



HEXTAR HEALTHCARE BERHAD
(formerly known as Rubberex Corporation (M) Berhad)
199601000297 (372642-U)

RELATED PARTY TRANSACTION POLICY AND PROCEDURES

1.0 INTRODUCTION

Hextar Healthcare Berhad (formerly known as Rubberex Corporation (M) Berhad) ("Hexcare" or the "Group") and its subsidiary companies has established a Policy and Procedures to ensure Related Party Transactions ("RPT") are entered into, in accordance with the highest standard of ethical and business conducts.

This Policy and Procedures is for all Directors, Major Shareholders and Executive Officers of Hexcare to adhere and comply with the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR" or "Listing Requirements") and other applicable laws, with regards to any RPT intended to be entered into with the Group.

This Policy shall:

- Specify the methods and procedures to be adopted in relation to the conduct of any RPT between the company and/or subsidiaries with a related party or parties;
- Guide the employee in the interpretation and application of these procedures;
- To standardise the practices and procedures relating to the conduct of RPT; and
- To specify the disclosure requirements.

2.0 DEFINITIONS

For the purposes of this Policy, the following definitions apply:-

- a) **Related Party(s)** means a director, major shareholder, executive officer or persons connected with such director or major shareholder or executive officer.
- b) **Person connected with a Director or Major Shareholder** means a family member; a partner (under Partnership Act 1961 or JV); a trustee of a trust (said party is the sole beneficiary); body corporate in which the director, shareholder or a family member of the related party is entitled to exercise or control $\geq 20\%$ of the voting shares, which is a related corporation; person/ body corporate who is accustomed or under an obligation to act according with the directions, instructions or wishes of the related party.
- c) **Family Member** means spouse, parent, brother, sister, child (including adopted or stepchild), a lineal ascendant or descendant (e.g. parents or children), son-in-law, or daughter-in-law of the individual.
- d) **Related Party Transaction (“RPT”)** means a transaction(s) entered into by the Hexcare or its subsidiaries, which involves the interest, direct or indirect, of a related party.

RPT includes:

- Acquisition, disposal or leasing of assets;
- Establishment of joint ventures;
- Provision of financial assistance;
- Provision or receipt of services; or
- Any business transaction or arrangement entered into.

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

- e) **Recurrent Related Party Transaction (“RRPT”)** means a related party transaction(s) which is recurrent, of revenue or trading nature, which is necessary for day to day operations of the Company or its subsidiaries.

3.0 SAFEGUARD

Employee are encouraged to liaise with Executive Directors (“ED”)/ Managing Director (“MD”) for any clarification/doubtful especially if it involves the drafting of agreement/contract for the proposed transaction.

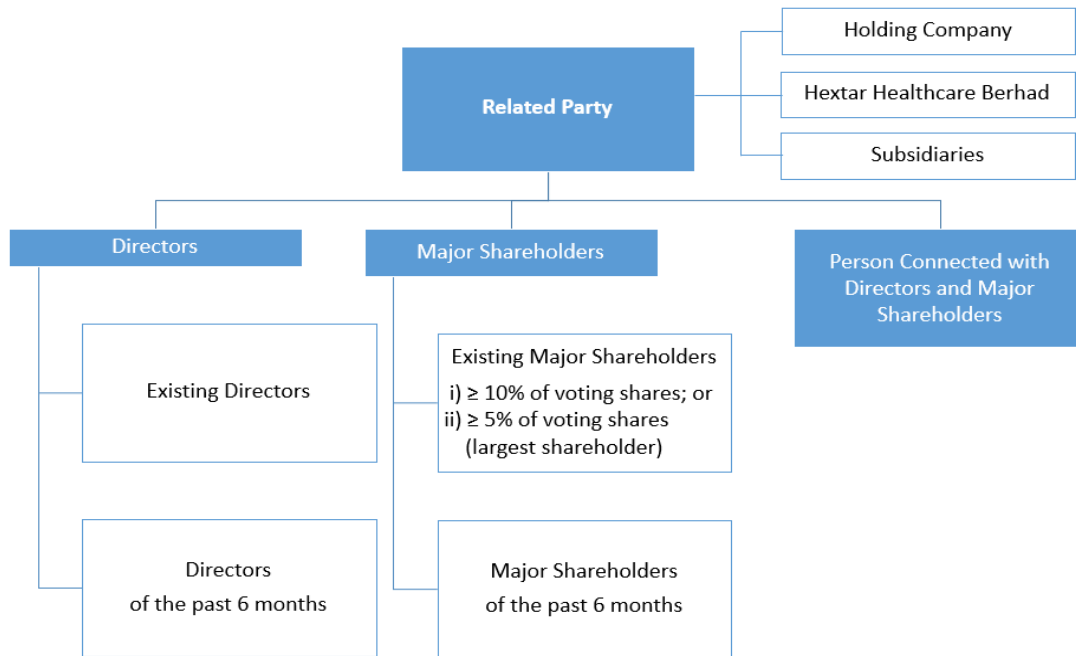
In term of sensitivity of RPT, the transaction company/subsidiaries should ensure that no preference is given to RPT prior to initiating the transaction. Where applicable, it may be appropriate for the transacting company/subsidiary to obtain an independent review of RPT.

