



Related Party Transactions Policies and Procedures

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Note

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The Company reserves the right to review, amend or update this Policy from time to time. For any enquiries, please contact the Group Finance Department.



A. SCOPE

This policy applies to all EcoFirst Consolidated Bhd Group's ("EcoFirst Group") employees including part time, temporary and contract employees.

B. OBJECTIVES

This policy is designed to ensure the related party transactions ("RPTs") which are carried out in the ordinary course of business, are made at arm's length and on normal commercial terms which are not more favourable to the Related Party or Parties than those generally available to the public and are not on terms that are detrimental to the minority shareholders of ECB.

This policy also aims to comply with the Part E, Paragraph 10.08 and 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

Hence, adequate procedures and processes are put in place, as set forth herein, to monitor, track and identify Recurrent Transactions in a timely and orderly manner, and review of the procedures and processes.

C. POLICY

1. The main features of this policy are:
 - (i) To specify the principles to be adopted in relation to the conduct of a RPT between the Company and/or the Group with a Related Party(s);
 - (ii) To provide guidance in the interpretation and application of those principles;
 - (iii) To standardize the practices and procedures relating to the conduct of RPT; and
 - (iv) To specify the basis of proper disclosure of such RPT.
 2. It is also the policy of the Company not to enter into any RPTs unless:
 - (i) The Audit Committee of ECB has reviewed such transaction in accordance with the guidelines set forth herein; and
 - (ii) The transaction is approved by Board of Directors ("the Board") of ECB (based on the Company's Financial Authority Limits).
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D. SAFEGUARDS

Whenever in doubt as to whether the proposed transaction is a related party transaction, employee is encouraged to contact the Group Finance Department.

Although a RPT may give rise to a conflict of interest, such a RPT is allowed under the law, provided that the RPT is entered into in the best interest of the Company and complies with the applicable laws.



In view of the sensitivity of a RPT, the transacting company/subsidiary should ensure that no preference is given to a Related Party prior to initiating the transaction. Where practicable, it may be appropriate for the transacting company/subsidiary to obtain an independent review of the RPT. In any event, there should be proper documentation relating to the basis under which the RPT was entered into.

E. CONCEPTUAL AND OPERATIONAL DEFINITIONS

This policy is not intended to provide for a comprehensive definition of all area related to the subject matter based on the following reasons:

- a) The actual definition of Related Party Transactions (“RPTs”) and Recurrent Related Party Transactions (“RRPTs”) are contained in the Listing Requirements. Hence, their deliberation in total within this procedure will only be replication of such definitions;
- b) Re-writing the complete set of those definitions could result in alteration and interpretation of their actual meaning due to the absence of a complete discussion of their contextual setting; and
- c) Frequent amendments to the Listing Requirements may render the RPT and RRPT deliberations as deliberated herein, obsolete within a short time span.

It is therefore recommended that each department/subsidiary which is directly involved in disclosing these RPT and RRPT to constantly liaise and obtain a copy of the relevant reference documents from the Group Finance Department.

The following are some of the main definitions provided by the Listing Requirements:-

1. The Act

Refers to the Companies Act, 2016 as amended from time to time and any re-enactment thereof;

2. Listing Requirements

Refers to the Main Market Listing Requirements of Bursa Securities as modified, varied, supplemented or replaced from time to time and including any Practical Notes issued.

3. Transaction Includes:

- i. the acquisition, disposal or leasing of assets;
- ii. the establishment of joint ventures;
- iii. the provision of financial assistance;
- iv. the provision of receipt or services; or
- v. any business transaction or arrangement entered into.

4. Arm’s Length Basis

This term refers to transaction is an open and unrestricted market and between willing parties who are knowledgeable, informed, and who act independently of and without regard to any relationship with each other.



5. Related Party

Related Party is defined as follow:-

- (i) Any person who is or was an executive officer, director, or director nominee of the Company at any time since the beginning of the Company's last fiscal year;
- (ii) Any person who is or was an Immediate Family Member of an executive officer, director, director nominee at any time since the beginning of the Company's last fiscal year;
- (iii) Any person who is known to be the beneficial owner of more than 5% of any class of the Company's voting securities;
- (iv) Any firm, corporation or other entity in which any of the foregoing person is employed or is a partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest.

6. Immediate Family Member

Immediate Family Member includes a person's child, stepchild, parent, stepparent, spouse, siblings, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, or any other person who is sharing the household of that such person, other than a tenant or an employee.

