



D'NONCE TECHNOLOGY BHD  
Company No. 200001000687 (503292-K)  
(Incorporated in Malaysia)

## **BOARD CHARTER**

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**D'NONCE TECHNOLOGY BHD.**  
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**BOARD CHARTER**

**1. INTRODUCTION**

- 1.1 The Board Charter stipulates the principal role, responsibilities and duties of the Board of Directors (“the Board”) of D’nonce Technology Bhd (“D’nonce” or “the Company”) and sets out the demarcation of the roles, functions, responsibilities and powers of Directors, the Board and Board Committees of the Company.
- 1.2 The Board is accountable to the shareholders for the performance of the D’nonce and its subsidiary companies (“the Group”) in line with the principles of corporate governance and standards of integrity, ethics and professionalism across the Group. The Board is entrusted with the objective to increase shareholders’ value within an appropriate framework, protects the rights and interests of the Company’s shareholders and ensure that the Company is properly managed.

**2. PURPOSE**

- 2.1 This Charter further defines the specific responsibilities of the Board, the coordination and communication between the Board and Key Senior Management (represented by the Chief Executive Officer, Chief Financial Controller, Heads of Departments and General Managers of subsidiaries) and more specifically, to clarify the accountability of both the Board and Key Senior Management for the benefit of the Company and its shareholders.
- 2.2 In addition, it will assist the Board in the assessment of its own performance and of its individual Directors.

**3. BOARD COMPOSITION AND BALANCE**

**3.1 Size and Composition**

- 3.1.1 The Board consists of qualified individuals with diverse experience, background and perspective to enable them to discharge their duties and responsibilities effectively and to facilitate the decision making of the Company. Pursuant to the Constitution of the Company, the Board shall not be less than two (2) directors and more than 10 directors.
- 3.1.2 As prescribed by the Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements, at any one time, at least two (2) directors or one-third (1/3), whichever is higher, of the Board members must be Independent Directors.
- 3.1.3 The basis for the presence of an independent voice on the Board is to ensure that objectivity in decision- making of the Board is achieved and that no single party can dominate such decision-making in the Company. The Independent Directors provide independent judgment, experience and objectivity without being subordinated to operational considerations. They help to ensure that the interests of all shareholders are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

3.1.4 The tenure of an Independent Director shall not exceed a cumulative term of 9 years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director being re-designated as a Non-independent Director. If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth (12) year, the board should seek annual shareholders' approval through a two-tier voting process.

The Board shall appoint a Lead Independent Director who will also attend to any query or concern raised by shareholders.

3.1.5 The Board is mindful of various diversity factors to strengthen the Board composition that meets the objectives and strategic goals of the Company. The evaluation of the suitability of candidates as the new Board member is based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Company, regardless of gender, age and ethnicity.

3.1.6 The Directors may in furtherance of their duties be able to obtain an independent professional advice at the Company's expenses subject to the approval from the Board.

### 3.2 Appointments and Re-election

3.2.1 The Board appoints new directors upon the appropriate recommendation of the Nominating Committee.

3.2.2 All newly appointed Directors will be subject to retirement at the next Annual General Meeting and is eligible for re-election.

3.2.3 At the first annual general meeting of the Company all the Directors shall retire from office, and at the annual general meeting in every subsequent year one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election.

3.2.4 All Directors shall retire from office once at least in each three (3) years and are eligible for re-election.

3.2.5 The directorships held by any Board member at any time shall not exceed five (5) public companies listed on the Malaysian stock exchange.

### 3.3 Independence of Director

3.3.1 An Independent Director is independent of management and free of any business or other relationship that could materially interfere with the exercise of unfettered and independent judgement or the ability to act in the best interest of the Company.

3.3.2 The Nominating Committee undertakes to assess the independence of its Independent Directors before appointment, annually and when any new interest or relationship develops.

### 3.4 New Directorship and Time Commitment

3.4.1 Any Director shall notify the Chairman of the Board before accepting any new directorship in other public listed companies. The notification shall include an indication of time that will be spent on the new appointment.

3.4.2 The Chairman shall also notify the Board if he has any new directorship or significant

commitments outside the Company.

#### **4. BOARD ASSESSMENT**

##### **4.1 Directors Assessment/Board Evaluation**

4.1.1 The Board keeps its own performance under review. This includes a formal review, such as an annual review and self/peer assessment process that:

- Compares the performance of the Board with the requirements of this Charter;
- Sets forth the goals and objectives of the Board for the upcoming year; and
- Effects any improvements to this Charter that are necessary or desirable.

4.1.2 The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Committees. The Nominating Committee reviews and evaluates the performance of each Director and the performance of the Company's Committees on an annual basis.

#### **5. THE BOARD**

##### **5.1 Roles of the Board**

5.1.1 The main functions and roles of the Board are as follows:

- (a) To review, challenge, decide and monitor Key Senior Management's strategies, business plans and significant policies after satisfying themselves that Key Senior Management has taken into account all the relevant and appropriate considerations in establishing the strategies, plans and policies.
- (b) To ensure a competent Key Senior Management by establishing policies for strengthening the performance of the Group with a view to proactively build the business through innovation, initiative, technology, new products, development of its business capital and including strategies on economic, environmental and social considerations underpinning sustainability;
- (c) To monitor implementation, progress and performance of the strategies, policies, plans, legal and fiduciary obligations that affect the business by adopting performance appraisal measures;
- (d) To evaluate whether the business is being properly managed and to ensure that the solvency of the Group and the ability of the Group to meet its contractual obligations and to safe guard the Group's assets;
- (e) To ensure that the Group has a sound framework for internal controls and risk management;
- (f) To understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;
- (g) To set the risk appetite within which the Board expects Key Senior Management to operate and ensure that there is an appropriate risk management framework to identify, analyze, evaluate, manage and monitor significant financial and non-financial risks;

- (h) To establish various Board Committees and ensure their effectiveness to address specific issues, by considering recommendations of the various board committees and acting on their reports;
- (i) To ensure that the statutory accounts of the Company and Group are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;
- (j) To ensure the Key Senior Management has the necessary skills and experience and that there is in place an appropriate succession plan for members of the Board and Key Senior Management;
- (k) To ensure that the Board together with Key Senior Management promote good corporate governance culture within the Company which adheres to high standards of ethical, prudent and corporate/professional behaviour including transparency in Code of Conduct;
- (l) To ensure that there is in place an appropriate investor relation and communication policy and corporate disclosures in compliance with the Listing Requirements, The Corporate Disclosure Policy is in Appendix A; and
- (m) To ensure the Company has effective, transparent and regular communication with its stakeholders to enable them to make informed decisions with respect to the business of the Group, its policies on governance, the environment and social responsibility.

