

MANFORCE GROUP BERHAD
(Registration No.: 201701014455 (1228620-V))
(Incorporated in Malaysia)

RELATED PARTY TRANSACTION POLICY AND PROCEDURES

The Board of Directors of MANFORCE GROUP BERHAD (“the Company”) hereby adopts the following policy and procedures on RELATED PARTY TRANSACTIONS, as defined below. The Policy and Procedures defined herein shall be reviewed by Non-Executive Director(s) and recommended to the Board of Directors (“the Board”) for approval.

DEFINITIONS

A “Chief Executive” means the principal executive officer of the Company for the time being, by whatever name called, and whether or not he is a director.

A “Director” has the meaning given in Section 2(1) of the Capital Markets and 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 –

- a director of the Company, its subsidiary or holding company; or
- a Chief Executive of the Company, its subsidiary or holding company.

A “Major Shareholder” means a person who has an interest of 10% or more of the total number of all the voting shares. It 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 “Person Connected” means person connected as defined in Chapter 1.01 of the Bursa Malaysia Securities Berhad’s LEAP Market Listing Requirements (“LMLR”).

A “Related Party” shall mean a related person as defined in Chapter 1.01 of the LMLR. It generally refers to a Director, Chief Executive, Major Shareholder or Person Connected with such Director, Chief Executive or Major Shareholder, who are interested in the Related Party Transactions.

A “Related Party Transaction” (“RPT”) is any transaction, arrangement, or relationship or series of similar transactions, arrangements or relationships required to be disclosed pursuant to Chapter 7 of LMLR.

A “Transaction” means the acquisition or disposal of assets by the Company or its subsidiaries, including the provision of financial assistance, pursuant to Chapter 7 of the LMLR.

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POLICY

1. All RPTs or potential RPTs must be reported to the Non-Executive Director(s) and referred for approval or ratification by the Non-Executive Director(s) in accordance with this policy and for the Non-Executive Director(s) to report to the Board of Directors for approval.

REVIEW AND APPROVAL OF RPTS

IDENTIFICATION OF POTENTIAL RPTS

2. This policy is in addition to the provisions dealing with conflicts of interest in the Company's code of conduct.
3. All Related Parties of the Company/ies within the Company and its subsidiaries are responsible for providing written notice to the Non-Executive Director(s) of any potential RPT involving him/her or person connected to him/her, including any additional information about the transaction that the Non-Executive Director(s) may reasonably request. The Non-Executive Director(s) will determine whether the transaction does, in fact, constitute a RPT, and may engage professional or third party opinion on the matter as required.
4. At least once a year, during the annual evaluations, all Directors, Chief Executive and Major Shareholder (if practical) are required to complete a questionnaire disclosing names of companies in which he/she and/or their person connected hold directorships and /or substantial shareholding and any potential RPT, if any.
5. Operation and Administration Department personnel are required to submit new customer/supplier opening forms in which the owners/directors/shareholders of the new customers/suppliers will need to be disclosed. These forms need to be reviewed and approved by Financial Controller/ Group Accountant.
6. Prior to any provision of any financial assistance under Chapter 7 of LMLR, Financial Controller to obtain the identity of the owners/directors/shareholders of the entity to which the financial assistance is to be provided.
7. The Accounts Department, overseen by the Financial Controller/Group Accountant, to compile a listing of related parties, nature of RPTs, estimated value of annual transactions and control(s) put in place, subject to update from time to time based on clause 3 to 6, and subject to review by the Financial Controlled/Group Accountant. Such acknowledged listing of RPTs will be disseminated to all Accounts personnel and HOD's of Operation and Administration Department.

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IDENTIFICATION OF POTENTIAL RPTS (Cont'd)

8. It is the responsibility the Financial Controller to notify the Non-Executive Director(s) of the new RPTs, with information per clause 12, through written approval and/or electronic communication. All Related Party for must subject to formal review and approval or ratification by the Non-Executive Director(s), supported by information and documentations per clause 11 and 12, prior to the commencement of the transaction.
9. All RPTs will be reviewed by management monthly, and reported by the management to the Non-Executive Director(s) for review and approval or ratification during the Board of Directors' meetings as and when required.