7. Recurrent Related Party Transaction ("RRPT")

Refers to a RPT which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations and is in the ordinary course of business of ECB and/ or its subsidiaries.

8. Related Party Transaction ("RPT")

RPT also known as an Interested Transaction and defined as any transaction, arrangement or relationship, or any series of similar transaction, arrangement or relationship in which the Company is or was to be a participant, the amount involved exceeds RM500,000, and a Related Party has or will have a direct or indirect material interest. RPT specifically includes, without limitation, purchases of goods or services by or from the Related Party or entities in which the Related Party has a material interest, indebtedness, guarantees of indebtedness, and employment by the Company or a Related Party.

Despite of that, an Immediate Family Member shall not deem to have a direct or indirect significant interest in the Company's engagement of a large legal, accounting or consulting firm in which such Immediate Family Member's only affiliation is serving as a partner of such firm and such engagement shall not deem an RPT; provided all of the following apply:-

- (i) Such Immediate Family Member is not involved in any aspect of the selection or engagement of, or negotiation process with the Company;



- (ii) Such Immediate Family Member is not provided any benefit and/or credit in connection with the engagement other than that would be provided to any other unaffiliated partner within the Company and such compensation arrangement is confirmed as part of the engagement process;
- (iii) In advance of each engagement, the business owner confirms in writing to the committee that such engagement is not attributable to the Immediate Family Member;
- (iv) No other facts or circumstances relating to the engagement of the Company suggest that the Immediate Family Member would have a direct or indirect significant interest in the engagement as determined by the Secretary Firm in consultation with management and with outside counsel, as appropriate.

9. Major Shareholders

Refers to a person who has an interest or interests in one or more voting shares in the Company and the number of the shares, or the aggregate of the number of these shares, is:

- a. equal to or more than 10% of the total number of the voting shares in the Company;
or
- b. equal to or more than 5% of the total number of the voting shares in the Company where such person is the largest shareholder of the Company.

For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act. It also includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Major Shareholder (as defined above) of the Company or any other company which is its subsidiary or holding company.

F. IDENTIFICATION

List of Related Parties

The list of Related Parties (which is not exhaustive) will be kept by the Group Finance Department.

As the list may change from time to time, the Group Finance Department shall update the subsidiaries on the latest directors and major shareholders' interest on semi-annual basis. All subsidiaries are advised to fully understand and familiarize themselves with the list of Related Parties that may be considered as RPT or Recurrent RPT.

In the event that the proposed transaction is to be entered with any of the parties identified as a Related Party in the list of Related Parties, the proposed transaction shall be deemed a Related Party Transaction, provided it fulfils the requirements stated in the Listing Requirements.



The Head of transacting subsidiary is required to report such transaction to the Group Finance Department.

G. DISCLOSURE REQUIREMENTS

1. Related Party Transaction (“RPT”)

The disclosure requirements of RPT as prescribed by the Listing Requirements are governed by percentage ratio threshold. The computation of the percentage ratio is provided for in Part VIII. The disclosure requirements are as follows:-

- a) ECB must make an immediate announcement to the Bursa Securities, of a RPT, where the percentage ratio is 0.25% or more after the terms of the transaction has been agreed upon provided that the value of the consideration of the transaction is more than RM500,000 and is not recurrent in nature;
- b) Additionally,
 - (i) If the percentage ratio for the RPT is equal to or exceeds 5%, the Company must:-
 - Send a circular to the shareholders;
 - Obtain shareholder’s approval of the transaction in a general meeting;
 - Appoint an independent adviser, approved by the Securities Commission (“SC”).
 - (ii) If the percentage ratio for the RPT is equal to or exceeds 25%, the Company must in addition to (i) above appoint a main adviser, who is a Principal Adviser approved by the SC.

The Principal Adviser must undertake the following:-

- Ensure that such transaction is carried out on fair and reasonable terms and conditions and not to the detriment of the minority shareholders of the Company. The transaction must also complies with the relevant laws, regulations or guidelines, where applicable;
- Ensure full disclosures of all information required to be disclosed in the announcement and circular;
- Confirm to the Bursa Securities that it has discharged its responsibility with due care in regard to the transaction, once the transaction has been completed and all the necessary approvals have been obtained.