## 5.2 Matters reserved for the Board

5.2.1 The following matters, amongst others, shall be reserved to the Board for determination and/or approval which may be supported by any recommendations as may be made from time to time by Key Senior Management or the Board Committees:

- (a) corporate plans and programmes;
- (b) annual budgets, including major capital commitments;
- (c) quarterly financial results, annual financial statements and annual reports;
- (d) new ventures;
- (e) corporate proposals;
- (f) material acquisitions and disposals of undertakings and properties;
- (g) material litigations;
- (h) declaration of dividends;
- (i) composition of the Board; and
- (j) changes to the management and control structure within the Company and its subsidiaries, including key policies.

## 5.3 Powers delegated to Chief Executive Officer

5.3.1 The Board shall delegate to the Chief Executive Officer, the authority and power to manage the Company and its businesses within levels of authority specified by the Board from time to time. The Chief Executive Officer may delegate aspects of his or her authority and power but remains accountable to the Board for the Company's performance and is required to report regularly to the Board on the progress being made by the Company's business units.

#### 5.4 Roles of the Chairman

5.4.1 The Chairman will be a non-executive member of the Board.

5.4.2 The key roles of the Chairman, amongst others, are as follows:

- (a) responsible for the overall leadership and efficient functioning of the Board;
- (b) ensure that the Board functions effectively, cohesively and independently from Key Senior Management;
- (c) leading the Board in establishing and monitoring good corporate governance practices in the Company;
- (d) setting the Board agenda and ensuring that the Board members receive complete and accurate information in a timely manner;
- (e) leading the Board, including presiding over Board meetings and Company meetings and directing Board discussions to effectively use the time available to address the critical issues facing the Company;
- (f) encouraging active participation and allowing dissenting views to be freely expressed by the Board members;
- (g) acting as liaison between the Board and Key Senior Management and promoting constructive and respectful relationship within and between Board members and Key Senior Management;
- (h) ensure that there are effective communication between the Company and/or Group and its shareholders and relevant stakeholders and that their views are communicated to the Board as a whole; and
- (i) carrying out other duties as requested by the Board as a whole, depending on the needs and circumstances.

#### 5.5 Roles of the Chief Executive Officer

5.5.1 The Chief Executive Officer is responsible to the Board for the day-to-day management of the Company. The role of the Chief Executive Officer is vital to the performance of the Company. He/she is required to provide leadership, strategic vision, high-level business judgment and wisdom, and the ability to meet immediate performance targets without neglecting longer-term growth opportunities of the Company. The key roles of the Chief Executive Officer, amongst others, are as follows:

- (a) developing the strategic plan and direction of the Group;
- (b) ensure that the Company and/or the Group's business is properly and efficiently managed by ensuring that the executive team implements the policies and

strategies adopted by the Board and its Committees;

- (c) ensure that the objectives and standards of performance are understood by the Key Senior Management and employees;
- (d) ensure that the operational planning and control systems are in place;
- (e) risk management;
- (f) monitoring performance results against plans;
- (g) taking remedial action, where necessary;
- (h) reporting on significant business decisions;
- (i) stakeholder management; and
- (j) any such matters referred to by the Chairman, the Board or other Board Committees from time to time.

#### 5.6 Roles and responsibilities of Lead Independent Director

- (a) To serve as the principal conduit between the independent directors and the Chairman as and when necessary;
- (b) To act as an intermediary for other Directors;
- (c) To act as the point of contact for shareholders and other stakeholders on concerns and queries which cannot be resolved through the formal channel of communication; and
- (d) To serve as the principle Director for the purpose of whistle-blowing by stakeholders.

#### 5.7 Roles and responsibilities of an Independent Director

- (a) To have no direct or indirect pecuniary interest in the Company other than the remuneration for their services as members of the Board and Board Committees of the Company and the Group;
- (b) To be a person of calibre, credibility and have the necessary skill and experience to bring independent judgement to bear on the issues of strategy, performance and resources, including key appointments and standards of conduct;
- (c) Is required to make independent assessment of information, reports or statements, having regard to his knowledge, experience and competence, to provide an independent view and demonstrate objectivity in reviewing and challenging Key Senior Management's proposals at meetings; and
- (d) To act in the best interest of the Company and their stakeholders.

#### 5.8 Executive Directors and Non-Executive Directors

- 5.8.1 The Executive Director(s) is/are involved in the day-to-day management of the Company while the Non-Executive Directors are expected to provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards



of corporate governance are applied.

#### 5.9 Board Committees

5.9.1 The Board shall establish the following committees with specific terms of reference as set out in the respective Appendices:-

- (a) Audit & Risk Management Committee (Appendix B)
- (b) Nominating Committee (Appendix C)
- (c) Remuneration Committee (Appendix D)

5.9.2 From time to time, the Board may create ad-hoc committees to examine specific issues on behalf of the Board.

5.9.3 The Board Committees shall operate under clearly defined terms of reference. The Board Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their terms of reference. The chairman of the respective Board Committees reports to the Board on the outcome of the committee meetings and the minutes will be included in the Board Papers for the Board's notification.

#### 5.10 Board Meetings

5.10.1 The Board shall schedule at least four (4) quarterly meetings annually. However, meetings may be convened as required.

5.10.2 The Notice of Board Meeting, full agenda and the comprehensive meeting materials should be given to all Board members at least 7 days in advance of each Board Meeting and Directors are expected to review in advance any such materials in order to facilitate meaningful deliberation during each meeting.

5.10.3 All Board meetings shall be chaired by Chairman of the Board. Where the Chairman is absent, the Directors present shall elect one (1) of their members to be the Chairman of the meeting.

5.10.4 The Key Senior Management of the Company or its subsidiaries shall attend such meeting by invitation basis where their presence is considered appropriate as determined by the Chairman or the Executive Directors of the Company.

5.10.5 At each scheduled meeting, the Board shall consider, where applicable, the following:-

- Financial Statements;
- Quarterly financial results announcements to be submitted to Bursa Securities;
- Minutes and Reports by various Board Committees;
- Significant capital expenditure and acquisitions;
- Report of the Chief Executive Officer (which includes information on the financials);
- Significant disposal of the Company's/Group assets;
- Major operational issues;

- Material litigations (if any); and
- Any other matters requiring its authority or notations.

#### 5.11 Directors' Remuneration

- 5.11.1 The remuneration of the Executive and Non-Executive Directors as well as Key Senior Management are deliberated by the Remuneration Committee and be recommended to the Board for its approval. The Company shall provide a fair, reasonable and competitive remuneration for its executive directors and Key Senior Management to ensure that the Company attracts and retains high calibre executive directors and Key Senior Management who have the skills, experience and knowledge to increase entity value to the benefit of all shareholders.
- 5.11.2 The remuneration policy for Executive Directors and Key Senior Management is based on the achievements and contribution of each person measured against their respective Key Performance Indicators. The Board shall determine the remuneration of Executive Directors and Key Senior Management taking into consideration the recommendations of the Remuneration Committee.
- 5.11.3 The Non-Executive Directors will receive a fixed base fee, not by a commission or on percentage of profits/turnover, as consideration for their Board duties. The aggregate amount of directors' fees to be paid to Non-Executive Directors is subject to the approval of the shareholders at a General Meeting.
- 5.11.4 Remuneration for Non-Executive Directors is not linked to individual performance.

#### 5.12 Directors' Training and Continuing Education Programme

- 5.12.1 In addition to the Mandatory Accreditation Programme as required by the Bursa Securities, the Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes. This will enable Directors to effectively discharge duties and sustain active participation in the Board deliberations.
- 5.12.2 The Audit & Risk Management Committee members shall keep abreast with developments in regulatory requirements and participate in education sessions organised for them to better understand their roles on corporate governance, risk management and internal controls and how the Audit & Risk Management Committee may deploy the internal audit function more effectively.
- 5.12.3 The Board will assess the training needs of the Directors from time to time and will ensure Directors have access to continuing education programme.

#### 5.13 Financial Reporting

- 5.13.1 The Company aims to present a clear and balanced assessment of the Company's financial position and prospects for its financial statements and quarterly announcements to the shareholders, including other price sensitive public reports and reports submitted to regulators.
- 5.13.2 The Board will ensure that the financial statements are prepared in accordance with the Companies Act and the applicable approved accounting standards set out by the Malaysian Accounting Standards Board so as to present a true and fair view of the state of affairs of the Group.

5.13.3 The Board receives assurance from Chief Executive Officer and the Chief Financial Officer that nothing has come to their attention which may render the financial results for the financial quarters under review to be false or misleading in any material aspect.

#### 5.10 Ethics

5.10.1 Members of the Board shall carry out their responsibilities objectively, honestly and in good faith, and act to the best interests of the Company.

5.10.2 Directors of the Company are expected to conduct themselves according to the highest standards of personal and professional integrity.

5.10.3 Directors are also expected to set the standard for Company-wide ethical conduct and ensure ethical behavior and compliance with laws and regulations.

5.10.4 Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. If any matter is to be discussed at a meeting of the Board which would involve one or more Directors having a conflict of interest, then those Directors:-

- Shall declare that conflict of interest;
- Shall not receive the relevant papers;
- Shall not be present at the meeting when the matter is being considered; and
- Shall not participate in any decision on the matter.

5.10.5 Directors are expected to act in accordance with applicable law, the Company's Constitution, the Securities Commission Guidelines on conduct of directors of listed corporations and their subsidiaries and the Company's Code of Conduct as provided in Appendix E.

5.10.6 All proceedings of the Board, including papers submitted and presentations made to the Board, shall be kept confidential and shall not be disclosed or released to any person other than Board members, except as required by law, or as agreed by the Board.

### **6. COMPANY SECRETARY**

6.1 The Board appoints the Company Secretary to fulfil its function for which he/she has been appointed.

6.2 The Company Secretary is a central source of guidance to the Board and the Board has unlimited access to the professional advice and services of the Company Secretary.

6.3 The Company Secretary shall be of a senior position with adequate authority and shall report directly to the Board. The appointment and removal of the Company Secretary will be subject to the approval of the Board.

6.4 The Company Secretary carries out the following tasks:

- (a) attend and ensure proper conduct and procedures at all Board Meetings, Board Committee Meetings, Annual General Meeting ("AGM"), Extraordinary General Meeting ("EGM") and any other meetings that require the attendance of Company Secretary and ensure that meetings are properly convened;

- (b) ensure that the quarterly financial results, audited financial statements, annual reports, circulars, etc and all relevant announcements are announced to Bursa Securities on a timely basis;
- (c) ensure that deliberations at the meetings are well captured and minuted;
- (d) assist the Board on corporate disclosures and compliance with the Listing Requirements and the requirements of the relevant authorities;
- (e) advise the Board on its roles and responsibilities;
- (f) facilitate the dissemination of information for Directors' training and development programmes;
- (g) keep the Directors and principal officers informed of the closed period for trading in the Company's shares; and
- (h) ensure proper record and maintenance of the Company's proceedings, resolutions, statutory records, register books and documents.

## **7. CONFIDENTIALITY AND DISCLOSURE OF INTEREST**

- 7.1 The Directors are required to act in the best interests of the Company. The Directors also have a duty of confidentiality in relation to the Company's confidential information.
- 7.2 A Director should disclose to the Board:
- (a) any material personal interest they have in a matter which relates to the affairs of the Company; and
  - (b) any other interest (direct or indirect) which the Director believes is appropriate to disclose in order to avoid any conflict of interest or the perception of a conflict of interest.
- 7.3 The disclosure should be made as soon as practicable after the Director becomes aware of their interest. Details of the disclosure must be recorded in the minutes of the meeting at which the disclosure is made or the meeting held following the disclosure.

## **8. SHARE DEALINGS**

- 8.1 Directors are encouraged to refrain from dealings in shares during closed period (as defined in the Listing Requirements).
- 8.2 Subject to the provisions of the Listing Requirements, where any Director deals in the shares of D'nonce outside closed periods, the Director shall within 3 market days after the dealing has occurred, give notice of dealing in writing to the Company Secretary. The Company shall immediately announce such notice to Bursa Securities pursuant to the Listing Requirements.

## **9. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION**

- 9.1 The Company is committed to ensure that shareholders are well-informed of all major developments affecting the state of affairs of the Company. Please refer to the Corporate Disclosure Policy in Appendix A.

## **10. WHISTLEBLOWING POLICY**

- 10.1 The Group believes in adopting high standards of integrity, honesty and accountability in the conduct of its businesses and operations. The Group aspires to conduct its business affairs in the most ethical, responsible and transparent manner possible.
- 10.2 The Group encourages all employees and the public to disclose any improper conduct in accordance with procedures provided under the Whistleblowing Policy.
- 10.3 The Whistleblowing Policy is provided in Appendix F.

## **11. REVIEW OF BOARD CHARTER**

- 11.1 The Board will review this Charter annually and make the necessary amendments to ensure that they remain consistent with the Board's objective, current law and practices.

The Board Charter was last reviewed and adopted by the Board on 23 March 2021.

## **CORPORATE DISCLOSURE POLICY AND PROCEDURES**

### **1. OBJECTIVES**

1.1 The objectives of the Corporate Disclosure Policy (“Policy”) are as follows:

- To adopt a disclosure policies and procedures for a consistent approach in relation to disclosure and dissemination of material information to the investing public;
- To provide guidance to the Directors, Key Senior Management and Employees of the Company and its subsidiaries on the Company’s disclosure obligations and practices; and
- To ensure compliance with the applicable regulatory requirements on disclosure of material information.

### **2. SCOPE OF APPLICATION**

2.1 This Policy is applicable to the Board of Directors and all employees of the Company and its subsidiaries (“the Group”). The material information concerning the Group, contained in either written or oral communications, shall include the following:

- Reports and documents provided to Bursa Securities and other regulators;
- Materials and statements in the Company’s Annual Reports, quarterly reports, press releases, letters and circulars to shareholders;
- Presentations on behalf of the Company;
- Information on the Company’s website;
- Articles concerning the Company;
- Correspondence and emails;
- Verbal statements made to outside parties in meetings, briefings, press conferences, or during telephone conversations;
- Interviews with the media;
- Speeches given on behalf of the Company.

