

<b>STANDARD OPERATING PROCEDURE (SOP)</b>	
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Author	
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<b>Review / Approval</b>				
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# 1 INTRODUCTION

## 1.1 Purpose

TRANSCENTURY and its affiliates (the group) is committed to conducting business in a manner that ensures business judgment and decision making is not influenced by undue interests.

This Policy defines conflict of interest and explains the relevant principles and rules for preventing or managing conflicts of interest and how such principles and rules are to be implemented.

## 1.2 Definitions

**“Conflict of Interest Manager”** is the Human Resource Manager in the case of an employee or Company Secretary of the Company in the case of a Director.

**“The Group”** – TransCentury and its affiliates

**“Closely related persons”** are the employee’s or director’s family (immediate family, first level extended family and in-law family) members, someone with whom the employee or director has an intimate relationship, and those living in the same household as the employee or director.

**“Disclosure”** means sharing the existence, nature, and all relevant facts of a conflict of interest with the Associate’s Manager.

**“Newly hired Associates”** (1) are first time employees or Directors with a TransCentury Group company or (2) have internally transferred between TransCentury Group companies with a break in service of any length.

**“Addressing a conflict of interest”** is the process of identifying and implementing strategies and practices to minimize the risks associated with the disclosed conflict of interest. One example: if an Associate’s spouse is a Senior Executive at a potential TransCentury supplier, the Associate’s Manager may decide the best way to mitigate potential risks to the business interests and reputation of TransCentury is to exclude the Associate from any role where he/she can make decisions about or influence the outcome of that supplier’s activities.

**“Avoiding a conflict of interest”** means Associates take decisions or actions to ensure a conflict of interest does not occur, or does not have the potential to occur, in the first place and where it occurs, it is disclosed and managed to mitigate the impact of the conflict

## 1.3 Scope and accountabilities

This Policy applies to all directors, management and employees at all levels within the group (employee or director).

This Policy contains TransCentury Global Standards.

In some countries, more stringent applicable laws and regulations supersede the principles set out in this Policy. This policy is however the lowest standard for managing conflict of interest within the group.

**Effective Date:**

This Policy enters into force as of 1 July 2017 and must be implemented by all group entities.

**Disclosure and record keeping responsibility:**

Each HR manager and Company Secretary will be responsible for maintain conflict of interest disclosure records for every employee or director respectively. The conflict of interest manager will ensure that;

- 1) There is a signed copy of the Conflict of Interest Policy document “read and signed” by every employee or director acknowledging having “read and understood the policy”.
- 2) The conflict of interest disclosure records maintained by the company are upto date in line with reporting frequencies.

Every employee will be responsible for updating the conflict of interest as follows.

- 1) First time disclosure at point of joining a group company as employee or director.
- 2) For existing employees and directors,
  - a) First time disclosure within thirty (30) days of the effective date of this policy
  - b) Annual updates will be required at least once every calendar year.
  - c) Adhoc updates will be required any time the employee assesses that there is a change that affects the previous disclosure, the employee will issue an interim disclosure.

It is the employee’s or director’s responsibility to effect the disclosure and it need not be solicited by the Conflict of Interest Manager.

## **2 PRINCIPLES AND RULES**

### **2.1 Definition**

A conflict of interest situation results when interests either influence, have the potential to influence, or are perceived to influence their decision making or actions within the group.

### **2.2 When a conflict of interest may arise**

Conflicts of interest may arise where an employee or director places his or her personal interests before the interests of the group and where such personal interests unduly influence that employee's or director's business judgments, decisions, or actions. These situations may include both closely related persons defined below and friends. Making judgments, taking decisions, or pursuing actions when facing a conflict of interest may make it difficult to perform work for the group objectively and effectively and may have legal and regulatory consequences.

