

ABC MOTORS COMPANY LIMITED

(the "Company")

Conflict of Interest and Related Party Policy

Introduction

The objective of the Conflict of Interest and Related Party Policy (the "Policy") is to lay out the scope of conflicts of interest and related transactions and to set out policies and procedures to ensure that decisions are transparent and in the best interests of the Company.

A conflict of interest is a situation in which a person is able to derive personal benefit from actions or decisions made in their official capacity.

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or is a member of the key management personnel of the reporting entity. An entity is related to a reporting entity if both of them are members of the same group or one of them is either an associate or joint venture of the other entity. Related party can also arise if the entity is a post-employment benefit plan for the employee of the reporting entity.

The Board of Directors ("the Board") of the Company recognises that certain related party transactions may present an increased risk of conflict of interest. Therefore, the Board has adopted this Policy to ensure that all Related Party Transactions shall be subject to review, approval or ratification in accordance with the procedures set forth below.

Procedures

The Audit and Risk Committee (the "Committee") shall be responsible for the review, approval or ratification of significant Related Party Transactions.

Commercial transactions, made at arms' length, entered into by the Company in the ordinary course of business does not require ratification by the Committee.

In determining whether to approve, disapprove or ratify a Related Party Transaction, the Committee will take into account, among other factors it deems appropriate, whether the Related Party Transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Person's interest in the transaction

Directors must avoid instances that may give rise to conflicts of interest or which may be perceived by others as conflicting situations. Full information on any conflict or potential conflict of interest is made known to the Board and recorded accordingly. The onus is on the directors to advise the Board on any change in their situation.

On declaration of his interest, the concerned director shall not participate in the discussions and/or decision-making process on the transaction in relation to which conflict arises but may continue to be present unless the Chairperson judges otherwise. The transaction may however be concluded and approved at market terms and conditions. Related party transactions will also be disclosed in accordance with accounting policies and standards.