

CONFLICT OF INTEREST POLICY



YX PRECIOUS METALS BHD (202101001245) (1401543-M)
(Incorporated in Malaysia)

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1. INTRODUCTION

YXPM is committed to maintaining the highest of ethical standards and recognises that it must be seen at all times to be acting in accordance with highest standards of governance.

Proper identification and management of conflicts of interest ensures that business decisions are made in the best interests of the Company and the Company is protected from any consequent damage to its activities and reputation.

2. PURPOSE

The purpose of this Conflict of Interest 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.

3. SCOPE

This Policy applies to the Key Person of YXPM. This Policy applies whenever an individual recognises, or should reasonably recognise, that a conflict of interest may arise from their current or future activities.

The Policy provides guidance on how to identify and declare all conflicts of interest, how to develop, implement and monitor actions to appropriately manage the conflict, and how to deal with breaches of this Policy. The scope of this Policy is relatively wide in its coverage of activities that may give rise to conflicts of interest. As it is not possible for the Policy to be all-inclusive, the Key Person must exercise reasonable judgement and comply with the spirit of this Policy and not just the letter of the Policy.

4. DEFINITIONS

“Beneficial interest” refers to 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” is a situation in which an individual’s personal interest clashes with the professional interest owed to YXPM, potentially undermining the impartiality of the individual concerned. Conflict of interest includes actual, potential or perceived conflict of interest.

“Key Person” refers to, among others, a director, key senior management and legal representative of YXPM.

“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.

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

“**YXPM**” or “**Company**” refers to YX Precious Metals Berhad and its subsidiaries.

5. IDENTIFYING CONFLICT OF INTEREST

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 interests, considerations or relationships.

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

i. Equity ownership in entities having a business relationship with YXPM

This is where a Key Person holds shares in privately owned entities having a business relationship with YXPM, either directly or indirectly (e.g. through a family member). This does not apply to shares held in publicly quoted companies which have a business relationship with YXPM, unless such holding is considered to be material and the interest is likely to impair the objectivity of Key Person concerned.

ii. Directorship, partnership or other forms of beneficial interest in entities having a business relationship with YXPM

This applies to situations where a Key Person holds a position or has an interest in entities having a business relationship with YXPM. An example would be where a Key Person of YXPM is a Director of a company supplying goods or services to YXPM. Such situations would result in a conflict of interest.

iii. Personal relationships

A conflict of interest would arise if a Key Person has a family member with an interest (e.g. in the form of ownership, directorships, partnerships, employment, etc.) in entities which have a contractual arrangement with YXPM. An example would be where a YXPM Key Person’s spouse is working in a company providing goods or services to YXPM. This also applies to situations where a family member of a key Person is working in a company who purchase goods and services from YXPM, although there is no contractual arrangement yet.

iv. Contractual dealings with employees

This refers to situations where YXPM purchases or leases property, equipment, materials, etc. from Key Person, or enters into contractual arrangements with Key Person (other than employment contracts). Such situations give rise to a conflict of interest, and should not occur except in exceptional circumstances.

v. Dealings with competitors

If a Key Person or their family member has financial or other interests or any involvement in the business of a competitor, or holds a directorship in a competitor, such a situation would give rise to a conflict of interest. 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 of the Key Person concerned.

vi. Involvement in activities where the Key Person concerned is the subject matter

A conflict of interest arises if a Key Person participates in activities where he/she is the subject of the discussion or where the decision involves him/her. An example of this situation is where an allegation is made against a Key Person through the whistleblowing channel, and the Key Person is part of the investigating team tasked with investigating the allegation.

vii. Acceptance of meals or entertainment

The acceptance of meals or entertainment may affect a Key Person's objectivity and judgement. It is the responsibility of the Key Person to comply with YXPM's Anti-Corruption Policy to ensure that nothing is received / given which might create a conflict of interest or bring their integrity into question.

6. GENERAL RESPONSIBILITIES

All Key Person are responsible for identifying and managing conflicts of interest on an ongoing basis and are required to:

- i. Comply with this Policy and other applicable policies and guidelines relating to the identification, documentation, escalation and management of conflicts of interest;
- ii. Act with objectivity, integrity and independence, and exercise sound judgement and discretion;
- iii. Avoid, wherever possible, situations giving rise to conflicts of interest as described in this Policy; and
- iv. Immediately declare the conflict of interest in accordance with this Policy, remove themselves from the decision-making process and not seek to influence such decisions any further.

7. MANAGING CONFLICTS OF INTEREST

Any conflict must be disclosed to the key senior management, 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 Key Person becomes aware of the conflict.

7.1 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.

7.2 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:

- i. Not participating in any critical criteria setting or decision making role in the process.
- ii. Refraining from discussions about the matter.
- iii. Limiting access to information and denying access to sensitive documents or confidential information in the process.
- iv. Abstaining from voting on the decision.

7.3 Where the conflict is ongoing and could have serious implications, the person with the conflict should be removed from the process, which includes the following:

- i. Abstaining from any involvement whatsoever in the matter.
- ii. Rearranging the duties and responsibilities of the person with conflict to a non-conflicting function

8. 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 YXPM.

9. VERSION MANAGEMENT

Revision History:

Version No	Date	Drafted/Amended by	Review by	Approved by
V1.0	20/08/2024	Samuel Sia	Ng Sheau Chyn	ARMC/ BOD

Change History:

Version No	Change Details
V1.0	Initial Policy