



## **PANTECH GLOBAL BERHAD**

Registration No. 202401009555 (1555405-U)  
(Incorporated in Malaysia)

# **RELATED PARTY TRANSACTIONS POLICY**

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## 1.0 INTRODUCTION

This Related Party Transactions Policy (the “Policy”) is designed to ensure that related party transactions are carried out 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.

In formulating this Policy, Pantech Global Berhad (the “Company” or “PGB”) and its subsidiaries (collectively, the “Group”) have taken into account the requirements as prescribed under the Companies Act 2016 (the “Act”) and the Main Market Listing Requirements (the “Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), as amended from time to time, to ensure compliance with the obligations imposed.

## 2.0 APPLICATION

This Policy outlines the framework and the processes for identifying, monitoring, evaluating, reporting and approving new related party transactions (“RPTs”) and recurrent related party transactions (“RRPTs”). It also serves as a guide to the Audit and Risk Management Committee (“ARMC”) and Board of Directors (the “Board”) of PGB in discharging their role to provide oversight over RPTs and RRPTs within the Group.

## 3.0 SAFEGUARDS

Whenever in doubt as to whether the proposed transaction is an RPT, the Head of Department (“HOD”) shall contact the Company Secretary (“CoSec”) to seek clarification.

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

## 4.0 DEFINITIONS

(a) “**Director**” has the meaning given in Section 2(1) of the Capital Market Services Act 2007 and 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:

- (i) A director of the listed issuer, its subsidiary or holding company; and
- (ii) A chief executive of the listed issuer, its subsidiary or holding company.

For the purpose of Section 210 of the Act, the Director also includes chief executive, chief financial officer (“CFO”), chief operating officer or any other person primarily responsible for the management of the company (collectively, “Key Senior Management” or “KSM”).

(b) “**Family**” in relation to a person means such person who falls within any 1 of the following categories:

- (i) spouse;
- (ii) parent;
- (iii) child, including an adopted child and step-child;
- (iv) brother or sister; and
- (v) spouse of the person referred to in 4.0 (b)(iii) and (b)(iv) above.

(c) “**Major Shareholder**” means a person who has an interest or interests in 1 or more voting shares in a corporation and the number or aggregate number of those shares is:

- (i) 10% or more of the total number of voting shares in the corporation; or
- (ii) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.

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For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.

- (d) **“Person connected”** in relation to any person (referred to as “said Person”) means such person who falls under any 1 of the following categories:
- (i) a family member of the said Person;
  - (ii) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;
  - (iii) a partner of the said Person;
  - (iv) a person or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
  - (v) a person or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
  - (vi) a body corporate in which the said person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
  - (vii) a body corporate which is a related corporation of the said Person.

For the purpose of this definition, “related corporation” means a corporation which is:

- the holding company of another corporation;
  - a subsidiary of another corporation; or
  - a subsidiary of the holding company of another corporation.
- (e) **“Related Party”** refers to a director, major shareholder or persons connected with such director or major shareholder.
- (f) **“Related Party Transaction”** or **“RPT”** refers to a transaction entered into by the Company or its subsidiaries, which involves the interest, direct or indirect, of a Related Party.
- (g) **“Recurrent Related Party Transaction”** or **“RRPT”** refers to a related party transaction which is recurrent, of revenue or trading nature, which is necessary for day-to-day operations of the Company or its subsidiaries and which has been made or will be made by the Company and/or its subsidiaries at least once in three (3) years in the course of its business.
- (h) **“Transaction”** refers to the acquisition, disposal or leasing of assets, the establishment of joint ventures, the provision of financial assistance, the provision or receipt of services or any business transaction or arrangement entered into, by the Company or its subsidiary(ies) but excludes transactions entered into between the Company (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary(ies).

### 5.0 IDENTIFICATION OF RELATED PARTIES AND RPT

Every director and KSM of the Company and its subsidiaries or joint ventures or jointly controlled entities or associates shall,

- (a) at the time of appointment;
- (b) periodically as required by the Company
- (c) whenever there is any change in the information already submitted,

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provide requisite information about his or her related parties and all firms, entities, body corporates, in which such director or KSM is interested, whether directly or indirectly, to the Company or the subsidiary or joint venture or jointly controlled entity or associate (as the case may be).