### **3. DISCLOSURE STRUCTURE AND RESPONSIBILITY**

3.1 The Board formalizes the Policy and delegates the implementation to the Chief Executive Officer.

3.2 The responsibilities of the Chief Executive Officer are as follows:-

- i) to ensure timely disclosure and announcement of material information in accordance with the Main Market Listing Requirements of Bursa Securities;
- ii) to respond to any query raised by Bursa Securities; and
- iii) to implement and monitor compliance of this Policy.

3.3 All announcements to Bursa Securities including any disclosure and dissemination of material information to investing community shall require the majority approval of the Board.

3.4 The Chairman of the Board and the Chief Executive Officer shall serve as the Primary Spokespersons to speak and respond on behalf of the Company to shareholders, stakeholders and the public generally.

**Primary Spokespersons:**

- i) Chairman of the Board
- ii) Chief Executive Officer

3.5 The Chief Financial Officer and the heads of subsidiaries may only communicate to audience constituents on information already in the public domain, unless they are authorised by the Primary Spokespersons to undertake broader communications.

**Secondary Spokesperson:**

- i) Chief Financial Officer
- ii) Heads of Subsidiaries

**4. MATERIAL INFORMATION**

4.1 The Company has to make immediate announcements of material information in accordance with the Main Market Listing Requirements of Bursa Securities.

4.2 The general guidelines to determine materiality are as follows:

- i) Any information that is reasonably expected to impact on the price, value or market activity of the Company's securities; or
- ii) Any information that is reasonably expected to impact the decision of holder of securities of the Company or an investor in determining his choice of action.

4.3 Any material information that is being withheld temporarily, the Company is committed to ensuring strictest confidentiality is maintained by limiting the number of people with access to the material information and ensuring the security of all confidential documents.

**5. CONFIDENTIAL INFORMATION**

5.1 In general, all information regarding the Group, its operations, financial condition and future prospects, should be regarded as material and price-sensitive, and must be treated as confidential unless it is already available to the public.

5.2 Access to information shall be restricted only to relevant persons who have a legitimate reason consistent with their duties or obligations to the Company or its subsidiaries.

5.3 Any employee privy to confidential information is prohibited to communicate to any other persons unless it is necessary in the course of business or required by law or authorised by the Board.

5.4 Confidential information should not be discussed in places where the discussion may be overheard and caution should be exercised when reading confidential information on smart phones or devices in public places.

5.5 In certain circumstances, the Company may provide material information to third parties, which is not in the public domain namely, the Company's auditors, bankers, lawyers or other professional advisors may require such information to properly execute their mandates. The Company may require the execution of non-disclosure and confidentiality agreements by these persons unless there are adequate existing legal protections.

**6. LEAKAGE AND ACCIDENTAL DISCLOSURE**

6.1 In the event of an information leakage or accidental disclosure of unpublished material

information, the situation should be addressed to the Chief Executive Officer, Chief Financial Officer or Group General Manager.

- 6.2 If deemed necessary, the Company will make an appropriate announcement to the Bursa Securities soonest possible, which may be followed by a press release and/or other communication methods.

## **7. REPORTS AND RUMOURS**

- 7.1 The Company recognises the important role performed by research analysts in assisting the establishment of an efficient market.
- 7.2 Notwithstanding the above, the Company will not endorse any analyst's report, nor will endeavour to influence the opinions or conclusions of the analyst.
- 7.3 Whenever the Company becomes aware of a rumour or report (whether is true or false) that contains material information, the Company shall make due inquiry and immediately clarify, confirm or deny the rumour or report publicly via announcement with sufficient facts to support the clarifications, confirmation or denial.
- 7.4 The Chief Executive Officer shall make due enquiry before publicly clarify, confirm or deny the report or the rumour.
- 7.5 After the endorsement of the Board, the Company shall submit its response to Bursa Securities via the Bursa Link.

## **8. UNUSUAL MARKET ACTIVITY**

- 8.1 The Chief Executive Officer shall carry out an enquiry to ascertain the cause of any unusual market activity in its securities.
- 8.2 After the endorsement of the Board, the Company shall submit its response regarding the unusual market activity to Bursa Securities via the Bursa Link.

## **9. UNWARRANTED PROMOTIONAL DISCLOSURE ACTIVITY**

- 9.1 The Company shall not participate in any promotional disclosure activity which may have misled investors or cause unwarranted price movement and trading activity in the Company's securities.
- 9.2 Such activity includes news release, public announcements, predictions, reports or advertisement, which are unjustifiable, exaggerated, flamboyant, overstated or over-zealous.

## **10. INSIDER TRADING**

- 10.1 The Company affirms its awareness of the provisions of Section 188 of the Capital Markets and Services Act 2007 (Amended 2010) in regards to insider trading.
- 10.2 Directors, Management and employees of the Company and its subsidiaries shall not trade on the basis of any material information that has not been disclosed to the public.

## **11. CLOSED PERIOD**

- 11.1 Closed period is defined as a period commencing from 30 calendar days before the targetted date of announcement to Bursa Securities of the Company's quarterly results, up to the date



of the announcement of the Company's quarterly results.

- 11.2 During closed periods, the directors and principal officers are prohibited from commenting on current period earnings estimates and financial assumptions. Communication must be limited to commenting on publicly available or non-material information.

**12. PRESS CONFERENCE, MEETINGS OR INTERVIEWS WITH SHAREHOLDERS, ANALYSTS AND MEDIA**

- 12.1 The Company may conduct or be invited to press conference, meetings or briefings with shareholders, analysts or media from time to time concerning the Company's performance and developments.
- 12.2 The Primary Spokespersons must exercise care to ensure only information already in public domain is communicated in the meetings or interviews.
- 12.3 The Chief Executive Officer or Chief Financial Officer will review all presentations, hand-out materials and speech notes to ensure accuracy and consistency with other public disclosures.
- 12.4 After the endorsement of the Board, the Company shall distribute the presentation made or hand-out materials at any conferences or investors events.

**13. CORPORATE WEBSITE**

- 13.1 All the Company's publicly disclosed material information and presentations will be made available at the Company's website.
- 13.2 The Chief Financial Officer shall ensure the Company's website be kept up-to-date with the Company's latest disclosures.

**14. DISCLOSURE PROCEDURES**

- 14.1 The Company Secretary or the external adviser appointed by the Company shall prepare the announcement to Bursa Securities;
- 14.2 The Chief Executive Officer or Chief Financial Officer shall review and validate the information contained in the announcement;
- 14.3 Majority members of the Board is required to endorse or approve each announcement prior to its release to Bursa Securities; and

**15. ENFORCEMENT**

- 15.1 Any employee who violates this Policy may be cautioned or face disciplinary action which includes termination of employment with the Group.
- 15.2 If any of the employees of the Group has doubt as to his/her responsibilities under this Policy, he/she should seek clarification and guidance from the Key Senior Management.