The documentation for RPT shall be updated and maintained at all times.

4.0 IDENTIFICATION

- a) Directors, financial officers and executive officers shall promptly notify ED/MD of any interest by a Related Party prior entering into a RPT or RRPT.
- b) Any potential RPT or RRPT that are brought to ED/MD’s attention shall be analysed, in consultation with the management to determine whether the transaction or relationship does, in fact, constitute a RPT or RRPT requiring compliance with this Policy.
- c) The list of Related Parties will be kept by the ED/MD as well as distribute to relevant personnel on a periodical basis. If there are changes to the list, ED/MD shall update the relevant personnel of subsidiaries/department on the latest directors and major shareholder’s interest on a bi-annual basis. All subsidiaries/department are advised to fully understand and familiar with the list of related parties that may be considered as RPT or RRPT.
- d) The relevant officer-in-charge of the company/subsidiaries is required to report any proposed RPT or RRPT transaction(s) to ED/MD.

The diagram below depicts the persons who are included in the definition of related party as per Listing Requirements:



5.0 DISCLOSURE REQUIREMENTS

The disclosure requirement of RPT as prescribed by the Listing Requirements are governed by percentage ratio threshold. The disclosure requirements are as follows:

- Hexcare must make an immediate announcement to the Bursa Securities of 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 RM500,000 and it is not recurrent in nature.
- Additionally,
 - (i) If the percentage ratio for the RPT is equal to or exceeds 5% then Hexcare shall:
 - a) send a circular to the shareholders;
 - b) obtain shareholder's approval for the transaction in a general meeting; and
 - c) appoint an independent advisor approved by the Securities Commission ("SC").
 - (ii) If the percentage ratio for the RPT is equal to or exceeds 25%, then Hexcare must in addition to (i) above, before the terms of the transaction are agreed upon, appoint a main advisor, who is a Principal Advisor ("PA") approved by the SC.

- (iii) The PA must undertake the following:
 - a) advise Hexcare whether such transaction is carried out on fair and reasonable terms and conditions and not to the detriment of minority shareholders of Hexcare;
 - b) ensure any transaction complies with the relevant laws, regulations or guidelines, where applicable;
 - c) ensure full disclosure of all information required to be disclosed in the announcement and circulars; and
 - d) confirm to the Bursa Securities that it has discharged its responsibility with due care in regards to the transaction, after the transaction has been completed and all the necessary approvals have been obtained.

- (iv) Hexcare shall ensure that a director with interest, direct or indirect, must abstain from deliberation and voting on the relevant resolution in respect of the RPT at the Board Meeting. In a general meeting to obtain shareholder's approval, a director or major shareholder with any interest, direct or indirect or person connected to them must NOT vote on the resolution approving the transaction.

- (v) Hexcare must ensure that any vote of shareholders taken at the general meeting on the resolution approving the transaction is taken on a poll.

- (vi) RPT entered by a subsidiary with another person where the percentage ratio is equal to or exceed 5%, and the only related party having an interest in such transaction is not a related party to the Hexcare, only immediate announcement is required, subject to the following conditions:
 - a) Board of Directors of Hexcare approves the transaction before the terms of transaction are agreed upon;
 - b) That the transaction is fair and reasonable and is in the best interest of Hexcare.

- (vii) When a RPT is involved, the officer in-charge of the subsidiaries are required to be mindful of the value of the contract/transaction. Where the transaction reaches

certain threshold of the percentage ratios, Hexcare is required to comply with the obligations under the MMLR as explained above.

