



**IOI PROPERTIES**  
Trusted.

## RELATED PARTY TRANSACTIONS POLICY

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### Interpretation

In this Policy, unless the context otherwise requires:

- (a) the headings and underlines are for convenience only and do not affect the interpretation of this Policy;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) a person includes a natural person, partnership, joint venture, government agency, association, corporation, trust or other body corporate; and
- (e) words and phrases defined in the applicable legislations, shall bear the same meanings herein.

## 1.0 INTRODUCTION

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

In formulating this Policy, IOI Properties Group Berhad (the “Company” or “IOIPG”) 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 Committee (“AC”) and Board of Directors (the “Board”) of IOIPG 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 to seek clarification.

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

In view of the sensitivity of an RPT, the transacting party should ensure that no preference is given to a Related Party prior to initiating the transaction. Where practicable, it shall be appropriate for the transacting party to obtain an independent review of Group Internal Audit Department on the RPT. In any event, there should be proper documentation relating to the basis under which the RPT is entered into.

## 4.0 DEFINITIONS

- (a) For the purpose of RPT, “**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;
- (ii) a chief executive of the listed issuer, its subsidiary or holding company;

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

- (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 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.

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”** 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”** refers to an RPT which is recurrent and of revenue or trading nature, which is necessary for day-to-day operations of the Group.

## 5.0 IDENTIFICATION OF RELATED PARTIES AND RPT

Every director and KMP 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,

provide requisite information about his or her related parties and all firms, entities, body corporates, in which such director or KMP 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 Secretarial ("CoSec") Department and made available on the Company's intranet, and 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 a 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 CFO, Group Financial Controller and Company Secretary.

## **6.0 REVIEW AND APPROVAL OF RPT**

### **(a) Group Internal Audit ("GIA") Department**

All RPTs must be reviewed by GIA.

### **(b) AC**

All the transactions which are identified as RPTs and subsequent modifications thereof, shall be approved by the AC in the manner specified under the Listing Requirements and Terms of Reference of the AC.

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 AC 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 transaction;
- (iv) Adequacy of procedures and processes to monitor, track and identify RRPT(s) in 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 AC who has a potential conflict interest in any RPT or RRPT shall recuse himself or herself and abstain from discussion and voting on the approval of the RPT or RRPT.

### **(c) Board**

All review of RPTs or RRPTs (as the case may be) shall be recommended by the AC 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 in

any RPT or RRPT will recuse himself or herself and abstain from discussion and voting on the approval of the RPT or RRPT.

**(d) Shareholders**

If a RPT is a material transaction where it exceeds 5% of relative percentage ratios prescribed under the Listing Requirements, such RPT and any subsequent material modification thereto, shall require shareholders' approval by a resolution. In such a case, any shareholder of the Company who is a Related Party, shall not vote on resolution passed for approving such RPT.

The Company may seek a mandate from its shareholders for the RRPTs.

**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 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 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 Department for record.

**9.0 THRESHOLD OF AUTHORITY**

There is no specific threshold for approval of RPTs/RRPTs within the Group. However, all RPTs/RRPTs are subject to the review and approval of the AC and the Board. 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 IOIPG or prejudicial to the interests of the shareholders,

IOIPG will obtain a shareholders' mandate.

**10.0 ROLES AND RESPONSIBILITIES**

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

- (a) Group Finance Department
  - (i) To ensure that the Register of RRPT is up-to-date at all times; and
  - (ii) The CFO shall table the updated Register of RRPT to the AC on a periodical basis.
- (b) CoSec Department
  - (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.
- (c) HODs/ Heads of Operating Units/ Regional Heads/ Division Heads
  - (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 Department on the same on a monthly basis;
  - (iii) To notify the CoSec Department at least 5 business days in advance of any RPT/RRPT that requires immediate announcement to Bursa Securities; and
  - (iv) To provide the necessary information to the GIA Department to facilitate review of RPTs and RRPTs.
- (d) GIA Department
  - (i) To conduct an annual review 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 where required.
  - (ii) To report any deviation to the Policy and the findings of the annual review to the AC.

## 11.0 REVIEW OF THE POLICY

This Policy shall be reviewed by the AC 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.

This Related Party Transactions Policy has been approved and adopted by the Board on 24 August 2023.