TransCentury defines conflicts of interest broadly as follows:

- a) Actual conflicts of interest (a real, existing conflict);
- b) Potential conflicts of interest (the employee or director is in or could be in a situation that may result in a conflict); and
- c) Perceived conflicts of interest (the employee or director is in or could be in a situation that may appear to be a conflict, even if this is not the case).

Employee or director are expected to recognize when they have, potentially have, or could be perceived as having, a conflict of interest. Employees or directors should consult their respective conflict of interest manager if in doubt about what circumstances might create a conflict of interest.

### **2.3 What to do when an employee or director identifies a case where they have a conflict of interest situation**

- i. Disclose the conflict to the relevant parties as defined in the policy.
- ii. Where a decision needs to be made and an employee or director identifies that they have a conflict of interest, they should seek to abstain from being part of a decision maker.
- iii. Ensure measures to correct the conflict of interest situation are implemented

### **2.4 Employee or director should avoid conflicts of interest whenever possible**

As part of their employment or engagement with the group and its companies, employees or directors have a contractual obligation of loyalty to TransCentury.

Accordingly, employee or director should avoid conflicts of interest with the group or its business interests. Some conflicts of interest, however, represent an especially high risk to

the reputation or business interests of the group and employees or director must avoid these.

TransCentury respects employee or director' rights and choices and does not wish to interfere with their personal lives. However, employee or director avoidance of conflicts of interest is an important part of maintaining the integrity and sustainability of our business and builds trust and support amongst colleagues and our key stakeholders.

## **2.5 Employee or director must disclose conflict of interest**

The required action for an employee or director who does not or cannot avoid a conflict of interest is to disclose it.

Employee or director must disclose to their conflict of interest manager any conflicts of interest.

Disclosure must take place as soon as the employee or director identifies that there may be a conflict of interest and, whenever possible, before the employee or director engages in the conduct in question.

Newly hired employee or director specifically must disclose all conflicts of interest with TransCentury during the hiring process so they can be discussed with the hiring manager.

Having a conflict of interest is not necessarily wrong. However, it can become a problem or a legal matter if an employee or director tries to influence the outcome of business dealings for direct or indirect personal benefit. This is why transparency, in the form of disclosure, is critical and helps to protect the integrity and reputation of TransCentury and the employee or director.

A discussion with the employee's or director's conflict of interest manager should be the starting point when it comes to disclosing a conflict of interest. However, employee or director must also submit the standard Conflict of Interest Disclosure Form to ensure a record of each disclosure.

Business is dynamic and when circumstances change, existing disclosures may no longer be accurate or complete. When this happens, the employee or director must freshly disclose the conflict of interest.

## **2.6 Managers must ensure Conflicts of Interest are appropriately addressed**

Disclosure provides transparency to actual, potential, or perceived conflict of interest risks to the group. It is a necessary part of mitigating these risks, but disclosure alone is not sufficient. This Policy also requires **addressing** a conflict of interest. Addressing a conflict of interest is the process of identifying and implementing strategies and practices to minimize the risks employee or director with the disclosed conflict of interest.

Addressing a conflict of interest is the responsibility of the Conflict of Interest Manager. Specifically, TransCentury expects the Conflict of Interest Manager to:

- i. Treat the information disclosed by the employee or director with appropriate confidentiality and without bias
- ii. Fairly evaluate the conflict of interest situation disclosed by the employee or director, including the risks to the business interests and reputation of TransCentury or its companies.
- iii. Seek guidance if needed from the supporting functions, including Legal, HR, Internal Audit and line manager.
- iv. Make a pragmatic decision to address the conflict of interest so that risks to TransCentury OR Its subsidiaries are minimized and the personal interests of the employee or director are protected as far as possible
- v. Communicate the decision and its reasoning to the employee or director and follow up to ensure the employee or director understands and complies with it
- vi. Retain documentation of the decision using the standard Conflict of Interest Disclosure Form and provide a copy to the employee or director.

Many conflict of interest situations can be addressed in a simple and mutually acceptable manner; pro-active, open dialogue between Conflict Managers and their employee or director is essential to support this outcome.

