of business	Nature of business	Nature of involvement* (Director/Shareholder/Others)	Impact to the Group

**For shareholding, kindly state if it is direct or indirect interest and the number of shares held*

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I provide financial assistance to or receive financial assistance from the Group on terms and conditions which are more favourable than normal commercial terms.

Date	Type of financial assistance provided/received	Total amount of financial assistance	Terms and conditions agreed	Terms and Conditions under normal commercial terms	Impact to the Group

I possess property where interests created is in conflict with my duties as a Director/Key Senior Management of the Group.

Description of property	Date of purchase	Consideration	Details of Conflict	Impact to the Group

I am interested in a contract that the Group has entered into.

Description of contract	Date of contract	Consideration	Nature of Interest/Details of Conflict	Impact to the Group

I am interested in Recurrent Related Party Transaction (“RRPT”) or potential RRPT with the Company/ Group as follows :

Description of Transaction	Date of Transaction	Amount of Transaction	Nature of Interest/Details of Conflict	Impact to the Group

Any other conflict of interest situation: _____

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Potential or Perceived Conflict of Interest

I, being a Director/Key Senior Management of the Company do hereby declare my potential or perceived conflict of interest with the Group that has yet to materialize but may arise as follows (to delete if not applicable):

I have Close Relationship* with another Director/Key Senior Management of the Group / external stakeholder with whom the Group has business relations with (including but not limited to business associates* of the Group and/or authorities issuing material licences or permits of the Group) / persons who may be a director, major shareholder, partner, or a person with executive power of an entity or organisation involved in competing business with the Group and/or are business associates of the Group.

Description of Close Relationship*	Nature of potential / perceived conflict of interest	Impact to the Group

* Close Relationship refers to family member of the other person, where “family” shall have the meaning as defined in the Bursa Securities Listing Requirements, i.e.: (a) spouse, (b) parent, (c) child including adopted child and step-child, (d) brother or sister and (e) spouse of persons referred to in (c) and (d).

* Business associates includes associated and affiliated companies of the Group, franchisees, partners, vendors, suppliers, contractors, sub-contractors, professionals, consultants, agents, representatives, and others performing work or services for or on behalf of the Group.

I have similar business with that of the Group in a geographical location which the Group is not currently operating in but may expand its venture in subsequently.

Name of Business	Nature of business	Geographical location the business is currently operating in	Impact to the Group

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I am involved in a business which offers similar products or services which the Group is not currently providing, but which may expand its venture in subsequently.

Name of Business	Products or services offered by the business	Nature of involvement* (Director/Shareholder/Others)	Impact to the Company

**For shareholding, kindly state if it is direct or indirect interest and the number of shares held*

I hold offices, directorships or shares in business that which is not currently competing with the Group, but which might be competing with the Group if it expands its venture in subsequently.

Name of business	Nature of business	Nature of involvement* (Director/Shareholder/Others)	Impact to the Group

**For shareholding, kindly state if it is direct or indirect interest and the number of shares held*

Any other potential or perceived conflict of interest situation: _____

I confirm that the above-mentioned information disclosed is true and correct to the best of my knowledge. Should any conflict of interest situation arises/may arise, I agree to undertake the declaration of the conflict of interest situation to the Board as soon as practicable after the relevant facts have come to my knowledge as well as on a periodic and regular basis including at all board meetings.

Signature : _____
 Name : _____
 Designation : _____