



CONFLICT OF INTEREST POLICY

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1. INTRODUCTION

uab bank Limited (“uab bank”), as a provider of a wide range of financial services faces potential and actual conflicts of interest. Managing these conflicts of interest effectively is essential to protect the Bank and its customers and other stakeholders. The purpose of the Conflicts of Interest Policy (“the Policy”) is to enable the Bank’s employees and members of the Board of Directors to easily identify and prevent or manage conflicts of interest. This Policy includes examples that may arise together with minimum standards and principles for identifying and managing conflicts of interest.

This Policy is issued in compliance to the Financial Institution Law, 2016 and guided by various Directives from the Central Bank of Myanmar (CBM).

2. SCOPE AND APPLICATION

The Policy applies to all employees, including the Board of Directors, all functions and all units in uab bank.

3. DEFINITIONS

- a. A **Conflict of Interest** is any circumstance described in Section 4 of this Policy.
- b. A **Responsible Person** is any person serving as an officer, employee, member of the Board of Directors or member of any Committee of uab bank.
- c. A **Family Member** is a spouse, parent, child, or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.
- d. A **Material Financial Interest** in an entity is a financial interest of any kind that, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person’s or Family Member’s judgment with respect to transactions to which the entity is a party. This includes all forms of compensation.
- e. A **Contract or Transaction** is any agreement or relationship involving the sale of purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any other type of pecuniary relationship or review of a charitable organization by uab bank.

4. IDENTIFYING CONFLICTS OF INTEREST

For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:

a. INTERESTS

- i. A Contract or Transaction between uab bank and a Responsible Person or Family Member.
- ii. A Contract or Transaction between uab bank and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer,

agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, or other legal representative.

b. COMPETING ACTIVITIES

- i. A Responsible Person competing with uab bank in the rendering of services or in any other Contract or Transaction with a third party.
- ii. A Responsible Person's having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, or other legal representative of, or consultant to; an entity or individual that competes with uab bank in the provision of services or in any other Contract or Transaction with a third party.

c. GIFTS, GRATUITIES AND ENTERTAINMENT

A Responsible Person accepting gifts, entertainment, or other favors from any individual or entity that:

- i. does or is seeking business with, or is a competitor of uab bank; or
- ii. has received, is receiving or is seeking to receive a loan or grant, or to secure other financial commitments from uab bank;
- iii. is a charitable organization;

Under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude or prohibit the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value that are not related to any particular transaction or activity of uab bank.

The Bank's **Gift Guidelines** will also apply to Responsible Persons in these circumstances.

5. PROCEDURES

- a. Before Board or Committee action on a Contract or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.
- b. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the Board or Committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the Board's or Committee's discussion of the matter except to disclose material facts and to respond to

questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

- d. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting.
- e. Responsible Persons who have a Conflict of Interest with respect to a Contract or Transaction but who are not part of the decision-making process, shall disclose to the Chair of the decision-making Committee or to the Chief Executive Officer (through his/her Head of Department), any Conflict of Interest that such Responsible Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that may affect uab bank's participation in such Contract or Transaction.

In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair (or where relevant, the Chief Executive Officer), who shall determine whether there exists a Conflict of Interest that is subject to this policy.

6. CONFIDENTIALITY

Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of uab bank. Furthermore, a Responsible Person shall not disclose or use information relating to the business of uab bank for the personal profit or advantage of the Responsible Person or a Family Member.

7. SEGREGATION OF DUTIES

The Bank emphasizes the importance of maintaining segregation of duties as a fundamental measure to prevent and manage conflicts of interest. Accordingly, the principles of segregation of duties are reflected in the Bank's organizational structures, procedures, reporting lines and internal controls.

8. DISCLOSURE OF CONFLICTS OF INTEREST WITH CUSTOMERS

Where there is a Conflict of Interest on matters with regard to a particular Customer between two entities within the Bank, then the Chief Executive Officer will create a Control Room to ensure information barriers between the entities in order to manage the Conflict of Interest.

If the organizational and administrative measures established by the Bank are insufficient to ensure, with reasonable confidence, that a conflict of interest with the associated risks of damaging a Customer's interests will be appropriately managed, the Bank must disclose the conflict of interest in question and the steps taken to mitigate them to the Customer before undertaking any business on

the Customer's behalf. Managing conflicts of interest in this way must only be used as a measure of last resort.

If the measures described above are insufficient to adequately address a specific conflict of interest related to a Customer, the Bank should decline to act on behalf of the Customer

9. TRAINING AND MONITORING

The Bank will ensure that the administrative framework also involves training and monitoring, including promotion of internal awareness, guidance, internal reporting, and monitoring of the effectiveness of the procedures to handle conflicts of interest

10. REVIEW OF POLICY

The Board of Directors has a responsibility to ensure that the Bank has adequate policies and guidelines to avoid to the extent possible any conflicts of interest between uab bank and any member of the Board of Directors and any other employee of the Group.

The Management Team has a responsibility to establish and implement guidelines and procedures in order to identify actual and potential conflicts of interest across the Bank.

Managers and Heads of Departments in the Bank are responsible for identifying, preventing, and managing conflicts of interest in their area of responsibility by implementing the Policy and by adopting and implementing necessary supplementary procedures and guidelines where needed.

Further, the Management of the Bank is responsible for ensuring that their employees are familiar with the Policy and the related Conflicts of Interest Policy framework and that they complete the relevant awareness training.

This Policy is reviewed annually and any changes communicated to all Responsible Persons.

11. SPECIFIC COMPLIANCE TO FINANCIAL INSTITUTIONS LAW, 2016 AND CBM DIRECTIVES

a. RELATED PARTIES TRANSACTIONS

With regard to related party transactions specifically mentioned in CBM Directives, the **Procedures in Section 5 of this Policy** will apply for all related party transactions in compliance to CBM Directives.

b. PROHIBITION ON DIRECTORS

The following prohibitions are specified in CBM Directives for members of the Board of Directors to avoid Conflict of Interest and all Directors therefore shall not:

- i. engage in any activity which would be against the interests of the bank;
- ii. simultaneously be a director or officer of another bank or financial institution;
- iii. interfere in the daily activities of bank management;
- iv. engage in any transactions with the bank where he/she has a direct or indirect financial interest in the customer;
- v. engage in any activity resulting in personal benefit by misusing the name and office assumed;
- vi. diverge confidential customer information and contravention of Financial Institutions Law; and
- vii. engage in any activity which will render the director no longer fit and proper to hold office

12. CONFLICT OF INTEREST DECLARATION FORMS

Declaration forms as appended to this Policy may be used by Responsible Persons to state any Conflict of Interest situations.

13. MONITORING

The Risk and Compliance Department is responsible for monitoring the governance of this Policy.

14. FRAMEWORK

The Conflicts of Interest Policy is included in a framework consisting of related key policies, rules and directives etc. These include:

- Code of Ethics
- Corporate Governance Framework
- Disclosure Framework
- Procurement Policy
- Anti-Bribery and Corruption Policy
- Gift Guidelines

APPENDIX

uab bank Limited
Conflict of Interest Declaration Form

Name: _____

Date: _____

Please describe below any relationships, positions, or circumstances in which you are involved that you believe could contribute to a Conflict of Interest as defined in uab bank's Policy on Conflicts of Interest.

Signature: _____

Received By:

Date: