Appendix III:
Matters to be tabled to the audit committee on related party transactions

The following is an illustrative list. It is not exhaustive but is intended to stimulate thoughts as to the type of matters that should be tabled to the audit committee in relation to the related party transactions/recurrent related party transactions.

i. a description of the transaction;

ii. parties to the transaction, including who the related party is and the relationship involved;

iii. relevant details of the transaction, including value and percentage ratio, calculations based on the Listing Requirements. The percentage ratio should be calculated against all methods listed in Bursa Securities Listing Requirements and the calculations disclosed to the audit committee;

iv. the nature of the transaction, including an explanation of the related party’s interest and if it is a recurrent related party transaction, how the transaction meets the relevant criteria for being considered a recurrent related party transaction;

v. whether advisors and/or valuers are to be appointed;

vi. whether any other approvals are required;

vii. rationale for the transaction and cost and benefit to the company/group;

viii. comparative quotes, if available, including sources, methods and procedures through which transaction prices are determined;

ix. justification as to why the transaction must be undertaken with the related party, for example that the services provided by a related party cannot be obtained elsewhere or if need be, a current independent valuation report annexed for that purpose;

x. an explanation of how “arm’s length” was maintained during negotiations and in ensuring negotiations and terms to the related party transactions/recurrent related party transactions were carried out were on a commercial basis;

xi. an explanation of why the terms are considered fair and reasonable;

xii. an explanation of why the transaction is considered in the best interest of the company/group;

xiii. an explanation of why the terms are not detrimental to the minority shareholders;

xiv. if the transaction has gone through the usual tender process, to state so and the recommendations of the tender committee;

xv. management recommendations; and

xvi. revision/changes to the related party transactions/recurrent related party transactions policy and procedures relating to compliance with mandates arising from the nature and volume of transactions.