- (viii) The percentage ratios are calculated in accordance with formulas that are provided in the MMLR. The formula to be used would depend on the type of contract/transaction. At times, one transaction may involve calculation of the percentage ratios based on several of the formulas. Therefore, all formulas must be tested as the relevant obligations under the MMLR will be invoked if any one of the figures of the percentage ratios is met.
- (ix) Certain specified transactions are not normally related to RPT under the Listing Requirements. Some of these include:
 - a) The payment of dividend, issue of securities by the Company or its subsidiaries by way of a bonus issue or for cash (subject to MMLR), grant of options, issuance of securities arising from the exercise of options under the Share Issuance Scheme, subdivision of shares, consolidation of shares, reduction in the par value of shares or subscription of securities on a pro rata basis;
 - b) A transaction between the Company or its subsidiaries and another person where there are no other interested relationships except for common directorships and the directors who have common directorships having shareholdings which is less than 5% other than Inter-Company. There is no other interest such as commission or other kinds of benefits received from the Company or any of its subsidiaries or the other person in relation to the said transaction;
 - c) An acquisition or disposal by the Company or its subsidiaries from or to a third party of an interest in another corporation, where the related party holds less than 10% in that other corporation other than Inter-Company;

- d) The provision or receipt of financial assistance or services upon normal commercial terms and in the ordinary course of business by a licensed institution whose activities are regulated by written law and are subject to supervision by Bank Negara Malaysia or an equivalent foreign regulatory authority as Bursa Securities deems appropriate;
- e) Director's fees and remuneration, and employment remuneration;
- f) A transaction between the Company or any of its subsidiaries, and another person for the provision or receipt of goods and services which are considered exempted transactions where:
- the goods or services are purchased, sold or rendered based on a non-negotiable fixed price or rate which is published or publicly quoted;
 - all material terms including the prices or charges are applied consistently to all customers or classes of customers.
- (The definition of goods, classes of customers and exempted transactions are as per the Listing Requirements)
- g) The entry into or renewal of tenancy of properties of not more than three (3) years, the terms of which are supported by an independent valuation;
- h) A contract that is awarded by or on behalf of the Government or State Government provided an immediate announcement of the same is made to Bursa Securities;
- i) A contract that is awarded by way of public tender;
- j) A transaction between the Company or any of its subsidiaries and another person which involves the sharing of services or facilities provided by one or more of such parties or other similar arrangements whereby the consideration

merely involves reimbursement or sharing of costs in proportion to the utilisation of the services or facilities.

6.0 REPORTING PROCESS

The reporting process for RPT and RRPT established by the Hexcare are as follows:

6.1. RPT

- 6.1.1. Before entering into a commercial contract/agreement/transaction, the originator/ buyer must define and identify the RPT elements.
- 6.1.2. The vendors/customers transacting with the Group will also be requested to declare to Hexcare whether the contract/agreement/transaction is a RPT to the Group by completing and signing a declaration form provided by the ED/MD.
- 6.1.3. Provide details of proposed commercial contract/agreement/transaction and submission of the RPT Form to the ED/MD of the Company.
- 6.1.4. Obtain verification from ED/MD and Audit Committee, where necessary.
- 6.1.5. If it is RPT, prepare and review draft contract/agreement by Legal Advisor of Hexcare.
- 6.1.6. If subsidiary does not have legal officer, preparation and review of contract/agreement will be carried out by Legal Advisor of Hexcare.
- 6.1.7. All RPTs must be reviewed by Audit Committee before the terms of the contract/agreement are agreed upon.
- 6.1.8. The originator/buyer to furnish the following to ED/MD of Hexcare:
 - Draft announcement
 - for consideration of 0.25% or more but less than 5% of the percentage ratio (unless the value of the consideration is less than RM500,000);

- Notify ED/MD if the percentage ratio is 5% or more for preparation of draft circular to obtain Hexcare shareholders' approval;
- Notify ED/MD if the percentage ratio is 25% or more for preparation of draft circular to obtain Hexcare shareholders' approval, appointment of independent advisor and main advisor.

6.1.9. Submit necessary paper and supporting documents on the proposed transaction to Audit Committee for review on whether the terms and conditions of the RPT to be entered into are at arm's length, fair and not detrimental to the minority shareholders of the company.

6.1.10. Submit the RPT to the Board for deliberation and approval based on Audit Committee recommendation.

6.1.11. Seek Hexcare's Board approval on the transaction prior entering into by the subsidiary with the related party.

6.1.12. Seek Hexcare shareholders' approval for transaction with percentage ratios of 5% or more.

6.1.13. Completion and signing of agreement/contract by the company/subsidiaries.

6.1.14. Immediate announcement by ED/MD (where necessary) to Bursa Securities.

6.1.15. Update of RPT Register by ED/MD.

6.2. RRPT

For RRPT, the applicable percentage ratio for Hexcare, is as follows:

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

6.2.1. The processes for RRPT are the same as RPT's reporting procedures as indicated in item 6.0 above.

Define and identify of RRPT elements:

- Provide details of proposed commercial agreement/contract/transaction of the RPT Form to ED/MD;
- Obtain verification from ED/MD;
- Prepare and review of draft agreement/contract by the Legal Advisor of Hexcare if required;
- If subsidiary does not have legal officer, preparation and review will be carried out by Legal Advisor of Hexcare.