The Non-Executive Director(s) has a potential interest in any RPT will excuse himself or herself and abstain from voting on the approval or ratification of the RPT and must not participate in the Board's discussions of the RPT.

The Financial Controller /Group Accountant shall notify the Continuing Adviser (instead of the Non-Executive Director) for any RPT involving all Non-Executive Director(s) and the Continuing Adviser shall review and propose to the Board for approval.

10. To review any RPT, the Non-Executive Director(s) or the Continuing Adviser (if applicable) shall be provided with all relevant material information of the RPT, including:
 - a) the terms of the transaction and its commercial reasonableness;
 - b) the business purpose of the transaction;
 - c) the extent of the Related Party's interest in the Related Party Transaction; if applicable
 - d) the control(s) put in place;
 - e) the benefits to the Company and to the Related Party;
 - f) the materiality of the RPT to the Company and percentage ratio per Chapter 7 of LMLR; and
 - g) any other relevant matters
11. In determining whether to approve or ratify a RPT, the Non-Executive Director(s) or the Continuing Adviser (if applicable) shall consider the following factors:
 - i) Whether the terms of the RPT are at arms-length, on terms not more favourable to related party(ies) than those generally available to the public, are not to the detriment of the minority shareholders and/or would apply on the same basis if the transaction did not involve a Related Party;
 - ii) Whether there are quotations provided by a non-Related Party/ies for comparison and if no, justification for no price comparison;
 - iii) Whether there are any compelling business reasons for the Company to enter into the RPT and the nature of alternative transactions, if any;
 - iv) Whether the RPT would impair the independence of an otherwise Non-Executive Director(s), Director or Chief Executive;
 - v) Whether the Company was notified about the RPT before its commencement and if not, why pre-approval was not sought and whether subsequent ratification would be detrimental to the Company; and

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IDENTIFICATION OF POTENTIAL RPTS (Cont'd)

- vi) Whether the RPT would present an improper conflict of interest for any director, Chief Executive or major shareholder of the Company, taking into account the size of the transaction, the overall financial position of the director or executive officer or other Related Party, the direct or indirect nature of the director's, executive officer's or Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board or Non Executive Directors deems relevant.
12. If in any event, the Non-Executive Director(s) or the Continuing Adviser (if applicable) decides not to ratify a RPT that has been commenced without approval, the Non-Executive Director(s) or the Continuing Adviser may direct additional actions, including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification.
13. All RPTs reviewed and approved by the Non-Executive Director(s) or the Continuing Adviser (if applicable) are to be reported to the Board for deliberation and approval, the considerations set forth above shall apply to the Board's review and approval of the matter, with such modifications as may be necessary or appropriate under the circumstances.
14. Any member of the Board of Directors who has a potential interest in any RPT and will excuse himself or herself and abstain from voting on the approval or ratification of the RPT and must not participate in the Board's discussions of the RPT.

DISCLOSURE OF RPTS

15. The Financial Controller is responsible to compile the percentage ratio of all RPTs in compliance of the Chapter 7 of LMLR. The Financial Controller/ Group Accountant is to ensure that all disclosures on RPTs are to be in compliance with requirements per LMLR and Corporate Disclosure Policy.
16. Prior to announcement of the RPT, draft announcement RPT shall be subject to review and approval by the Non-Executive Director(s) and the Continuing Adviser on the draft announcement.

AUTHORITIES OF NON-EXECUTIVE DIRECTOR/CONTINUING ADVISER

17. As the Non-Executive Director(s) or the Continuing Adviser (if applicable) is entrusted by the Board with the task of executing and managing this policy, the Non-Executive Director(s) or the Continuing Adviser (if applicable) is vested with the following authorities:
- have the adequate resources which it needs to perform its duties;
 - have full access to any information which it requires in the course of performing its duties;

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- have direct communication channels with the Directors, Chief Executive and major shareholder, the employees and any persons, as the case may be, to obtain information and feedback in performing its duties; and
- to obtain the services of the external professional at the expense of the Company in carrying out its duties

Review of The RPT Policy

The Policy would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. Subsequent amendment to the charter can only be approved by the board.

Reviewed on 23 August 2024