- c) ECB must also ensure that a director with interest, direct or indirect must abstain from deliberation and voting on the relevant resolution in respect of the RPT at the Board meeting. In a general meeting to obtain shareholder's approval, a director or major shareholder, with any interest, direct or indirect, or person connected to them must not vote on the resolution approving the transaction.
- d) ECB must ensure that any vote of shareholders taken at the general meeting on the resolution approving the transaction is taken on a poll.
- e) RPT entered by a subsidiary with another person where the percentage ratio is equal to or exceeds 5%, and the only related party having an interest in such transaction is not related party to the Company, only immediate announcement is required, subject to the following conditions:
 - (i) Board of Directors approve the transaction before the terms of transaction are agreed upon;
 - (ii) That the transaction is fair and reasonable and is in the best interests of the Company.

2. Transactions Not Regarded as Related Party Transaction

Certain specified transactions are not normally regarded as RPT under paragraph 10.08 (11) of the Listing Requirements. Some of these include:-

- a) The payment of dividend, issue of securities by the Company by way of a bonus issue, exercise of options or for cash (subject to paragraph 6.06 of the Listing Requirements), grant of options, subdivision of shares, consolidation of shares or reduction in the par value of shares;
- b) A transaction between the Company or its subsidiaries, and another person, where there are no other interested relationships except for common directorships and the directors who have common directorships having shareholdings which is less than 5% other than via the Company. There is no other interest such as commission or other kinds of benefits received from the Company or any of its subsidiaries or the other person in relation to the said transaction;
- c) An acquisition or disposal by the Company or its subsidiaries, from or to a third party, of an interest in another corporation, where the related party holds less than 10% in that other corporation other than via the Company;
- d) The provision or receipt of financial assistance or services by a licensed institution upon normal commercial terms and in the ordinary course of business;
- e) Director's fees and remuneration, and employment remuneration;
- f) A transaction between the Company or its subsidiaries, and another person for the provision or receipt of goods and services, which are considered exempted transactions where:
 - (i) The goods or services are purchased, sold or rendered based on a non-negotiable fixed price or rate which is published or publicly quoted;



- (ii) All material terms including the prices or charges are applied consistently to all customers or classes of customers.

(The definition of goods, classes of customers and exempted transactions is as per the Listing Requirements).

- g) The entry into or renewal of tenancy of properties of not more than three (3) years, the terms of which are supported by an independent valuation;
- h) A contract that is awarded by or on behalf of the Government or State Government, provided an immediate announcement of the same is made to Bursa Securities; or
- i) A contract that is awarded by way of public tender.

3. Recurrent Related Party Transaction

Paragraph 10.09 of the Listing Requirements states that a Company with an issued and paid-up capital of RM60 million and above, must immediately announce a RRPT if:-

- a) The consideration, value of the assets, capital outlay or costs of RRPT is RM1 million or more; or
- b) The percentage ratio of such RRPT is 1% or more,

whichever higher.

Nevertheless, ECB may seek a mandate in respect of such RRPT from the shareholder as long as the following conditions are met:

- a) The transactions are in the ordinary course of business, on terms not more favourable to the related parties than those generally available to the public;
- b) The mandate is subject to annual renewal and disclosure is made in the annual report in respect of the aggregate value of transactions conducted pursuant to the shareholder's mandate during the financial year where the aggregate value is equal to or more than the prescribed threshold;
- c) The circular to shareholders for the shareholder's mandate include the information as prescribed by Bursa Securities. The circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- d) In a meeting to obtain the shareholder's mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder and the interested person, must not vote on the resolutions approving the transactions. An interested director or interested major shareholder must ensure that persons connected to the interested director or interested major shareholder abstains from voting on the resolutions approving the transactions;



- e) ECB must immediately announce to Bursa Securities when the actual value of the RRPT entered into by the ECB Group, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as maybe prescribed by Bursa Securities in its announcement; and
- f) Where ECB has procured a shareholder's mandate, the provisions of Paragraph 10.08 on the RPT shall not apply.

The mandate, will, if approved by the shareholders at the Annual General Meeting ("AGM"), be subject to annual renewal and shall continue to be in force until the conclusion of the next AGM of the Company. Thereafter, the said mandate will lapse, unless renewed.

ECB is required to disclose the aggregate value of the RRPT conducted pursuant to the Mandate in the Annual Report, where the breakdown of the aggregate value of the RRPT made during the financial year must be disclosed.

