



**ALLIANCE BANK**

**CONFLICTS OF  
INTEREST POLICY  
FOR DIRECTORS**

*OCTOBER 2018*

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### List of Abbreviation / Acronyms

<b>ABG</b>	Alliance Bank Group (ABMB, AIBB and AIS collectively)
<b>ABMB</b>	Alliance Bank Malaysia Berhad
<b>AIBB</b>	Alliance Investment Bank Berhad
<b>AIS</b>	Alliance Islamic Bank Berhad
<b>ABG Entity</b>	Any entity within ABG
<b>associate</b>	<p>means a person who falls under any one of the following categories:</p> <ul style="list-style-type: none"> <li>(i) a family member of the Director;</li> <li>(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;</li> <li>(iii) a partner of the Director, means such person who falls within any one of the following categories: <ul style="list-style-type: none"> <li>(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</li> <li>(b) a person with whom the Director has entered or proposes to enter into a joint venture, whether incorporated or not.</li> </ul> </li> <li>(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;</li> <li>(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;</li> <li>(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;</li> <li>(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;</li> <li>(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</li> <li>(ix) a body corporate which is a related corporation.</li> </ul>

**List of Abbreviation / Acronyms**

<b>BNM</b>	Bank Negara Malaysia
<b>Board</b>	Board of Directors
<b>FSA</b>	Financial Services Act 2013
<b>family</b>	Means the spouse, parent, brother, sister, child (including adopted or step child) and the spouses of such brother, sister or child of the Director.
<b>IFSA</b>	Islamic Financial Services Act 2013
<b>material arrangement or transaction</b>	At the time of the arrangement or transaction, any one of the percentage ratio is 25% or more, unless the Director or any associate of the Director cannot reasonably be expected to derive a benefit or suffer a detriment from the transaction or arrangement in a way that will place the Director in a position of conflict.
<b>percentage ratio</b>	<p>means the figures, expressed as a percentage, resulting from each of the following calculations:</p> <ul style="list-style-type: none"> <li>(i) the value of the assets which are the subject matter of the transaction, compared with the net assets of the listed issuer;</li> <li>(ii) net profits of the assets which are the subject matter of the transaction, compared with the net profits attributable to the owners of the listed issuer (before other comprehensive income or loss);</li> <li>(iii) the aggregate value of the consideration given or received in relation to the transaction, compared with the net assets of the listed issuer;</li> <li>(iv) the number of shares issued by the listed issuer as consideration for an acquisition, compared with the total number of shares previously in issue (excluding treasury shares);</li> <li>(v) the aggregate value of the consideration given or received in relation to the transaction, compared with the market value of all the ordinary shares of the listed issuer (excluding treasury shares);</li> <li>(vi) the total assets which are the subject matter of the transaction compared with the total assets of the listed issuer;</li> <li>(vii) in respect of joint ventures, business transactions or arrangements, the total project cost attributable to the listed issuer compared with the total assets of the listed issuer or in the case where a joint venture corporation is incorporated as a result of the joint venture, the total equity participation of the listed issuer in the joint venture corporation (based on the eventual issued capital of the joint venture corporation) compared with the net assets of the listed issuer. The value of the transaction should include shareholders' loans and guarantees to be given by the listed issuer; or</li> <li>(viii) the aggregate original cost of investment of the subject matter of the transaction divided by the net assets of the listed issuer, in the case of a disposal and where the acquisition of the subject matter took place within last 5 years.</li> </ul>



**List of Abbreviation / Acronyms**

**related corporation**

means a corporation which is –  
(a) the holding company of another corporation;  
  
(b) a subsidiary of another corporation; or  
  
(c) a subsidiary of the holding company of another corporation.



**1.0 INTRODUCTION**

**1.1 Purpose**

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

**1.2 Scope**

This policy applies to all members of Board of ABG.

**1.3 Update & Review**

The review of this document is undertaken by Group Corporate Secretarial once every two (2) years or as and when required.

**1.4 Confidentiality & Control**

This document is prepared by Group Corporate Secretarial and approved by the Board.

Information obtained from this document shall not be divulged in any form or means to any other persons without the approval of the Board of Directors.

**1.5 Inspection**

This document shall, upon request be made available for inspection by the visiting teams from Internal Audit, External Auditors, BNM and/or other regulatory authorities.

**2.0 DEFINITION OF CONFLICTS OF INTEREST**

2.1 Under Section 57(1)(a) of the FSA or Section 66(1)(a) of the IFSA, a Director has a duty to act in good faith in the best interests of the company at all times.

2.2 A conflict of interest occurs when a Director's personal interests conflict with his/her duty to act in the best interest any ABG Entity. 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.

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



### **3.0 CIRCUMSTANCES WHICH CONSTITUTE OR MAY GIVE RISE TO CONFLICTS OF INTEREST**

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

- 3.1 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.
- 3.2 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).
- 3.3 Use of the company's property;  
e.g. using Company's property, information or position for personal gain.
- 3.4 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.

### **4.0 DISCLOSURE AND RECUSAL**

- 4.1 A Director shall disclose to the Board the nature and extent of his interest, whether directly or indirectly, in any transaction or arrangement with the ABG Entity 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.
- 4.2 The interested Director shall not be present at the Board meeting where the transaction or arrangement is being deliberated by the Board.
- 4.3 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.
- 4.4 An ABG Entity shall not carry into effect any material arrangement or material transaction where a Director has an interest unless shareholders' approval is obtained at a general meeting.
- 4.5 If a Director is in doubt whether he/she has a conflict of interest, he/she should seek advice from the Company Secretary.

**5.0 NON-COMPLIANCE WITH THIS POLICY**

- 5.1 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.
- 5.2 If the interested Director is the Chairman of the Board, the Director should inform the Chairman of the Group Audit Committee.
- 5.3 The Chairman of the Board or the Group 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 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 ABG Entity at the time it was undertaken, and decide whether such transaction / contract is voidable or / and should be discontinued / terminated.

**6.0 RECORDS MAINTENANCE**

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

**7.0 EXCEPTION TO THE POLICY**

This policy shall not apply to an arrangement or transaction by an ABG Entity (i) and any of its wholly-owned subsidiaries; (ii) and its holding company which holds all the issued shares of the ABG Entity; or (iii) which is a wholly-owned subsidiary of a holding company and another wholly-owned subsidiary company of that same holding company.

Company name:

CONFLICTS OF INTEREST REGISTER FOR DIRECTORS				
Director Name	Person and/or Organisation with Interest	Nature of Conflicts of Interest	Date of Declaration	Deliberation/Decision by the Board <i>(Extract of minutes may be attached)</i>