



Kawan Food Berhad Registration No: 200401001942 (640445-V)

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## **CONFLICT OF INTEREST POLICY**

<b>Abbreviation</b>	<b>Meaning</b>
Board	: The Board of Directors of the Company.
Director	: Includes all independent and non-independent directors, executive and non-executive directors of the Group and shall also include alternate or substitute directors.
Key Senior Management	: Key Senior Management are Executive Director, Chief Executive Officer and Head of Department including legal representative and any position having authority and responsibility for planning, directing and controlling the activities of KFB Group, directly or indirectly.
Legal Representative	: Legal representative is a person with sole powers to represent, exercise rights or enter into binding obligations, on behalf of the listed issuer or its foreign principal subsidiary.
KFB Group or the Group	: The Company and its subsidiaries, collectively.
KFB or the Company	: Kawan Food Berhad (Registration No. 200401001942 (640445-V)).

### **1. Introduction**

This policy outlines the disclosure obligations of each Director and Key Senior Management with respect to conflict of interest, and the procedures to be followed when a conflict of interest arises or potentially arises to ensure systematic identification, disclosure, and management of conflict of interest in an effective and timely manner.

The objective of this policy aims to ensure that conflict of interest is handled appropriately, promoting transparency, foster a culture of honesty and accountability, and good governance within the Group

## **2. Definitions**

A conflict of interest arises when the interests of an individual (“Individual”), such as a Director, or Key Senior Management, interfere or appear to interfere with the interests of KFB Group. It may also occur when an Individual’s interest makes it difficult to perform his/her roles objectively and effectively.

A potential conflict of interest is a conflict of interest that has not yet materialised but may arise subsequently due to prevailing relationships or interests of an Individual.

A perceived conflict of interest is a conflict which could exist but is not directly tied to any Individual.

Interest in competing business refers to direct or indirect financial interest, non-financial interest (e.g. arising from relationships whether family, business or professional interests), or competing loyalties or interests in a business that competes with the Group.

## **3. Scope**

This policy applies to all Directors and Key Senior Management. It covers conflict of interest that may arise between their personal interests and the interests of the KFB Group. The personal interests shall include but not limited to the interests of family member, i.e. spouse, parent, child (including adopted child or step-child), or siblings, spouse of child or siblings of the Director and Key Senior Management or any company, corporation owned or controlled by them in which they have substantial personal interest.

## **4. Circumstances which constitute or may give rise to conflict of interest**

A conflict of interest may be actual, potential or perceived and may be financial or non-financial interests arising from relationships (family, business, or professional), or competing loyalties or interests.

Conflict of interest situations may take many forms. Directors and Key Senior Management should be vigilant in identifying situations that may give rise to a conflict of interest.

Examples of situations (non-exhaustive) where a conflict of interest could arise are as follows:

- (a) Where a Director or Key Senior Management is interested in a contract or proposed contract with the Company or KFB Group.
- (b) Where a Director holds another office or possesses any property where duties or interests are created which may conflict with his duties and interest as a Director.

- (c) Where a Director or Key Senior Management uses the Company or the KFB Group's property, information, position or resources for personal gain.
- (d) Where a Director or Key Senior Management takes advantage of any opportunity which may be given to the Company or the KFB Group.
- (e) Channelling benefits or resources meant for the Company or KFB Group to a company in which the Director or Key Senior Management has an interest in.
- (f) Disclosing trade secrets to competitors when the Director or Key Senior Management has an interest in such competitors.
- (g) Leveraging the Company or the KFB Group's business plans for personal gain through private companies.
- (h) Involvement in a business that competes with products or services offered by the Company or the KFB Group.
- (i) Holding offices or directorships in companies that compete with the Company or the KFB Group.

## **5. Disclosure of Conflict of Interest**

- (a) Any Director or Key Senior Management who becomes aware of a conflict of interest must promptly disclose the nature and extent of the conflict to the Company.
- (b) Disclosure should occur as soon as practicable after the relevant facts have come to the knowledge of the individual and should be reported on a half yearly basis, including at all Board and the Audit Committee meetings.
- (c) The disclosure should include all relevant details, such as the nature and extent of interest (including interest in any competing business with the Company or the KFB Group), the relationship or transaction involved and the potential impact on the Company using the prescribed standard forms as set out in the **Appendix A**.
- (d) If a Director is in doubt whether he/she has a conflict of interest, he/she should seek advice from the Company Secretaries.

## **6. Management of Conflict of Interest**

- (a) The Audit Committee shall review and report any conflict of interest situations to the Board, along with the measures taken to resolve, eliminate, or mitigate such conflicts. These disclosures should be included in the Audit Committee Report.

- (b) The Audit Committee's review and disclosure must cover conflict of interest situations that arose or may arise during the financial year, as well as persisting conflict of interest from previous financial years.
- (c) The Board may determine appropriate measures to address conflict of interest, including but not limited to the following:
  - (i) Requiring prompt and periodic declaration of conflict of interest by the Director and Key Senior Management, including at board meetings and on a regular basis.
  - (ii) Restricting the participation of individuals with conflict of interest in relevant board, committee or general meetings, requiring them to abstain or recuse themselves from deliberation and voting on matters related to the conflicts.
  - (iii) Conducting an assessment of conflict of interest during annual performance appraisal and before new appointments.
  - (iv) Executing non-disclosure or confidentiality agreements to protect confidential and proprietary information or trade secrets.
  - (v) Restricting Director and Key Senior Management from participating in businesses that compete with the Company or the KFB Group.
  - (vi) In cases where conflict of interest significantly affects the performance of Director or Key Senior Management, requiring them to divest the conflicting interest or consider resigning from the Company. Taking into the account the significance of the conflict of interest and potential ramifications of a failure to handle the conflict properly, Directors should consider whether to inform the Board not to send them board papers relating to the resolution.

## **7. Records Maintenance**

- (a) The Company Secretary shall be responsible to record all conflict of interest disclosures by the interested Director and Key Senior Management, in the minutes of meeting of the Board or in the board circular resolution as the case may be, at which the declaration was made and to maintain an updated record of such conflict of interest disclosures received.
- (b) These records shall be made available for inspection by auditors or other regulatory authorities upon request.

## **8. Periodic Review**

This policy shall be reviewed at least once in every three years or as and when necessary by the Board.

## **9. 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 amongst others, this Policy, Listing Requirements of Bursa Malaysia Securities Berhad, the Companies Act 2016, and could result in amongst others, disciplinary action being taken by the Company.

Adopted by Board: 22 November 2023