

KK MART RETAIL BERHAD

REGISTRATION NO.: 202301037992 (1531914-U)

CONFLICT OF INTEREST POLICY

DEFINITIONS

For the purpose of this Policy, the following definitions shall apply:

"Actual Conflict"	:	A situation where there is a real or material conflict of interest between the Director or Employees and the performance of his/her duties in the best interests of the Group.
"AC"	:	Audit Committee of the Company.
"Board of Directors"	:	The Board of Directors of the Company.
"Bursa Malaysia"	:	Bursa Malaysia Securities Berhad.
"Close Associate(s)"	:	Persons with whom a Director or Employees has a close relationship, including but not limited to:- (a) Close Relatives; and (b) any corporate entity or partnership arrangement in which a Director or Employees and/or his or her Close Relative(s) has/have control or joint control, significant influence accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Employees or Closed Relative(s), or is part of the key management team of that corporate entity or partnership arrangement.
"Close Relative(s)"	:	In relation to the Director or Employees, covers biological and non-biological relationships and includes but is not limited to spouse(s), children (including stepchildren and adopted children), parents, stepparents, siblings, stepsiblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews and first cousins.
"Company"	:	KK Mart Retail Berhad.
"Company Secretary"	:	The Company Secretary of the Company.
"Conflict of Interest" or **"COI"**	:	Situation where:- (a) the interests of the said person (who is often a person in a position of trust), interfere, or appear to interfere, with the interest of the Group; or (b) the said person has interests that may make it difficult to perform his or her role objectively and effectively. COI is not limited to direct financial interest but also includes indirect financial interest, non-financial interest (e.g. arising from relationships whether through Close Relatives or Close

		Associates) or competing loyalties or interests or any transaction, procedure or code of conduct that raises questions about integrity. COI can be Actual Conflict, Potential Conflict or Perceived Conflict.
"COI Declaration Form"	:	The declaration form for COI as per Annexure A.
"Conflicted Director"	:	The Director for whom a COI may exist.
"Conflicted Employees"	:	The Employees for whom a COI may exist.
"Director"	:	A director within the Group which shall have the meaning assigned to it in the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Capital Markets and Services Act 2007.
"Employee(s)"	:	Person(s) employed within the Group and for the purpose of this Policy only, and includes full-time staff, part-time staff, contract staff, temporary staff, interns, apprentices and those on secondment.
"Group"	:	The Company and its subsidiaries.
"HR"	:	Human Resource Department/Division of the Company.
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Malaysia Securities Berhad, including any amendment that may be made from time to time.
"Perceived Conflict"	:	A situation in which a reasonably well-informed person would believe that a Director or Employees could be influenced in the performance of his/her duties by factors relating to the personal interest of the Director or Employees or by association with Close Relatives or Close Associates.
"Policy"	:	This Conflict of Interest Policy.
"Potential Conflict"	:	A situation where an actual conflict of interest has yet to materialise or happen but may occur at some point in the future, either based on current circumstances or a change in circumstances.

1. INTRODUCTION AND OBJECTIVE

The Group is committed to maintain the highest ethical standards and recognises that it must at all times to be acting in accordance with the best corporate governance practices.

Accordingly, the Group expects all its Directors and Employees to conduct themselves with integrity, impartiality and professionalism at all times, and to avoid any COI situations that may arise in the performance of their duties.

Given the important fiduciary position they hold in the Company, Directors and Employees of the Group are expected to exercise more vigilance in the discharge of their duties and obligations. They should avoid situations where a reasonable person would think that there is a risk that a Director's or Employee's duty to the Group could be adversely affected by their self-interest or duty to another party.

Proper identification and management of conflicts of interest ensure business decisions are made in the best interests of the Group. and protect the Group from any damage or adverse impact to its activities and reputation.

This Policy is established to ensure that actual, potential and/or perceived conflicts of interest are identified and managed effectively. It is intended to provide guidance on how to:

(a) identify and declare COI;

(b) develop and implement measures to appropriately manage a COI situation; and

(c) deal with breaches of this Policy, if any.

2. APPLICABILITY

This Policy applies to all Directors and Employees of any company within the Group.

COI not specifically addressed in this Policy must be dealt with according to the principles and intent of this Policy.

3. IDENTIFYING CONFLICT OF INTEREST

A COI would arise where a person's ability to perform his/her duties effectively or impartially is impaired, potentially impaired or may be perceived to be impaired by personal interest, considerations or relationships with Close Relatives or Close Associates.

Generally, COI situations are where a Director or Employee:

(a) uses the property of the Group;

(b) uses any information acquired by virtue of his/her position as a Director or Employee;

(c) uses his/her position as such Director or Employee;

(d) uses any opportunity of the Group which he/she became aware of, in the performance of his/her functions as a Director or Employee;

(e) engages in business which is in competition with the Group;

(f) having a direct or indirect interest in a vendor, customer or competitor of the Group;

(g) accepting gifts or favors that influence his/her business decisions; or

(h) having personal or family relationships that interfere with his/her duties within the Group.