Some of the following are not regarded as RRPT and as such the Mandate does not apply:

- a) The acquisition or disposal of land or land-based property except in the circumstances set out in paragraph 3.3 (a) of the Practice Note 12 of the Listing Requirements;
- b) The acquisition or disposal of vessels, air craft and plants;
- c) The entry into a lease of:
 - (i) a property for a period exceeding three (3) years; or
 - (ii) such other assets, which involve payments of rental or such consideration on a lump sum basis (i.e. other than on an equal pro-rated monthly or annual instalments);
- d) The provision of financial assistance pursuant to paragraph 8.23 of the Listing Requirements;
- e) The acquisition or disposal of securities except in the circumstances set out in paragraph 3.3(b) of the Practice Note 12 of the Listing Requirements;
- f) The entry into joint ventures;
- g) The grant or exercise of an option in relation to matters set out in subparagraph (a), (b), (c) and (e) herein; and
- h) Such other transactions as may be determined by Bursa Securities from time to time.



H. PERCENTAGE RATIO

Percentage Ratios means the ratios used to determine the materiality of a RPT and are expressed as a percentage resulting from the following calculations (Reference: Chapter 10 of the Listing Requirements):-

1.
$$\frac{\text{Value of the Assets which are the Subject Matter of the Transaction}}{\text{Net Assets of the Listed Issuer}}$$
2.
$$\frac{\text{Net Profits Attributable to Assets which are the Subject Matter of the Transaction}}{\text{Net Profits of the Listed Issuer}}$$
3.
$$\frac{\text{Aggregate Value of the Consideration Given or Received (including Liabilities)}}{\text{Net Assets of the Listed Issuer}}$$
4.
$$\frac{\text{No. of Share Issued by the Listed Issuer as Consideration for an Acquisition}}{\text{Total no.of Share Previously in Issue (excluding Treasury Shares)}}$$
5.
$$\frac{\text{Aggregate Value of the Consideration Given or Received in relation to the Transaction}}{\text{Market Value of All Ordinary Shares of the Listed Issuer (excluding Treasury Shares)}}$$
6.
$$\frac{\text{Total Assets which are the Subject Matter of the Transaction}}{\text{Total Assets of the Listed Issuer}}$$

7. **a. In respect of Joint Ventures, business transactions or arrangements:-**

$$\frac{\text{Total Project Cost Attributable to the Listed Issuer}}{\text{Total Assets of the Listed Issuer}}$$

b. In respect of Joint Venture Company, incorporated as result of the JV:-

$$\frac{\text{Total Equity Participation of the Listed Issuer in the JV Company}}{\text{Net Assets of the Listed Issuer}}$$

8. **For disposals and where the acquisition of the subject matter took place within last five (5) years**

$$\frac{\text{Aggregate Original Cost of Investment of the Subject Matter of the Transaction}}{\text{Net Assets of the Listed Issuer}}$$



I. REPORTING AND REVIEWING PROCESS

ECB has established a process for all RPTs and RRPTs reporting, given as follows:

1. RPT

- a) Provision of available details of the proposed commercial agreement/contract to Company Secretary of ECB;
- b) Check for RPT element and contract value;
- c) Obtain verification from Company Secretary of ECB;
- d) If it is RPT, prepare draft agreement/contract;
- e) Company secretary of ECB to prepare the following:-
 - (i) Draft announcement – for contract value of 0.25% or more but less than 5% of the percentage ratio. However, the contract value must be more than RM500,000;
 - (ii) If the percentage ratio is 5% or more, Company Secretary or any professional firm appointed by ECB will prepare draft circular to obtain ECB shareholders' approval and appointment of independent adviser;
 - (iii) If the percentage ratio is 25% or more, Company Secretary or any professional firm appointed by ECB will prepare draft circular to obtain ECB shareholders' approval, appointment of independent and main advisors.
- f) Seek clearance from ECB's Audit Committee for all RPT transactions by way of submission of necessary paper on the proposed transaction to ECB's Audit Committee for review;
- g) ECB will then submit the matter to its Board for information. ECB's Board is to take note of the review by ECB's Audit Committee;
- h) Hold EGM to obtain shareholders' approval on the proposed transactions;
- i) Complete signing of agreement/contract by subsidiary;
- j) Announcement by Management of ECB (where necessary) to Bursa Securities;
- k) Update of RPT Register by the Management.