The list of related parties (the "Related Party List") and the Group's corporate information, including joint venture or jointly controlled entity or associate, will be kept by the Company Secretary and made available by circulation to the respective HODs and Finance/Accounts personnel as and when there are any changes. The Company shall regularly verify and update the Related Party List and review and confirm (at least once a quarter) in accordance with the Act and the Listing Requirements.

All companies or departments are advised to fully understand and familiarise themselves with the Related Party List that may be considered as RPT or RRPT.

If the proposed transaction is to be entered with any of the parties identified as a Related Party in the Related Party List, the proposed transaction shall be deemed an RPT unless it is not regarded as RPT under the Listing Requirements. The relevant HOD or officer-in-charge of the companies (the "Relevant Personnel") is required to report such transaction to the Chief Financial Officer and CoSec.

### 6.0 REVIEW AND APPROVAL OF RPT AND RRPT

#### (a) ARMC

Where any one of the percentage ratios of a RPT prescribed under the Listing Requirements is 0.25% or more, the Company must announce the RPT to Bursa Securities as soon as possible after terms of the transaction have been agreed, unless: -

- (i) the value of the consideration of the transaction is less than RM500,000; or
- (ii) it is a RRPT.

All new transactions which are above RM1.0 million in aggregate identified as RPTs or RRPTs and subsequent modifications thereof, shall be approved by the ARMC in the manner specified under the Listing Requirements and Terms of Reference of the ARMC.

The Company must immediately announce a RRPT if: -

- (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
- (ii) the percentage ratio of such RRPT is 1% or more, whichever is the higher.

As a result, the ARMC shall consider, among others, all the following relevant factors while deliberating the RPTs or RRPTs for its approval:

- (i) Nature of the transaction, material terms, the manner of determining the pricing and the value of the transaction;
- (ii) Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)
- (iii) Business rationale for entering into such a transaction;
- (iv) Adequacy of procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner;
- (v) The proposed transaction will be carried out on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of the Company;
- (vi) Tenure of the proposed transaction; and
- (vii) A copy of the valuation or other external party report, if any such report has been relied upon.

Any member of the ARMC who has any interest (direct or indirect), or potential conflict of interest in any RPT or RRPT shall recuse himself or herself and abstain

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from discussion and voting on the approval of the RPT or RRPT.

### (b) **Board**

The review of all new RPTs or RRPTs (as the case may be) which are above RM1.0 million in aggregate shall be recommended by the ARMC to the Board for its approval. The Board, on such recommendation, may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest (direct or indirect), or potential conflict of interest in the RPT or RRPT will recuse himself or herself and abstain from discussion and voting on the approval of the RPT or RRPT.

### (c) **Shareholders**

Where any one of the percentage ratios of a RPT prescribed under the Listing Requirements is 5% or more, unless exempted, the Company must: -

- (i) send a circular to the shareholders;
- (ii) obtain its shareholder approval of the transaction in general meeting; and
- (iii) appoint an independent adviser who is permitted to carry on the regulated activity of advising on corporate finance under the Capital Markets and Services Act 2007 ("CMSA"), before the terms of the transaction are agreed upon.

For a RPT other than a RRPT, where any one of the percentage ratios is 25% or more, the Company must, before the terms of the transaction are agreed upon, appoint a main adviser, who is a Recognised Principal Adviser. The Recognised Principal Adviser must: -

- (i) advise the Company whether such transaction is carried out on fair and reasonable terms and conditions, and not to the detriment of minority shareholders of the Company;
- (ii) ensure that such transaction complies with the relevant laws, regulations or guidelines, where applicable;
- (iii) ensure full disclosure of all information required to be disclosed in the announcement and circular; and
- (iv) confirm to the Bursa Securities after the transaction has been completed and all the necessary approvals have been obtained, that it has discharged its responsibility with due care on the transaction.

In such a case, any shareholder of the Company who is a Related Party shall not vote on the resolution passed for approving such RPT.

## 7.0 **DISCLOSURE REQUIREMENTS**

When an RPT or RRPT is involved, the Relevant Personnel are required to be mindful of the value of the transaction. Where the transaction triggers a certain threshold of the percentage ratios prescribed under the Listing Requirements, the Company is required to comply with the disclosure obligations pursuant to the Listing Requirements.