More specific examples (which are not exhaustive) of COI situations are where a Director or Employee:

(a) uses property or resources of the Group for his or her personal purpose or business;

(b) channels benefits or resources meant for the Group to a company which he or she has an interest in, whether directly or indirectly;

(c) discloses trade secrets to a competitor where he or she has an interest in, whether directly or indirectly;

(d) influences decision of the Group to develop a geographical area where the said person owns property so that he or she will also enjoy the benefit either financially (e.g. capital appreciation of the property) or non-financially (e.g. convenience from the infrastructure developed) from such development;

(e) prioritises his or her private venture by depriving the Group from an identified business opportunity;

(f) leverages the Group's business or developmental plans by acquiring adjacent lands using the said person's private company;

(g) is involved in a business which offers similar products or services that are likely to replace or substitute the products or services offered by the Group;

(h) holds offices or directorships in businesses that compete with the Group;

(i) provides financial assistance to, or receives financial assistance from, the Group on terms and conditions which are more favourable to the said person than normal commercial terms;

(j) has similar business with that of the Group in a geographical location which the Group is not currently operating in, but which the Group may expand its venture into subsequently;

(k) purchases substantial building materials for construction of his or her own property at a massive discount from a contractor which has been shortlisted as one of the contractors for the Group's project(s);

(l) purchases/disposes or leases, -properties, equipment, materials, etc. from or to the Group, or enters into a contractual arrangement with the Group which may give rise to a COI with his/her duties or interest as a Director or Employee of the Group; or

(m) has a personal relationship or family member where such person can influence the hiring, work assignments or assessments of another person in the Group.

4. GENERAL RESPONSIBILITIES

All Directors and Employees are responsible for identifying and managing COI on an ongoing basis and are required to:

(a) comply with this Policy and other applicable policies and guidelines relating to the identification, documentation, escalation and management of COI;

(b) comply with relevant provisions of the Companies Act 2016, Listing Requirements, Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries issued by the Securities Commission Malaysia, and other laws and regulations relating to COI, where applicable;

(c) act with objectivity, integrity and independence, and exercise sound judgement and discretion;

(d) avoid, wherever possible, situations giving rise to COI; and

(e) immediately declare the COI in accordance with this Policy, remove themselves from the decision-making process and refrain from further influencing such decisions.

5. MANAGING CONFLICT OF INTEREST

The situations which will or will not give rise to COI may be subjective and depend on the specific facts and circumstances. However, when in doubt, it is recommended that such situations be disclosed so that the Board is informed and made aware of such situations.

The measures to address COI situations are as follows:

(a) **Declaring the COI** as soon as practicable after the relevant facts have come to the knowledge of the Director or Employee as well as on a periodic and regular basis including at all board meetings.

The declaration of COI shall be made by the Director or Employee at the earliest opportunity, which is as soon as the COI arises, or when the Director or Employee becomes aware of the conflict or during hiring or appointment or engagement, by completing a **COI Declaration Form**.

For Employees, the COI Declaration Form must be escalated to his or her line manager or next senior officer and the HR for further action.
In the case of a Director, the COI Declaration Form must be escalated to the HR for further action.

The COI Declaration Forms received by the HR from the Directors and Employees shall be compiled and escalated to:

(i) the board of directors of the subsidiary, where the COI involves an Employee or Director at the subsidiary level, for attention before reporting to the AC and Board of Directors of the Company; or

(ii) where the COI involves an Employee or Director of the Company, the AC and Board of Directors at their respective meetings for review and consideration.

The Company Secretary shall record the COI Declarations, deliberations and decisions in the minutes of the AC and Board of Directors' meetings accordingly;

(b) **Restricting the participation** of the Conflicted Director or Conflicted Employees at the relevant Board and/or board committee meetings or management meetings or general meetings and requiring him/her to abstain himself/herself from discussion, deliberation and voting on matters relating to the COI subject matter;

(c) **Undertaking an assessment on COI** (i) of the Employees during the performance appraisal on an annual basis and (ii) for new appointments of Directors, before the appointment and (iii) for all incumbent Directors, on an annual basis;

(d) **Executing a non-disclosure or confidentiality agreement** by the Conflicted Director or Conflicted Employees to protect any type of confidential and proprietary information or trade secrets of the Group;

(e) **Restricting Directors and Employees from participating** in businesses which compete with the Group;

(f) **Limiting access to confidential and sensitive information, documents and data** to only designated members of management, with access granted to others strictly on a "need-to-know-basis";

(g) **In extreme circumstances,** requiring the Conflicted Director or Conflicted Employee to either **divest the interest causing the conflict or to resign from the Group** if the COI is likely to continue affecting his/her performance;

(h) **Rearranging duties and responsibilities to a non-conflicting function** or **transferring the Conflicted Employee** to another project or another division of the Group; and/or

(i) **Providing training on COI** to ensure the Directors and Employees understand the objective of the Policy and to equip the Group to manage COI situations effectively.

6. OUTSIDE DIRECTORSHIPS, EMPLOYMENT, AND ACTIVITIES

(a) Employees must obtain prior written approval before:

(i) taking any outside employment;
(ii) serving on any external board or advisory committee; and/or
(iii) engaging in any consultancy, freelance, or profit-making activity.