2. RRPT

- a) Processes are the same as RPT reporting procedures under steps (a) to (d) above:
 - (i) Provision of available details of the proposed commercial agreement/contract to Company Secretary of ECB;
 - (ii) Check for RRPT element and contract value;



- (iii) Obtain verification from Company Secretary of ECB;
 - (iv) If it is RRPT, prepare draft agreement/contract.
 - b) Table to Audit Committee and Board on a quarterly basis;
 - c) Management of ECB will consolidate all RRPTs entered by the Group;
 - d) Update of RRPT Register by the Management.
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J. ROLES AND RESPONSIBILITIES

The roles and responsibilities of the respective department/subsidiaries in providing the RPT information are as follows:-

a) Company Secretary

- (i) To provide the list of directors, major shareholders and persons connected with such directors or major shareholders (where information is made available to the Company Secretary) to the Management;
- (ii) To update and advise the Management of any new items and amendments to the Listing Requirements in relation to RPTs and RRPTs disclosure;
- (iii) To advise and assist EcoFirst Group on compliance with the disclosure requirement of the Listing Requirements with respect to RPTs and RRPTs;
- (iv) To prepare the Circular to Shareholders document for obtaining the shareholders' mandate on the new RRPTs and/or their subsequent renewals.

b) Heads of Departments/Subsidiaries

- (i) To identify the nature of each RPT/RRPT and their respective amount based on the list initially provided by the Company Secretary;
 - (ii) To inform the Group Finance Department of any RPT/RRPT that requires immediate announcement to Bursa;
 - (iii) To prepare the board paper on the RPT/RRPT for presentation to the Audit Committee and/or the Board.
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K. GENERAL OBLIGATION OF THE TRANSACTING PARTY

The general obligation to act in the best interests of the Company means that the transacting company/subsidiary is required to ensure that the proposed transaction is conducted at arm's length and on a commercial basis or better.

In originating a report to the Audit Committee for review, the transacting company/subsidiary should disclose the following:-

- (i) Appropriate documentation or records to justify the transaction;



- (ii) The price/value of the transaction;
- (iii) Rationale for the RPT; and
- (iv) Any other terms and conditions upon which the RRPT was entered into.

The records must be similar to those maintained for transaction with non-related parties. A report by the Internal Audit Department or an independent party on the reasonableness of the terms, would be required.

L. ADDITIONAL COMPLIANCE

In the event, the proposed transaction requires additional compliance with the Listing Requirements, such as issuance of Circular to Shareholder or Shareholder's Approval; the matter shall be referred to the Company Secretary.

M. COMPLIANCE PROGRAMS

It is the responsible of each Head of Department of subsidiary to set up and maintain an effective compliance program to prevent and detect violations of RPT under the Listing Requirements and applicable laws. The compliance program should be tailored to the special circumstances of the business. The compliance program should have the following elements:

- (i) Set standards and procedures that are reasonably capable of reducing the prospect of violations of this policy and applicable laws;
- (ii) Assign overall responsibility for compliance to specific high personnel;
- (iii) Screen employees and agents, to prevent discretionary authority from being delegated to persons who have demonstrated insensitivity to the requirements of this policy and the laws it covers;
- (iv) Implement educational and training programs that will enable employees to understand the basic requirements of this policy and applicable laws;
- (v) Implement monitoring and auditing systems to detect violations of this policy and applicable laws;
- (vi) Establish and communicate a procedure for promptly reporting possible violations and concerns that protects against fear of retribution;
- (vii) Implement appropriate disciplinary mechanisms;
- (viii) Take remedial action to correct weaknesses and prevent recurrence of failures.

N. MAINTENANCE OF RECORDS

The directors and major shareholders will be required to sign a form of declaration which shall be kept securely and confidentially by the Company Secretary.



If there are any related party transactions to disclose, the brief details of the transaction and the sums involved need to be disclosed by such director or major shareholder.

Additionally, the transacting company/subsidiary shall ensure proper maintenance and retention of documentation, to allow the RPT to be scrutinized by regulators or auditors. Such documentation should be readily accessible to regulators and other interested parties.

O. QUARTERLY REVIEW

All RPTs shall be reviewed by the Internal Auditors and the Company Secretary from time to time to ensure compliance with the Listing Requirements and applicable laws. The findings shall then be reported to the Audit Committee and where necessary to the Board of Directors.

The transacting company/subsidiary shall, during the terms of an agreement governing, a RPT, ensure that such a transaction meets and continues to meet the following criteria:

- (i) It should be in the best interest of the Company as a whole;
- (ii) It should represent fair value and be reasonable;
- (iii) It should be properly documented;
- (iv) It should be appropriately disclosed.

P. RESOURCES

The Company Secretary will provide guidance, education, training, bulletins and procedures for implementing this policy, including requirements for reporting, monitoring and review.