**16. PERIODIC REVIEW**

This Policy shall be reviewed from time to time by the Board when deem necessary.

**TERMS OF REFERENCE OF THE AUDIT & RISK MANAGEMENT COMMITTEE**

**1. MEMBERSHIP**

- 1.1 The Audit & Risk Management Committee shall be appointed by the Board from amongst their members which fulfils the following requirements:-
- (a) the Audit & Risk Management Committee must be composed of no fewer than 3 members, a majority of whom must be Independent Directors;
  - (b) all members of the Audit & Risk Management Committee shall be Non-Executive Directors and should be financially literate; and
  - (c) at least one member of the Audit & Risk Management Committee:
    - (i) must be a member of the Malaysian Institute of Accountants; or
    - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
      - (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
      - (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
    - (iii) fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Securities").
- 1.2 The members of the Audit & Risk Management Committee shall elect a Chairman from among themselves who shall be an Independent Director. The Chairman of the Audit & Risk Management Committee must not be the Chairman of the Board.
- 1.3 No alternate director should be appointed as a member of the Audit & Risk Management Committee.
- 1.4 A former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the Audit & Risk Management Committee.
- 1.5 In the event of any vacancy in the Audit & Risk Management Committee resulting in the non-compliance of the Listing Requirements pertaining to the composition of the Audit & Risk Management Committee, the Board of Directors shall within three (3) months of that event fill the vacancy.
- 1.6 The term of office and performance of the Audit & Risk Management Committee and each of its members must be reviewed by the Nominating Committee annually to determine whether the Audit & Risk Management Committee and its members have carried out their duties in accordance with their terms of reference.
- 1.7 All members of the Audit & Risk Management Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, corporate governance, internal audit, risk management, practices and rules.

## **2. AUTHORITY**

2.1 The Audit & Risk Management Committee is authorised by the Board:-

- (i) to investigate any activity within its terms of reference;
- (ii) to have the resources which are required to perform its duties;
- (iii) to have full and unrestricted access to any information pertaining to the Company;
- (iv) to have direct communication with and access to the external auditors and person(s) carrying out the internal audit function or activity;
- (v) to obtain external legal or other independent professional advice and secure attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- (vi) to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

2.2 The Audit & Risk Management Committee does not have any executive powers. It shall report to the Board of Directors on the matters that it has considered and its recommendations and comments thereon.

2.3 The Audit & Risk Management Committee shall also have the power to establish Sub-Audit Committee(s) to carry out certain investigations on behalf of the Audit & Risk Management Committee in such manner, as the Audit & Risk Management Committee deems fit and necessary.

## **3. SCOPE AND FUNCTIONS**

3.1 The scope and functions of the Audit & Risk Management Committee shall be:-

- (a) in respect of external auditors:
  - (i) to review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for reappointment;
  - (ii) to consider the nomination of a person or persons as external auditors and to determine the audit fee;
  - (iii) to consider any questions of resignation or dismissal of external auditors; and
  - (iv) to conduct annual assessment on the suitability, objectivity and independence of the external auditors through established policies and procedures.
- (b)
  - (i) to discuss with the external auditors before the audit commences, the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved;
  - (ii) to discuss problems and reservations arising from the audit with the auditors, without Key Senior Management presence, if necessary;
  - (iii) to review the external auditors' Key Senior Management letter and Key Senior Management's response;
  - (iv) to review the audit plan;
  - (v) to discuss with the external auditors their evaluation of the system of internal controls;
  - (vi) to discuss with the external auditors their audit report; and
  - (vii) to review the assistance given by the employees of the Company to the

external auditors.

- (c) to review the quarterly and year-end financial statements and focus on:
  - (i) financial reporting process, detection of financial irregularities, to ascertain that the financial statements are consistent with operational information;
  - (ii) any changes in or implementation of major accounting policy changes;
  - (iii) significant matters highlighted including financial reporting issues, significant judgments made by Key Senior Management, significant and unusual events or transactions, and how these matters are addressed; and
  - (iv) compliance with accounting standards and other legal requirements.
- (d) to report to the Board all pertinent issues which are necessary to be reported or on any key issues affecting the Group;
- (e) to perform the following duties in relation to the internal audit function:
  - (i) review the adequacy of the scope, function, budget, competency, resources and authority necessary to carry out the work and that it reports directly to the Audit & Risk Management Committee;
  - (ii) review the internal audit plan, processes and results of the internal audit assessments, investigation undertaken and ensure that appropriate action is taken on the recommendations;
  - (iii) review and appraise the performance of members of the internal audit function;
  - (iv) approve the appointment and termination of senior internal audit personnel;
  - (v) review the resignations of internal audit personnel and give them the opportunity to submit reasons for their resignations; and
  - (vi) review the follow-up actions by Key Senior Management on the weaknesses of internal accounting procedures and controls as highlighted by the internal auditors.
- (f) to review any related party transaction and conflict of interests situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of Key Senior Management integrity;
- (g) consider major findings of internal investigations and Key Senior Management's response;
- (h) to review the Group's risk management and internal control;
- (i) to produce a Audit & Risk Management Committee's report to be included in the Company's annual report;
- (j) to promptly report such matter to Bursa Securities if the Audit & Risk Management Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements; and
- (k) to perform any other work as may be directed by the Board from time to time.

#### **4. MEETINGS**

##### **4.1 Frequency of meetings and attendance**

- (a) Meeting shall be held not less than four (4) times a year.
- (b) Meetings should be organised so that attendance is maximised.

- (c) A meeting may be called, at any other time, by the Chairman of the Audit & Risk Management Committee or any member of the Audit & Risk Management Committee. The Chief Financial Officer, internal auditors and a representative of the external auditors shall normally be invited to attend the meeting. Other members of the Board may attend the meeting upon the invitation of the Audit & Risk Management Committee.
- (d) The Audit & Risk Management Committee should meet with the external auditors without any executive Board members present at least once a year.

#### 4.2 Quorum and voting

- (a) The quorum for decisions of the Audit & Risk Management Committee shall be any two (2) members being Independent Directors present and voting on the matter for decision.
- (b) Each member present shall have one vote. All resolutions passed in the meeting shall be by majority votes. If the votes for and against a resolution are equal, the Chairman of the meeting shall have a casting vote.
- (c) The notice of each meeting confirming the date, time, venue and agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the Audit & Risk Management Committee at least seven (7) days in advance of each scheduled meeting date. Supporting papers shall be sent to Audit & Risk Management Committee members and to other attendees as appropriate, at the same time.

#### 4.3 Minutes of Meetings

- (a) The Company Secretary shall be the Secretary of the Committee or in his absence, another person authorised by the Chairman of the Audit & Risk Management Committee.
- (b) Minutes of all meetings shall be confirmed by the Chairman of the meeting and circulated to all the members of the Audit & Risk Management Committee. Such minutes signed by the Chairman of the Audit & Risk Management Committee shall be conclusive evidence without any further proof of the facts thereon stated.
- (c) The Secretary shall minute the proceedings and resolutions of all meetings of the Audit & Risk Management Committee, including the names of those present and in attendance.
- (d) The Audit & Risk Management Committee may resolve and approve certain ad-hoc matters via circular resolutions provided that the circular resolutions are drawn up with detailed information and must be signed by all members of the Audit & Risk Management Committee.