(b) Participation in community, academic, or professional organisations is encouraged but must not interfere with official duties or company reputation.

7. REVIEW BY THE AC

The responsibilities of AC shall include the following:

(a) To ensure there are established policies and procedures for the purposes of identifying, evaluating, approving, reporting and monitoring all COI situations.

This is to ensure that:

(i) There will be standard treatment of COI;

(ii) All COI situations are dealt with and addressed expeditiously;

(iii) The role, responsibilities and accountability of relevant parties in dealing with and resolving COI are outlined clearly; and

(iv) All interviewees or potential Employees be matched against the Directors, Employees, their family members, and the suppliers' shareholders and directors.

(b) To review and report to the Board of Directors, any COI situations that arose, persist or may arise within the Group during the financial year together with the measures taken to resolve, eliminate or mitigate such conflict. Further, a summary of these activities undertaken by the AC during the financial year shall be disclosed in the AC Report of the Company's Annual Report.

In reviewing the COI, the AC shall consider the following factors:

(i) The nature of COI situations, and the impact on the Group;

(ii) Identity of the Conflicted Director or Conflicted Employee; and

(iii) Controls in place or corrective actions to be taken, to ensure the Conflicted Director or Conflicted Employee does not abuse his or her power to gain an unfair advantage.

8. RETENTION OF RECORDS

The COI documents as mentioned in Paragraph 5(a) must be kept by the Group for at least seven (7) years from the date of resolution, meeting or decision, as the case may be.

9. BREACH OF POLICY

Failure to disclose a COI situation, provide complete and accurate information on the COI or appropriately manage the COI is a breach of this Policy and such failure constitutes misconduct and may lead to disciplinary action being taken by the Group; termination of employment or contract; civil or criminal liability if laws are breached; and/or any formal disciplinary proceedings.

9. REVIEW OF POLICY

This Policy shall be reviewed periodically to assess its effectiveness and update any changes as and when required.

This Policy was adopted by the Board of Directors on [date].

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ANNEXURE A

CONFLICT OF INTEREST DECLARATION FORM BY DIRECTORS AND EMPLOYEES

Name of Company : ----------

Name of Director/Employees : ----------

Position : ----------

Department : ----------

I hereby declare that:-
(*please* ✓)

☐ I do **NOT** have a Conflict of Interest with **KK Mart Retail Berhad** and/or its subsidiaries ("**Group**").

☐ I have a Conflict of Interest with the Group. The details are as follows:

1. I am an officer and/or member of the following corporations/firms and I am to be regarded as interested (whether directly or indirectly) in the contract/arrangement which has been, or will be, or may be entered into between the Group with the said corporations or firms. The interest has resulted in or could result in a conflict between my personal interests, considerations or relationships with Close Relatives or Close Associates and my responsibilities as a Director or a Employees:

Name of corporations or firms	**Office held by me in the corporations or firms**	**My interest in shares of the corporations or firms**		**Description of the nature and extent of the Conflict of Interest[#]**
		Direct (In units and %)	**Indirect (In units and %)**	

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2. My Close Relatives and/or Close Associates have or may have a Conflict of Interest in the following contract/arrangement with the Group:

Name of Close Relatives/ Close Associates	Relationship	Description of the nature and extent of the Conflict of Interest[#]

3. I own the following property that could give rise to a Conflict of Interest with my responsibilities as a Director or Employees:

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4. I have received or been offered gifts, meals, or entertainment from a business partner or vendor:

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5. I currently hold or intend to hold a secondary job, business, directorship, or consultancy outside of the Group:

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6. I am involved in vendor selection, purchasing, or payment processes where a personal connection exists:

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7. I or a Close Relative or a Close Associate has, in the past or currently, (i) obtained or used any personal opportunities linked to the businesses of the Group, by utilising the Group property or information, or my position in the Group for personal gain; or (ii) competed in any way with the Group for business opportunities:

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8. I or a Close Relative or a Close Associate utilises the Group's assets, resources or information for personal use without obtaining prior approval from the Chairman of the Board or the Board or not as part of the approved Board reimbursement:

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9. Any other information that might be relevant to this declaration:

I confirm that I have read the Company's Conflict of Interest Policy, and my declaration of the above information is, to the best of my knowledge and belief, correct and complete.

Dated:

_____
Signature

ANNEXURE A

Notes:

1. *#Include the description of the contract or arrangement. Where the nature of the Conflict of Interest involves a property, please state the postal address or identification (lot, title number, relevant mukim, district and state) of the property, land or building, approximate area, etc.*
2. *"Director", "Conflict of Interest", "Close Relatives" and "Close Associates" shall bear the same meanings as defined in the Conflict of Interest Policy.*

(to be completed by the Audit Committee)

Mitigation / Action Plan	:	
Final Decision	:	☐ No Conflict Found ☐ Manageable Conflict (Mitigation Applied) ☐ Conflict Not Permissible
Date of presentation to the Board	:	

Acknowledged by the Chairperson of the Audit Committee

Name :
Date :

Acknowledged by the Chairperson of the Board

Name :
Date :