Q. MODIFICATIONS

ECB reserves the right to modify or amend this policy at any time as it may deem necessary in order to align the policy with Listing Requirements, the Act, Malaysian Code on Corporate Governance 2017 ("MCCG 2017") and any other applicable laws enforced at the time being.

R. PROCEDURES FOR IDENTIFYING, MONITORING AND REVIEW OF RECURRENT RELATED PARTY TRANSACTIONS

1) OBJECTIVES OF PROCEDURES

The objectives of the procedures are:-

- a) To ensure that related parties having dealings with the Group in the ordinary course of their business activities are accordingly identified as Related Parties and be subjected to these procedures herein provided;



- b) To ensure that all RRPTs are undertaken at arm's length basis and on normal commercial terms which are consistent with the Group's normal business practices and policies, on transaction prices and terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders;
- c) To ensure that all RRPTs are properly recorded and disclosed to the Audit Committee, Board of Directors and relevant stakeholders such as the auditors, shareholders and regulatory authorities, where applicable.

2) IDENTIFICATION OF RELATED PARTY

- a) All companies within the Group will be notified of the companies/individuals related to the directors or major shareholders (including persons connected to them, if any), comprising of those where shareholders' mandate has been obtained and also those where shareholders' mandate not been obtained;
- b) For companies not listed in the notification list, the relevant division head or personnel should, prior to entering into such transactions, verify the identity of the transacting parties to determine whether there is existence of related party relationship;
- c) In the event a new related party is identified, the relevant division head or personnel must inform the Chief Financial Officer/Head of Finance Department of the Group;
- d) The corporate office of the Group will look into the necessary procedures required in order to ensure that the Group complies with the relevant regulations pertaining to RRPTs and adhere to these procedures herein provided.

3) DETERMINATION OF ARM'S LENGTH TRANSACTIONS

To ensure that all RRPTs are transacted on terms which are consistent with the Group's normal business practices and policies; are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders, the relevant division head or personnel will be required to:

- a) where practical and/or feasible, obtain at least two (2) other contemporaneous transactions with unrelated third parties for similar contracts, products and/or quantities to be used as comparison for determining the price and terms offered by/to the Related Parties are fair and reasonable as compared with those offered by/to unrelated third parties;
- b) In the event that the quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined based on those offered by/to other unrelated parties for substantially similar types of transactions to ensure that the RRPTs are not detrimental to the Group.



4) RECORDING, REVIEW AND DISCLOSURE OF RRPTS

- a) Records will be maintained by the Group to capture all the RRPTs which are entered into, for monitoring purposes;
- b) In the event a potential new RRPT arises, the Company will observe compliance with the relevant requirements and procedures and incorporate it into a new shareholders' mandate, if applicable;
- c) For avoidance of doubt, all RRPTs are subject to approval by the Audit Committee and Board prior to commencement of transaction;
Upon recommendation from the Audit Committee and approval obtained from the Board for the Group to proceed with an RRPT which is covered by the existing shareholders' mandate, an immediate announcement on the details of the RRPT will be made to Bursa Securities in accordance with the requirements prescribed by Bursa Securities.
- d) Annual review of the existing guidelines and procedures established to monitor the RRPTs will also be carried out to ascertain that the guidelines and procedures are adequate and relevant to the business environment in which the Group operates;
- e) The Audit Committee and the Board shall have the overall responsibility for the determination of the review procedures including addition of new review procedures, where applicable. The Audit Committee and the Board may also appoint individuals and committees within the Group to examine the RRPTs, as they may deem appropriate. If a member of the Audit Committee or the Board has an interest in a particular transaction, he or she will abstain from any deliberation and decision-making by the Board and/or the Audit Committee in respect of the said transaction;
- f) Disclosure will be made in the annual report of the aggregate value of RRPTs conducted pursuant to the shareholders' mandate during the financial year in accordance with the requirements prescribed by Bursa Securities;
- g) There is no specific threshold for approval of RRPTs to be entered into by the Group with the Related Parties, so long that such RRPTs are determined at arm's length and based on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and consistent with the Group's procedures and policies established for monitoring of RRPTs. Where necessary, the Audit Committee and the Board will review the need to impose a threshold for approval of RRPTs, based on market practice and at the same time protecting the interests of the minority shareholders.

This set of standard operating procedures for RRPTs will be subject to review from time to time to ensure its relevance and applicability to the operations of the Group.