

## **1. Introduction**

Astino Berhad (“AB” or the “Company”) and its subsidiaries (collectively known as the “Group”) would, in ordinary course of business, enter into transactions of revenue or trading nature with a related party or parties.

## **2. Objectives**

This Policy sets out guidelines in relation to the related party transaction of the Group (“RPTs”). The objectives of the Policy are as follows:

- a) Ensure that the Group maintain a sound system of governing the RPTs;
- b) Ensure that all transactions are performed on an arm’s length basis;
- c) Ensure that the RPTs are carried out on the ordinary course of business of the Group and are made on an arm’s length basis with normal commercial terms which are not more favorable to the related party or parties than those generally available to the public and terms that are detrimental to the value of minority shareholders;
- d) Improve the transparency of the financial reporting process and also ensure that such RPTs do not compromise the value of existing shareholders, and at the same time, avoiding conflict of interest situations; and
- e) Comply with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”).

## **3. Definition**

- 3.1. “Chief Executive” in relation to a corporation, means the principal executive officer of the corporation for the time being, by whatever name called, and whether or not he is a Director.
- 3.2. “CMSA” means the Capital Markets and Services Act 2007.
- 3.3. “Director” has the meaning given in section 2(1) of the CMSA 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) a Director of the listed issuer, its subsidiary or holding company; or
  - b) a Chief Executive of the listed issuer, its subsidiary or holding company.
- 3.4. “family” in relation to a person means such person who falls within any one of the following categories:
  - a) spouse;
  - b) parent;
  - c) child including an adopted child and step-child;
  - d) brother or sister; and
  - e) spouse of the person referred in point (c) and (d) above

- 3.5. “person connected” in relation to a Director or major shareholder, means such person who falls under any one of the following categories:
- a) a family member of the Director or major shareholder;
  - b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director or major shareholder, is the sole beneficiary;
  - c) a partner of the Director or major shareholder, or a partner of a person connected with that Director or major shareholder;
  - d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or major shareholder;
  - e) a person in accordance with whose directions, instructions or wishes the Director or major shareholder is accustomed or is under an obligation, whether formal or informal, to act;
  - f) a body corporation or its Directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or major shareholder;
  - g) a body corporate or its Directors whose directions, instructions or wishes the Director or major shareholder is accustomed or under an obligation, whether formal or informal, to act;
  - h) a body corporate in which the Director or major shareholder, or person connected with him/her 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
  - i) a body corporate which is a related corporation.
- 3.6. “related party” means a Director, major shareholder or person connected with such Director or major shareholder.
- 3.7. “related party transaction” means a transaction entered into by the Group which involves the interest, direct or indirect, of a related party.
- 3.8. “Recurrent Related Party Transaction” means a recurrent related party transaction which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of a listed issuer or its subsidiaries;
- 3.9. “Transaction” includes:
- a. the acquisition, disposal or leasing of assets;
  - b. the provision of financial assistance;
  - c. the provision or receipt of services; or
  - d. any business transaction or arrangement entered into,

by the Company and its subsidiaries but excludes transaction entered into between the Company (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary.

#### **4. Policies and Procedures**

- a) The transactions with a Related Party will only be entered into after taking into account the pricing, quality, delivery schedules, level of service and other related factors. The pricing for products to be supplied and/or purchased is determined in accordance to the Group business practices and policies, consistent with the usual margin of the Group with unrelated third parties. At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), the Group will ensure that the RRPTs with Related Party will only be entered into after taking into account the pricing, level of services, quality of products and other related factors;
- b) The Group shall maintain records to capture all RRPTs, to ensure the relevant approvals have been obtained, for review by the Audit & Risk Management Committee (“ARMC”);
- c) The ARMC will review all RRPTs from time to time. Any member of the ARMC may, as he deems fit, request for additional information pertaining to the transaction from independent sources or advisers;
- d) The ARMC will carry out an annual review to ascertain that the established guidelines and procedures for RRPTs have been complied with and will consider from time to time whether the established guidelines and procedures for RRPTs have become inappropriate, and/or are unable to ensure that the transactions will be on normal commercial terms, and/or will prejudice the interests of shareholders generally; and
- e) The interested Directors who are members of the Board and ARMC will abstain from deliberating and voting on all matters pertaining to the RRPTs at the relevant meetings of the Board or ARMC.
- f) The ARMC reviews and monitor RPT/RRPT on a quarterly basis to ensure that these transactions are not exceeded threshold or mandate. All reviews by the ARMC are reported to the Board for further action.

**5. Threshold for Approval**

The threshold for the approval of RRPTs within the Group is set at RM1.0 million and each RRPTs will be analysed, reviewed and approved by the management and or directors as determined by the Board and such transaction shall be highlighted to the ARMC on a quarterly basis. Where the RRPT is one with a value in excess of RM1.0 million per transaction, it will be reviewed and approved by the Board and the ARMC. Where any Director has an interest (direct or indirect) in the RRPTs, such Director shall abstain from deliberation and voting on the matter.

If it is determined that the guidelines and/or procedures stated in Section 4 above are inadequate to ensure that RRPTs will be conducted at arms’ length and on normal commercial terms which are not more favourable to the Related Parties then those generally available to the public and/or such transactions are detrimental to the minority shareholders of the Company or prejudicial to the interests of the shareholders, the Company will obtain a fresh mandate from shareholders based on the new guidelines and procedures.

**6. Disclosure**

Disclosure will be made via Bursa Announcement as soon as possible after terms of the transaction have been agreed or in the Company’s Annual Report in accordance to Paragraphs 10.08 and 10.09 of the MMLR, respectively.

**7. Periodic Review and Disclosure**

This Policy will be reviewed as and when the need arises to keep it current and relevant at all times.

This Policy was reviewed and approved by the Board on 22 March 24.