### **5. ADMINISTRATION**

- 5.1 The Audit & Risk Management Committee shall regulate its own procedure, in particular:-
  - i. the calling of meetings;
  - ii. the notice to be given of such meetings;
  - iii. the voting and proceedings of such meetings;
  - iv. the keeping of minutes; and

- v. the custody, production and inspection of such minutes.
- 5.2 The secretary shall keep minutes of each meeting which shall be distributed to each member of the Committee. The Chairman of the Audit & Risk Management Committee shall report to the Board on each meeting.
- 5.3 Where the Audit & Risk Management Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit & Risk Management Committee must promptly report such matter to the Bursa Securities.

**TERMS OF REFERENCE OF NOMINATING COMMITTEE**

**1. MEMBERSHIP**

- 1.1 The Nominating Committee shall consist of not less than 3 Directors appointed by the Board of Directors, all of whom should be exclusively Non-Executive Directors, a majority of whom must be independent.
- 1.1 The Chairman of the Nominating Committee shall be appointed by the Board and he should be an Independent Director or the Lead Independent Director as identified by the Board. In the absence of the Committee Chairman, the remaining members present shall elect one of their members, who shall be an Independent Non-Executive Director to chair the meeting.
- 1.2 If the number of members, for whatever reasons, falls below three (3), the Board of Directors shall, within three (3) months of the event, appoints such number of new members as may be required to make up the minimum number of three (3) members.
- 1.3 The office of a member shall become vacant upon the member's resignation / retirement / removal or disqualification as a Director of the Company, or as determined by the Board.

**2. AUTHORITY**

- 2.1 The Board has constituted the Nominating Committee with the authorities necessary to perform the duties as outlined in these Terms of Reference.
- 2.2 The Nominating Committee is authorised to assess and propose new nominees for the Board and further empowered to assess the existing directors on an on- going basis. The actual decision as to who shall be appointed shall be the responsibility of the full Board after considering the recommendations of the Nominating Committee.
- 2.3 The Nominating Committee in carrying out its tasks under these Terms of Reference may obtain such external or other independent professional advice as it considers necessary to carry out its duties.
- 2.4 The Board will ensure that the Nominating Committee will have access to professional advice both internally and externally at the Company's expense in order for it to perform its duties.
- 2.5 These Terms of Reference may from time to time be amended as required, subject to the approval of the Board.

**3. SCOPE ANDFUNCTIONS**

- 3.1 Recommend to the Board, candidates for directorship Board Committee membership and Key Senior Management taking into consideration, amongst others, various diversity factors of the candidates including skills, knowledge, expertise, experience, professionalism, integrity, ethnicity and gender shall be sought as part of its recruitment exercise. In the case of candidates for the position of independent non-executive directors, the Nominating Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive directors.

- 3.2 The Nominating Committee shall also consider candidates for directorships and Key Senior Management proposed by the Chief Executive Officer and within the bounds of practicality, by any other Key Senior Management or any Director or shareholder.
- 3.3 To determine the core competencies and skills required of Directors to best serve the business and operations of the Group as a whole and the optimum size of the Board to reflect the desired skills and competencies.
- 3.4 The Nominating Committee shall ensure that time commitment is obtained from a Director on his appointment and the expectations are met.
- 3.5 To evaluate and recommend the appointment of senior executive positions, including that of the Chief Executive Officer and their duties and the continuation (or not) of their service.
- 3.6 Regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustment that are deemed necessary.  
  
To ensure that the positions of the Chairman and Chief Executive Officer are held by different individuals. and the Chairman shall be a non-executive member of the Board.
- 3.7 Review the size and core competencies of Independent Directors, Board balance and determine if additional Directors are required and also to ensure that at least half of the Board is independent.
- 3.8 Assist the Board to do an annual assessment of independence of its Independent directors and also ensure that the tenure of the Independent directors do not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director.  
  
If the Board intends to retain an Independent Director beyond nine (9) years, it should justify and seek annual shareholders' approval. If the Board continues to retain the Independent Director after the twelfth (12) years, the Board should seek annual shareholders' approval through a two-tier voting process.
- 3.9 Assist the Board to implement a procedure to be carried out by the Nominating Committee for annual assessment on the effectiveness of the Board as a whole, the Board Committee and the contribution of each individual Director, including Independent Non-Executive Directors and Chief Executive Officer. Conduct an annual review the term of office and performance of the Audit & Risk Management Committee and each of its members. All assessments and evaluation carried out by the Nominating Committee in the discharge of all its functions should be properly documented.
- 3.10 Conduct an annual review on the Board members, Chief Executive Officer and Chief Financial Officer on the required mix of skills, character, experience, integrity, competence and time to effectively discharge their roles.
- 3.11 Establish a clear succession plan and periodically reporting to the Board on succession planning for the Board, Chairman and Chief Executive Officer. The Nominating Committee should work with the Board to evaluate potential successors including considering independent sources to identify suitably qualified candidates.
- 3.12 The Nominating Committee shall liaise with the Board to produce a Nominating Committee's report to be included in the Company's annual report;
- 3.13 Recommend Directors who are retiring by rotation under the Company's Constitution to be put forward for re-election.



- 3.14 Have due regard to the principles of governance and code of best practice.
- 3.15 Keep under review the leadership needs of the organisation with a view of ensuring the continued ability to compete effectively in the organisation's marketplace.
- 3.16 Facilitate board induction and training for newly appointed Directors.
- 3.17 Propose to the Board the responsibilities of Non-Executive Directors, including membership and Chairpersonship of Board Committees.
- 3.18 These terms of reference may from time to time be amended as required, subject to the approval of the Board.
- 3.19 Review the term of office and performance of an Audit & Risk Management Committee and each of its members annually to determine whether such Audit & Risk Management Committee and members have carried out their duties in accordance with their Terms of Reference.

#### **4. MEETINGS**

The Company Secretary shall be the secretary of the Committee.

##### **4.1 Frequency of meetings and attendance**

- (a) Meetings of the Nominating Committee will be held as the Nominating Committee deems to be appropriate; however, the Nominating Committee should meet at least once a year.
- (b) Meetings should be organised so that attendance is maximised.
- (c) A meeting may be called, at any other time, by the Chairman of the Nominating Committee or any member of the Nominating Committee. Any Director or Key Senior Management may be invited to the meetings.