## 8.0 **REPORTING**

Every RPT or RRPT which is required to be approved by the Board or the shareholders under this Policy, shall be referred to in the Circular to Shareholders along with the justification for entering into such transaction(s). The details of all transactions with Related Party shall be prepared as per the manner and timelines set out in the Listing Requirements.

All registers of RPT and RRPT shall be maintained and updated by the respective Finance/Accounts Departments of each business segment, a copy of the said registers shall be extended to the CoSec for record.

## 9.0 **EXISTING RRPTs**

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This section shall apply to existing RRPTs which are already covered under the mandate obtained from PGB's shareholders at the most recent general meeting at which the resolution approving the mandate is passed.

- (a) On a quarterly basis, the Finance/Accounts Departments shall furnish the actual value of the RRPTs entered into by PGB or its subsidiaries to the CoSec for record purposes.
- (b) If the actual value of the RRPT exceeds the estimated value of the RRPT as disclosed in the circular by 10% or more, the CoSec shall make an immediate announcement to Bursa Securities.
- (c) The appointed outsourced Internal Auditor ("IA") shall conduct a review every five (5) years of the RRPTs entered into by PGB or its subsidiaries and provide its assurance to the ARMC.

### 10.0 THRESHOLD OF AUTHORITY

- (a) All new transactions which are above RM1.0 million in aggregate identified as RPTs or RRPTs and subsequent modifications thereof, shall be approved and reviewed by the ARMC and the Board before the transaction is entered into.
- (b) The RPT or RRPT, which is below RM1.0 million in value for each transaction, is subject to the approval of the Group Managing Director or the Group Executive Director(s).

Where any Director has an interest (direct or indirect) in any RPT/RRPT, such Director shall abstain from deliberation and voting on the matter.

If it is determined that the existing review guidelines and/or procedures are inadequate and to ensure that:

- (a) RPTs/RRPTs will be conducted at arm's length and on normal commercial terms which are not more favourable to the Related Party than those generally available to the public; and
- (b) such transactions are not to the detriment of the minority shareholders of PGB or prejudicial to the interests of the shareholders,

PGB will obtain a new shareholders' mandate for the RRPT or a renewal of shareholders' mandate for the RRPT, where necessary.

### 11.0 ROLES AND RESPONSIBILITIES

The roles and responsibilities of the respective Relevant Personnel in providing the RPT/RRPT information are as follows:

- (a) CoSec
  - (i) To update and advise the Relevant Personnel of any amendments to the Listing Requirements in relation to RPT and RRPT disclosure; and
  - (ii) To advise and assist the Relevant Personnel on compliance with the disclosure requirement of the Listing Requirements with respect to RPTs and RRPTs.
- (b) HODs/ Heads of Operating Units
  - (i) To identify the nature of each RPT/RRPT and their respective values based on the Related Party List;
  - (ii) Through Finance/Accounts Departments monitors the actual value of each RRPT and update the CoSec on the same on a monthly basis;
  - (iii) To notify the CoSec at least 5 business days in advance of any RPT/RRPT that requires immediate announcement to Bursa Securities; and

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- (iv) To provide the necessary information to the IA Department to facilitate review of RPTs and RRPTs.
- (c) IA
  - (i) To conduct a review every five (5) years of the RRPTs entered into within the financial year to ensure that:
    - The RPTs/RRPTs are entered into on an arm's length basis and on normal commercial terms consistent with the Group's operating policies. These terms should not be more favorable than those obtained from third parties or the public and are not detrimental to the interests of minority shareholders. These include transactions at the prevailing market prices or in accordance with applicable industry norms;
    - Adequate and effective internal controls are in place and policies and procedures have been complied with in carrying out these transactions;
    - The Listing Requirements in relation to RPTs/RRPTs have been complied with;
    - The recordings made in the Register of RRPT are accurate and complete and supported by the relevant documents; and
    - The principle of "competitive bidding" is observed for the procurement of goods and services. These include the setting up of tender committee and ensuring sufficient number of suppliers participate in bids were required.
  - (ii) To report any deviation to the Policy and the findings of the review every five (5) years to the ARMC.

### 12.0 REVIEW OF THE POLICY

This Policy shall be reviewed by the ARMC and the Board as and when necessary, in order to ensure alignment with the needs of the Group and the applicable laws and regulations enforced at the time being.