ARVEX BERHAD

[Registration No. 202501045449 (1646857-P)]

RELATED PARTY TRANSACTIONS

POLICY & PROCEDURES

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1.0 SCOPE

As a public listed company, Arvex Berhad ("Arvex" or the "Company") and its subsidiaries ("**Arvex Group**") would, in the ordinary course of business, enter into transactions of revenue or trading in nature with a related party or parties.

This policy applies to all Arvex Group employees, directors, major shareholders and persons related to the directors or major shareholders.

2.0 PURPOSES

This policy is to ensure that all related party transactions ("**RPT**") and recurring related party transactions ("**RRPT**") in the course of business are made at on arm's length and at a normal commercial terms which are not more favourable to the related party(ies) than those available to the public and these terms are not detrimental to the other shareholders of the company who are not part of the transactions.

This policy also helps the staff to identify and provide a guide on the treatment of such related party transactions to ensure that Arvex Group comply with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and other applicable laws.

3.0 DEFINITIONS

Director	means any person who is or was within the preceding 6 months of the date of the terms of the transaction/s were agreed upon; a director of the Company or any of its subsidiaries
Family	a person who falls within any one of the following categories; i. Spouse ii. Parent iii. Siblings iv. Child including an adopted child and step-child v. Spouse of person referred in Point (iii) and (iv)
Major Shareholder	a person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is - (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.
Person connected	person who falls under any of one of the following categories; i. A family member of Director or major shareholder ii. A partner of the Director or major shareholder; or a partner of a person connected with the Director or major shareholder

iii. A person who is accustomed/under an obligation to act, under the influence of the Director or major shareholder
iv. Trustee of a trust under which the Director or major shareholder is the sole beneficiary
v. A body corporate or its directors which/who is/are accustomed to act or are under influence of the director or major shareholder
vi. A body corporate in which the director/major shareholder or persons connected to him is entitled to exercise/control ≥ 20% of the voting shares in that body corporate
vii. A body corporate which is a related corporation of the Director and major shareholder

Related Party	means a director, major shareholder, person connected to the director or major shareholder
Related Party Transactions	transactions entered into by Arvex Group which involves the interest, direct or indirect, of a related party
Recurring Related Party Transactions	related party transactions which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations of Arvex Group. In determining whether a transaction is recurrent, we must consider the frequency or regularity of the transaction. A transaction which has been made or will be made by Arvex at least once in three (3) years in the course of its business will be considered recurrent. An RRPT of a revenue nature which is necessary for day-to-day operations must either contribute directly or indirectly to the generation of revenue for Arvex.

This Policy shall also be guided by the definitions and interpretations of the abovementioned items as set out in the Listing Requirements and Companies Act 2016, where applicable.

4.0 PROCEDURES

4.1 The general obligation to act in the best interests of Arvex Group means before entering into a commercial contract/agreement/transaction, the originator/buyer must identify and check for RPT elements, contract value, and obtain verification from the Finance Department, where necessary.

4.2 The Company to assess the pricing, quality, terms and expertise of any goods or services that the Related Party offered. These shall be compared to the same goods/services offered by the normal unrelated open market transactions including the appropriate preferential rates and discounts accorded for the same purchases in terms of the commercial terms in the standard industry norm.

4.3 For comparison, the Company will procure at least two (2) other contemporaneous transactions/quotations from unrelated third parties for similar products/services and/or quantities, where possible to determine whether the price and terms offered to/by the related parties are fair & reasonable.

4.4 In the event where such comparable quotations from an unrelated third party is not available for same or similar raw materials/services, the transaction prices and commercial terms shall be determined based on Arvex Group's usual business practices and policies to ensure that the RRPTs are not detrimental to Arvex Group.

4.5 All Directors and major shareholders are required to declare and disclose any transaction in which they are deemed to have interest and give their undertakings that all business transactions entered between themselves and/or persons connected with them and Arvex Group are negotiated and agreed at arm's length basis based on normal commercial terms and are not to the detriment of the minority shareholders and favourable to the related party/parties on a quarterly basis.

4.6 In addition, at least once a year, during the annual evaluations, all Directors, Chief Financial Officer 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 and RRPT, if any.

4.7 The Company within the group shall maintain a record of all the RPTs and RRPTs entered into pursuant to the shareholders' mandate to ensure that the necessary approvals are obtained and proper review procedures are followed in respect of all these transactions. The Finance Department, overseen by the Chief Financial Officer, shall compile a listing of related parties, nature of RPTs and RRPTs, estimated value of annual transactions and control(s) put in place, subject to update from time to time and review by the Chief Financial Officer. This register of RPTs and RRPTs will be disseminated to all Finance Department's personnel and Head of Department's of Business Sales and Marketing and Purchasing Department.