6.2.2. For recording of RRPTs, the procedures are as follows:

- a) the relevant department/subsidiary is required to record the RRPTs and provide information on RRPT transacted in the preceding 12 months and the expected RRPT for the next 12 months (if any) by completing a prescribed form provided by Hexcare on a quarterly basis;
- b) Hexcare will consolidate all RRPT entered by the Group, and if the accumulated and potential RRPT are likely to breach the relevant percentage ratio of 1%, Hexcare **has to monitor for announcement to be made or to obtain shareholders' general mandate in respect of the RRPTs at a general meeting, as the case may be;**
- c) The RRPTs of the Hexcare will be tabled and reviewed by the Audit Committee on a quarterly basis.

6.2.3. If no mandate for the RRPT was obtained, RRPT with percentage ratio of 1% or more but less than 5% (announcement to Bursa Securities is required) and the procedures are as follows:

- a) The RRPTs must be reviewed by Audit Committee before the terms are agreed upon;
- b) The originator/buyer to furnish draft announcement to ED;
- c) Seek clearance from the Audit Committee;
- d) Seek approval from the Board;
- e) Completion and signing of agreement/contract by Hexcare/subsidiary;
- f) Immediate announcement by ED to Bursa Securities; and
- g) Update of RRPT Register by ED.

6.2.4. For RRPT with percentage ratios of 5% or more (announcement to Bursa Securities and **shareholders' approval (mandate) must be obtained before the 5% ratio is triggered**).

- a) The RRPT must be reviewed by Audit Committee before the terms are agreed upon;
- b) The originator/buyer to furnish draft announcement to ED/MD;
- c) ED/MD draft circular to obtain shareholders' approval;
- d) The circular must be reviewed by Audit Committee and recommended by the Board before tabling for shareholders' approval;
- e) Seek Hexcare shareholders' approval for transaction with percentage ratios of 5% or more and make immediate announcement to Bursa Securities thereafter;
- f) Completion and signing of agreement/contract by Hexcare/subsidiary; and
- g) Update of RRPT Register by ED/MD.

7.0 REVIEW AND APPROVAL OF TRANSACTIONS

Below are the Proposed procedures for reviewing and approving a recurrent transaction:

- a) A list of Related Parties is established and circulated annually to the head of Finance, who shall monitor and ensure that all RRPT to be entered into by the Group are reported and forwarded to the Audit Committee.
- b) Proper records are maintained at the Group to capture all RRPT so that all RRPT entered pursuant to the mandate will be adequately discussed.
- c) Any Director has an interest (direct or indirect) in any RRPT, such Director (or his alternate, where applicable) shall abstain from deliberation and voting on any decision to be taken by the Board in respect of such RRPT, if any.
- d) Any member of the Audit Committee is interested in any RRPT, that member shall abstain from deliberation and voting on any decision to be taken by the Audit Committee with respect to such transaction.
- e) At least two (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 or/and from the Related Parties are fair and reasonable and comparable to those offered to or/and from the public for the same or substantially similar type of products/services and/or quantities.
- f) 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), management will ensure the RRPT will only be entered into with the Related Party(ies) after taking into account the pricing, level of services, quality of products and other related factors to ensure that the RRPT is not detrimental to Hexcare. There is no specific threshold for approval of RRPT within Hexcare.

- g) Hexcare shall put in place adequate procedures and processes for monitoring, tracking and identifying RRPT in a timely and orderly manner, and the adequacy and appropriateness of procedures and processes are reviewed on annual basis or whenever the need arises.
- h) The Audit Committee shall review the guidelines and procedures and are satisfied that the guidelines and procedures are adequate to ensure that the RRPT are/will be:
- (i) on terms not more favourable to a Related Party than those generally available to and/or from the public;
 - (ii) not to the detriment of the minority shareholders; and
 - (iii) at arm's length and on normal commercial terms having taken into account, inter-alia, pricing, quality of the products and services, track records, experience and financial position of the supplier or vendor, speed of delivery, quality of aftersales support service and maintenance and etc.

8.0 ROLES AND RESPONSIBILITIES

The Audit Committee shall be provided with material facts of the proposed RPT or RRPT that require Audit Committee's review (including the terms of the transaction and the business purpose of the transaction).