##### **4.2 Quorum and voting**

- (a) The quorum for decisions of the Nominating Committee shall be any two (2) members, including at least one Independent Director, present and voting on the matter for decision.
- (b) Each member present shall have one vote. All resolutions passed in the meeting shall be by majority votes. If the votes for and against a resolution are equal, the Chairman of the meeting shall have a casting vote.
- (c) The notice of each meeting confirming the date, time, venue and agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the Nominating Committee at least seven (7) days in advance of each scheduled meeting date. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

##### **4.3 Minutes of Meetings**

- (a) The Secretary shall minute the proceedings and resolutions of all meetings of the Nominating Committee, including the names of those present and in attendance.

- (b) Minutes of all meetings shall be confirmed by the Chairman of the meeting and circulated to all the members of the Nominating Committee. Such minutes signed by the Chairman of the Nominating Committee shall be conclusive evidence without any further proof of the facts thereon stated.
- (c) The Nominating Committee may resolve and approve certain ad-hoc matters via circular resolutions provided that the circular resolutions are drawn up with detailed information and must be signed by all members of the Nominating Committee.

#### 4.4 Annual General Meeting

The Chairman (or in his absence, an alternate to the member of the Nominating Committee) of the Nominating Committee shall attend the Annual General Meeting and be prepared to answer questions concerning the appointment of Executive and Non-Executive Directors and the Nominating Committee's scope.

### **5. ADMINISTRATION**

- 5.1 The Nominating Committee shall regulate its own procedure, in particular:-
  - i. the calling of meetings;
  - ii. the notice to be given of such meetings;
  - iii. the voting and proceedings of such meetings;
  - iv. the keeping of minutes; and
  - v. the custody, production and inspection of such minutes.
- 5.2 The secretary shall keep minutes of each meeting which shall be distributed to each member of the Committee. The Chairman of the Nominating Committee shall report to the Board on each meeting.

**TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**

**1. MEMBERSHIP**

- 1.1 The Remuneration Committee shall be appointed by the Board of Directors from amongst their members and comprising wholly or mainly of Non-Executive Directors. The Remuneration Committee shall consist of not less than three (3) members, and a majority of them must be independent Directors.
- 1.2 The Chairman of the Committee shall be appointed by the Board amongst the Committee's member and shall be an Independent Non-Executive Director. In the absence of the Committee Chairman, the Committee shall elect a Chairman from amongst their number who shall be Independent Non-Executive Director.
- 1.3 If the number of members, for whatever reasons, falls below three (3), the Board of Directors shall, within three (3) months of the event, appoints such number of new members as may be required to make up the minimum number of three (3) members.
- 1.4 The office of a member shall become vacant upon the member's resignation / retirement / removal or disqualification as a Director of the Company.

**2. AUTHORITY**

- 2.1 The Board has constituted the Remuneration Committee with the authorities necessary to perform the duties and responsibilities as outlined in these Terms of Reference.
- 2.2 The Board will ensure that the Remuneration Committee has sufficient resources to undertake its duties, including access to the services of the Company Secretary on all Remuneration Committee matters, seek any information it requires from employees, company officers and external parties.
- 2.3 The Board as a whole determines the remuneration of the Executive and Non- Executive Directors (including Non-Executive Chairman) and Key Senior Management of the Company. Individual directors shall abstain from discussion on their own remuneration packages. The Directors who are shareholders should abstain from voting at General Meetings to approve their fees.
- 2.4 The Board will ensure that the Remuneration Committee will have access to professional advice both internally and externally at the Company's expense in order for it to perform its duties.
- 2.5 These terms of reference may from time to time be amended as required, subject to the approval of the Board.

### **3. SCOPE AND FUNCTIONS**

- 3.1 Develop and agree with the Board the remuneration policy framework for the Non- Executive Director, Executive Directors and Key Senior Management with the aim to attract, retain and motivate high calibre individuals required by the Board on long term basis and so structured as to align their interests with those of the Company and its shareholders.
- 3.2 Review and make recommendations to the Board the remuneration packages and other terms of employment for each of the Chief Executive Officer, Executive Directors and Key Senior Management, taking into account the market rates so as to link rewards to the Group and individual performance, drawing from external advice as necessary. The Executive Directors should play no part in the decisions of their own remuneration.
- 3.3 To review and recommend to the Board the remuneration packages for Non- Executive Directors, taking due account of their experience and degree of responsibilities undertaken.
- 3.4 To ensure that the remuneration and incentives for Independent Directors do not conflict with their obligation to bring objectivity and independent judgment on matters discussed at Board meetings.
- 3.5 To review indemnity and liability insurance policies for the Directors and Officers of the Company.
- 3.6 To oversee the qualitative and quantitative disclosure of remuneration made in the Annual Report and notice of general meeting.
- 3.7 To deliver explanation to shareholders during general meetings on matters related to directors and Key Senior Management remuneration, in addition to the overall remuneration framework of the Company.
- 3.8 To carry out its duties in the manner that it deemed expedient, subject always to any regulations or restrictions that may be imposed upon the Remuneration Committee by the Board from time to time as to be in line with the directions of the Board.
- 3.9 Review the on-going appropriateness and relevance of the remuneration policy.
- 3.10 To consider and examine such other matters as the Remuneration Committee considers appropriate.
- 3.11 To produce a report on the Company's remuneration policy and practices which will form part of the Company's annual report and ensure each year that it is put to shareholders for approval at the Annual General Meeting.

### **4. MEETINGS**

The Company Secretary shall be the secretary of the Committee.

- 4.1 Frequency of meetings and attendance
  - 4.1.1 The meetings shall be held at least once a year. Additional meetings may also be held by the Remuneration Committee to discuss other issues, which the Remuneration Committee considers necessary.
  - 4.1.2 Meetings should be organised so that attendance is maximised.

4.1.3 The Remuneration Committee shall have full discretion with regard to the calling of the meetings and the proceedings thereat and may invite any Director or Key Senior Management to its meetings.

#### 4.2 Quorum and voting

4.2.1 The quorum necessary for the transaction of business shall be two (2), of whom at least one must be an Independent Director. A duly convened meeting of the Remuneration Committee at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretion vested or exercisable by the Committee.

4.2.2 Each member present shall have one vote. All resolutions passed in the meeting shall be by majority votes. If the votes for and against a resolution are equal, the Chairman of the meeting shall have a casting vote.

4.2.3 In the absence of the Chairman of the Committee, the members present shall elect one of their members to chair the meeting.

#### 4.3 Notice of Meetings

4.3.1 Meetings of the Remuneration Committee shall be arranged by the Secretary at the request of the Remuneration Committee Chairman or any other member of the Remuneration Committee.

4.3.2 The notice of each meeting confirming the date, time, venue and agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the Remuneration Committee at least seven (7) days in advance of each scheduled meeting date. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

#### 4.4 Minutes of Meetings

4.4.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Remuneration Committee, including the names of those present and in attendance.

4.4.2 Minutes of all meetings shall be confirmed by the Chairman of the meeting and circulated promptly to all members of the Remuneration Committee, once agreed, to all members of the Board, unless a conflict of interest exists.

4.4.3 The Remuneration Committee may resolve and approve certain ad-hoc matters via circular resolutions provided that the circular resolutions are drawn up with detailed information and must be signed by all members of the Nominating Committee.