4.8 All the RPTs and RRPTs shall be presented for review to the Audit Committee ("**AC**") and Internal Auditors ("**IA**") on a quarterly basis to monitor and track to ensure these transactions are at arm's length and within the normal commercial terms and not more favourable to any party than those generally available to the public. The AC shall then report to the Board of Directors for further action if necessary.

4.9 In reviewing these transactions, the AC may request for additional information from professional sources as it deems fit to ensure that the transactions are within the scope of this policy. The AC shall also review the adequacy of the processes and procedures to track and monitor these RPTs and RRPTs in a timely and orderly manner to ensure accuracy.

5.0 REPORTING PROCESS

RPT

5.1 If it involves RPT, to notify and furnish the contract/agreement/transaction to the Finance Department, who will determine the percentage ratio of the transaction and prepare according to 5.3 and 5.4 below.

5.2 In assessing a RPT, the AC shall be provided with the material facts of all new, existing or proposed RPTs that require the AC's approval (including the terms of the transaction and the business purpose of the transaction), to consider such factors as it deems appropriate, including without limitation:-

- the business reasons for the Company to enter into the RPT;
- the commercial reasonableness of the terms of the RPT;
- the materiality of the RPT to the Company;
- the terms of the transaction and whether the terms of the RPT and RRPT are at armslength, 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;
- the extent of the Related Party's interest in the RPT, if applicable;
- the impact of the RPT on a non-employee director's independence;
- the actual or apparent conflict of interest of the Related Party participating in the RPT;
- the control(s) put in place; and
- Percentage ratio per Rule 10.02(g) of Listing Requirements.

5.3 The Company must immediately announce to Bursa Securities 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 RM200,000 and it is not recurrent in nature.

5.4 If the percentage ratio for the RPT is 5% or more, in addition to 5.3 above, the Company must:

a) engage the services of a Sponsor or Adviser, as the case may be, and appoint an independent adviser approved by the Securities Commission ("SC") before the terms of the transaction are agreed upon;
b) seek clearance from the AC on the announcement and submit the same to the Board for deliberation and approval based on AC's recommendation;
c) send a circular to the shareholders; and
c) obtain shareholder's approval of the transaction in general meeting.

5.6 Upon completion and signing of agreement/contract by Arvex Group, the Company may proceed to make an immediate announcement to Bursa Securities, and the Finance Department to update the RPT accordingly.

<u>RRPT</u>

5.7 The reporting processes are the same as RPT reporting process under steps 4.1 and 5.1 above.

5.8 The Finance Department shall update the RRPT records and monitor the RRPT threshold. Immediate announcement is required if the percentage ratio of a RRPT is 1% or more or the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more, whichever is the lower; or if the actual value of RRPT exceeds the estimated value of the RRPT disclosed in the circular by 10% or more.

5.9 In monitoring the RRPTs, there is a requirement to aggregate all transactions with the same related party over a rolling 12-months period in accordance with Rule 10.12 of the Listing Requirements.

6.0 LIMITS

There is no specific threshold for approval of RRPTs within the Arvex Group. All RRPTs are subject to the approval of the AC and the Board. If any Directors or any member of the AC have an interest/s in the RRPT, he/she shall refrain from deliberation and voting on the matter.

In a meeting to obtain shareholders' approval:-

a) the interested Directors, interested Major Shareholders or interested Persons Connected with a Director or Major Shareholder; and where it involves the interest of an interested Person connected to a Director and/or Major Shareholder, such Director or Major Shareholder must abstain from voting on the resolution approving the RPT.
b) an interested Director or interested Major Shareholder must also ensure that Persons Connected with him abstain from voting on the resolution in respect of the RPT.

7.0 SHAREHOLDERS' MANDATE ON RRPT

Arvex may seek a mandate from its shareholders for RRPT which are necessary for its day to day operations, subject to the following:

(a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
(b) the shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed;
(c) A circular to shareholders is issued to seek for shareholders' mandate;
(d) in a meeting to obtain shareholders' mandate, the relevant related party must comply with the requirements set out in item 4.0 above;
(e) Arvex immediately announces to Bursa Securities when the actual value of a RRPT entered into by Arvex, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more.

Estimated Value in respect of RRPT mentioned in (e) above is expected to be entered into from the date of the current Annual General Meeting until the date of the next Annual General Meeting.

Any authority conferred by a shareholders' mandate will only continue to be in force until -

(a) the conclusion of the first annual general meeting of Arvex following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
(b) the expiration of the period within which the next annual general meeting after the date it is required to be held (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
(c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

8.0 DISCLOSURE

All RRPTs shall be disclosed in the Annual Report of the Company and a breakdown of the transactions pursuant to the proposed shareholders' mandate during the financial year and for the subsequent financial year in the following manner:

i. aggregate value;
ii. nature / type;
iii. names of the related party/parties involved; and
iv. relationship of the related party/parties with Arvex Group.

This Related Party Transaction Policy and Procedures has been approved and adopted by the Board on 28 August 2026.