## **3 IMPLEMENTATION**

### **3.1 Training and Awareness**

Employee or director must familiarize themselves with this Policy. All employees and directors will be required to sign a form indicating that they have read and are aware of this policy at point of employment or engagement and for existing employees or directors as a one off process at the point of introduction of this policy.

### **3.2 Disclosure Responsibilities**

It is the responsibility of every group employee or director to adhere to this policy,

Any employee or director who learns of a potential violation of this Policy is required to disclose his or her suspicion promptly to the conflict of interest manager depending on the nature as indicated in Table 4.2 in the Annex.

Employee or director who disclose potential misconduct or who provide information or otherwise assist in any inquiry or investigation of potential misconduct will be protected against retaliation.

Conflict of Interest Manager is responsible for ensuring conflicts of interest are disclosed by new hires during the hiring or engagement process.

The Human Resources Manager and the Company Secretaries are responsible for maintaining disclosure forms for all employees or directors in their portfolio.

### **3.3 Reporting Responsibilities**

The owner of this Conflicts of Interest Policy is the Board of Directors.

In the case of employees, the Human Resource Manager will prepare a report that will form part of the board submissions for Conflict of Interest Disclosures, through the Nominations and Remunerations Committee of the Board.

In the case of a director, the director, together with the company secretary will be responsible of bringing to the attention of the board any issue of conflict in the case of a board members during any vote with respect to a matter where a director may have a conflict of interest.

All directors must declare whether there is conflict of interest prior to the beginning of any board meeting or board sub committee meeting. Directors who are conflicted will not be eligible to vote in the meeting.

### **3.4 Remedy for Breach of this Policy**

Breaches of this Policy will include and be remedied as follows;

<b>No.</b>	<b>Outcome of Conflict</b>	<b>Remedy</b>
1	Failure to disclose conflict	Written Warning
2	Failure to remedy situation within specified period by disclosing following written warning	Final Warning
3	Failure to remedy after specified period in final warning	Termination
4	Financial Gain Arising from a conflict of interest	Termination

## 4 ANNEX

### 4.1 Conflict of Interest that employee or director must avoid, disclose or that must be removed

Type of conflict	Examples (Applies to any unit where employee is working or another unit within the group)	What must be avoided or removed
Personal workplace relationships	Spouse Brother Cousin In-laws Parent Child Grand Child Spousal Equivalent	Employee or director must not <ul style="list-style-type: none"> <li>- Be in a supervisory, subordinate, or control relationship (e.g., having influence over conditions of employment) with closely related persons.</li> <li>- Be involved in any hiring decision regarding closely related persons (including internal/external hiring and internal transfers).</li> <li>- Influence a decision where individuals under personal relationship category make financial gains out of undue process.</li> </ul>
Outside engagements, including employment	Direct competitor with a group company or business Any other employment.	Employee, director or their immediate family members must not have any kind of undisclosed paid or unpaid engagement with <ul style="list-style-type: none"> <li>- A TransCentury business partner or competitor, unless it meets a TransCentury business purpose or does not influence (and cannot be perceived as influencing) the Employee or director's business judgment</li> <li>- Any other person or company if this impacts their performance at TransCentury</li> </ul>
Personal financial interests  Relationships with business partners and competitors	Supplier Contractor Sub-contractor Regulator Customer Investor Competing business	Employee or director and their immediate family members must not <ul style="list-style-type: none"> <li>- Own any interest equal to or greater than 1% in any company which competes with or does business with TransCentury</li> <li>- Conduct TransCentury business with any entity in which they have an interest or with which they have a substantial affiliation</li> <li>- Act as an official of or advisor or consultant to any government agency with regulatory or supervisory power over TransCentury</li> </ul>
Receiving incentives to influence a decision.	Any of the following category of incentives intended to influence a business decision:  Gifts,	Employee or director must not directly or indirectly solicit or accept from any TransCentury business partner or competitor <ul style="list-style-type: none"> <li>- Cash or cash equivalents (e.g., stocks, gift certificates, discounts not based on a collective agreement, etc.); this includes actual and potential business partners or competitors</li> </ul>