In reviewing the RPT or RRPT, the Audit Committee shall consider such factors as it deems appropriate including without limitation to:

- the business reasons for Hexcare to enter into the RPT or RRPT;
- the commercial reasonableness of the terms of the RPT or RRPT;
- the materiality of the RPT or RRPT to the Hexcare;
- whether the terms of the RPT or RRPT are fair and reasonable to the Hexcare and on same terms as it would apply if the transaction did not involve a Related Party; and
- the extent of the Recurrent Related Party's interest in the RPT or RRPT.

No director shall participate in the evaluation or approval of any RPT or RRPT for which he or she is a Related Party and will abstain from voting on the approval of the RPT or RRPT,

except that the director shall provide all material information concerning the RPT or RRPT to the Audit Committee and may otherwise participate in some or all of the Audit Committee's discussions if so requested by the Audit Committee.

9.0 LIMIT OF AUTHORITY (LOA)

The LOA is a key component of internal control system of Hexcare. RPT and RRPT are subject to approval procedures and limits as stipulated under the LOA. The transacting departments/subsidiaries are required to also adhere to the approval requirements under LOA in addition to the RPT or RRPT reporting and approval under this policy prior to entering into any RPT or RRPT.

10.0 MODIFICATIONS

Hexcare's reserves the right for any modification/changes/updates on this policy and procedures with Board of Director's approval to align with MMLR, Companies Act 2016, Malaysia Code on Corporate Governance and other applicable laws enforced.

11.0 MAINTENANCE OF RECORD

The directors and major shareholders will be required to sign a declaration form which shall be kept securely by the ED/MD.

If there are any RPT to disclose, the brief details of the transaction and the sums involved need to be disclosed by such director or major shareholder.

Additionally, the transacting department/subsidiary shall ensure proper maintenance and retention of documentation, to allow the RPT to be scrutinized by regulators or auditors. Such documentation should be readily accessible to regulators and other interested parties.

12.0 QUARTERLY REVIEW

All RRPT shall be reviewed by the Audit Committee and the ED/MD shall ensure that all RRPT are in compliance with the Listing Requirements and applicable laws. The RRPT shall then be reported to the BOD. The transacting company/subsidiary shall, during the terms of the

contract/agreement governing the RRPT, ensure that such a transaction meets and continues to meet the following criteria:

- It should be in the best interest of the Company as a whole;
- It should be undertaken on an arm's length basis, on terms which are not more favourable to the Related Party other than those generally available to the public;
- It should not detrimental to our minority shareholders;
- It should be properly documented;
- It should be disclosed on a timely manner.

13.0 REFERENCE/GUIDES

The ED/MD will provide guidance, education, training, bulletins and procedures for implementing this policy, including requirements for reporting, monitoring and review.

This Policy is available on Hexcare's corporate website at www.rubberex.com.my.

August 2023

RELATED PARTY TRANSACTIONS DECLARATION FORM
BORANG PENGISYTIHARAN TRANSAKSI PIHAK BERKAITAN

Name: Nama:		Email Address: Alamat Emel:	
Phone No.: No. Telefon:		Designation/Department: Jawatan/Jabatan:	

Please decide whether Declaration A or Declaration B is relevant. If Declaration A is signed, please give a description of the transactions, the amounts involved and any other elements of the transactions which may be necessary for a better understanding. If the transactions were not directly between you and Hextar Healthcare Berhad ("Hexcare"), please also give the names of the related parties and description of your relationship with them.

Sila tentukan sama ada Deklarasi A atau Deklarasi B yang berkaitan. Jika Deklarasi A telah ditandatangani, sila berikan keterangan mengenai urus niaga, jumlah yang terlibat, dan sebarang elemen lain yang mungkin diperlukan untuk memahaminya dengan lebih baik. Jika urus niaga tersebut tidak melibatkan transaksi secara langsung antara anda dan Hextar Healthcare Berhad ("Hexcare"), sila berikan juga nama pihak-pihak berkaitan dan keterangan mengenai hubungan anda dengan mereka.

Declaration A
Deklarasi A

I declare that I have/had the following Related Party Transaction(s) with Hexcare.
Saya mengisytiharkan bahawa saya mempunyai Transaksi Pihak Berkaitan dengan Hexcare.

Signed:
Ditandatangani: _____
Date:
Tarikh: _____
Description:
Penerangan:

Declaration B
Deklarasi B

I declare that I have no Related Party Transaction(s) with Hexcare.
Saya mengaku bahawa saya tidak mempunyai sebarang Transaksi Pihak Berkaitan dengan Hexcare.

Signed:
Ditandatangani: _____
Date:
Tarikh: _____