Type of conflict	Examples (Applies to any unit where employee is working or another unit within the group)	What must be avoided or removed
	<p>Fees Commissions Meals, Travel, Entertainment Cash</p> <p>The value of such a gift would be a guiding criteria</p>	<ul style="list-style-type: none"> <li>- Gifts; if a gift is received nonetheless, it must be returned if it influences or could be perceived as influencing the Employee or director's business judgment</li> <li>- Meals, travel, or entertainment, unless it predominantly meets a TransCentury business purpose, is accompanied by a representative of the business providing it, and does not influence (and cannot be perceived as influencing) the Employee or director's business judgment. Accepting entertainment of a non-ordinary, exceptional nature requires Conflict of Interest Manager approval</li> <li>Employee or director must not directly or indirectly</li> <li>- Solicit or receive a fee, commission, service, or other favour from any actual or potential TransCentury business partner or competitor</li> </ul>

## 4.2 Contacts for guidance

Type of conflict	Contact for additional guidance
Personal workplace relationships	HR Manager – For Employees Company Secretary – For Directors
External mandates	
Outside engagements, including employment	
Personal financial interests	
Relationships with business partners and competitors	
Gifts, meals, travel, entertainment	
Fees, commissions, services, other favours	
Other situations	

### 4.3 Conflict of Interest Disclosure Template

(To Be Printed and Filled for Disclosure Purposes)

#### Conflict of Interest - Disclosure Form

Employee's or Directors Surname:

Other name/s:

Position:

Entity/ Company Name:

Email Contact:

Telephone Contact:

Describe the private interests that have the potential to impact on your ability to carry out, or be seen to carry out, your official duties with impartiality and in the interest of TransCentury Group.

(Describe your private interests and/or associations)

Type of conflict	Examples (Applies to any unit where employee is working or another unit within the group)	First time conflict arose (Date)	Date Conflict Ended (where applicable)	Description of Conflict/ (s) Disclosed.  You can list more than one on each box
Personal workplace relationships	Spouse Brother Cousin In-laws Parent Child Grand Child Spousal Equivalent			
Outside engagements, including employment	Direct competitor with a group company or business Any other employment.			
Personal financial interests	Supplier Contractor Sub-contractor Regulator			

Type of conflict	Examples (Applies to any unit where employee is working or another unit within the group)	First time conflict arose (Date)	Date Conflict Ended (where applicable)	Description of Conflict/ (s) Disclosed.  You can list more than one on each box
Relationships with business partners and competitors	Customer Investor Competing business			
Receiving incentives to influence a decision.	Any of the following category of incentives intended to influence a business decision:  Gifts, Fees Commissions Meals, Travel, Entertainment Cash  The value of such a gift would be a guiding criteria			

**Employee Declaration**

I declare that the above details of my private interests are correct to the best of my knowledge and am aware of my responsibilities to take reasonable steps to avoid any real or apparent conflict of interest in connection with my service employment at TransCentury Group and to advise my manager of any relevant changes in my personal circumstances.

\_\_\_\_\_

*Signature:*

\_\_\_\_\_

*Date:*

**Action by Conflict of Interest Manager**

*(Describe the action proposed to mitigate the real or perceived conflict which has been disclosed and the reasons for the decisions)*

The above action has been discussed with the employee and is appropriate to resolve the real or apparent conflict of interest disclosed above.

\_\_\_\_\_  
Signature of Conflict of Interest Manager:

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Employee Endorsement:

\_\_\_\_\_  
Date:

**When finalised, this form is signed and scanned and forwarded by e-mail to the HR Manager for retention on the employee's personnel file.**

**In case of directors, this will be maintained by the company secretary in the director particulars file.**