### **5. ADMINISTRATION**

5.1 The Remuneration Committee shall regulate its own procedure, in particular:-

- i. the calling of meetings;
- ii. the notice to be given of such meetings;
- iii. the voting and proceedings of such meetings;
- iv. the keeping of minutes; and
- v. the custody, production and inspection of such minutes.

5.2 The secretary shall keep minutes of each meeting which shall be distributed to each member of the Committee. The Chairman of the Remuneration Committee shall report to the Board

on each meeting.

## **CODE OF CONDUCT**

### **1.0 Introduction**

**1.1** D'nonce Technology Berhad and its Group of Companies ("D'nonce") is committed to the principle of a strong work ethic to help the company achieve its goals. This work ethic sets the moral philosophy an employee in D'nonce uses in his/her job. The work ethic comprises five factors, namely:

- Integrity
- Sense of responsibility
- Emphasis on quality
- Discipline
- Sense of teamwork

**1.2** The Board of Directors and all employees ("Person(s)") of D'nonce should adhere to this Code of Conduct, to ensure that the business of the company are dealt with in an open, fair and impartial manner.

**1.3** D'nonce should take cognizance of the fact that the company is accountable to its stakeholders, including the government, shareholders and all its members, in the conduct of its activities and business.

**1.4** This Code of Conduct outlines a comprehensive standard of conduct expected of all Persons irrespective of their position in the company, including temporary, part- time or contract employees of the Company.

### **2.0 Malaysia Anti-Corruption Commission Act, 2009**

**2.1** The newly implemented Section 17A of the Malaysia Anti-Corruption Act 2009 imposes a criminal liability on the commercial organisation if a person associated to it corruptly gives any gratification with the intent to obtain or retain business or an advantage for the commercial organisation.

**2.2** The term "gratification" refers to

- a) Money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, or any other similar advantage;
- b) Any office, dignity, employment, contract of employment or services, and any agreement to give employment or services, and any agreement to give employment or render services in any capacity;
- c) Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- d) Any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- e) Any forbearance to demand any money or money's worth or valuable thing;

- f) Any other service or favor of any description, such as protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty;
- g) Any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

## **2.3 Acceptance of Gratifications**

- 23.1 It is the policy of the company to prohibit all Persons from soliciting any gratification from any persons having business dealings with the company (include suppliers, contractors, shareholders, and business partners). Persons who wish to accept any gratification from such persons should seek permission from their respective senior management including General Managers and heads of subsidiaries prior to acceptance. Proper records of the applications for permission and approvals should be kept by the Human Resource Department, showing the name of the applicant, the occasion of the offer, the nature and estimated value of the gift, whether permission has been granted and directions on how to dispose of the gift if permission is denied.
- 232 Any gifts offered voluntarily to the employees in their official capacity are regarded as gifts to the company and they should not be accepted without permission. Persons should decline the offer if the acceptance could affect their objectivity in conducting the company's business, or induce them to act against the interest of the company, or lead to perception or complaints of bias or impropriety.
- 233 For gifts which are presented to employees in their official capacity and of nominal value (below RM500), the refusal of which could be seen as unsociable or impolite (e.g. token of appreciation presented to an employee for speaking in a conference, etc.) the Management has given a blanket permission for the employees to accept the gifts. Please refer to Appendix 1 on possible ways to dispose of the gifts.
- 234 There is no restriction on the acceptance of gratification, in the employee's private capacity, from any person who does not have any official dealings with the Company. In case of a doubt, the employee should refer to the matter to the Human Resource Department for advice and instruction before accepting such offer of gratification.

## **3.0 Misuse of Official Position**

- 3.1 Employees who misuse their official position for personal gains or to favor their relatives or friends or to benefit their business connections are liable to disciplinary action by the company or even prosecution by the appropriate authorities. Examples of misuse include the following:
- Any Persons responsible for the selection of suppliers giving undue favor or leaking tender information to his own or his relative's company with a view to awarding the contract to the latter;
  - Any Persons responsible for the selection of suppliers placing his own or his relative's company in an advantageous position ahead of other competitive bidders;
  - Any Persons reserving tickets for popular events for relatives and friends without prior permission and without going through the proper ticket allocation procedures by the company;
  - Unfair allocation of resources (e.g. machinery, raw material, venue, manpower) to



other parties for personal gain.

- Any Persons who are given access to company's property and resources misappropriate or use the property or resources in an unauthorized manner, such as for personal use or personal gain.

#### **4.0 Discipline in the Workplace**

**4.1** During the employment, an employee is expected to perform the duties assigned in a loyal, efficient, trustworthy and honest manner. Persons are also expected to conduct themselves in a manner befitting their status in the company.

**4.2** During the employment, the employees will at all times faithfully and diligently perform and observe such duties as may from time to time be assigned by superior(s) and devote the whole of their time and attention to the discharge of the duties and functions entrusted to them and endeavor to the utmost of their ability to promote the interest of the company.

**4.3** To maintain a safe and harmonious working environment, the Code of Conduct provides herewith a list of prohibited items and behavior (though not exhaustive), which are liable for disciplinary action to be taken against the offenders:

- Insubordination or refusal to comply with superior's (employer) instructions or purposely carry out the assignment in a dangerous manner, unless the instructions are injurious to the employee's health and safety. (An act of insubordination refers to being disrespectful and defying authority.)
- Immoral or indecent conduct, including sexual harassment (please refer to Section 5.0 Code of Conduct on Sexual Harassment in the Workplace for details)
- Conviction of a felony.
- Violation of local, state or federal law which causes unfavorable publicity to the company, and impairs the credibility of the employee to perform his job.
- Intentional falsification of personal records.
- Theft, intentional destruction or defacing of company's property.
- Deliberate or careless conduct endangering the safety of self or other employees, including provocation or instigation of violence.
- Possession of firearms, explosive and inflammable items in the company's premises.
- Consumption or possession of alcoholic drinks or any other toxic items while on duty or in the company's premises, except at approved company's functions.
- Possession or consumption of illegal drugs or prohibited items and banned publications in the company's premises.
- Reporting for work in an unsafe condition, which includes but is not limited to, being under the influence of alcoholic beverages or drugs.
- Gambling or related activity within the company's premises or locations where activities and businesses of the company take place.
- Abusive, quarreling, threatening, coercive treatment of other employees, including causing injury, insulting or using offensive and vulgar language within the company's premises.
- Behaving in a dangerous manner at workplace.
- Give false information to obtain employment or Management's approval for personal benefits.
- Knowingly admitting an unauthorized person or persons into any locked or restricted building or area in the company's premises.

## **5.0 Code of Conduct on Sexual Harassment in the Workplace**

**5.1** Sexual harassment is defined as unwanted conduct of a sexual nature. The unwanted nature of sexual harassment distinguishes it from behaviour that is welcome and mutual. Sexual attention becomes sexual harassment if:

- The behavior is persisted in, although a single incident of harassment can constitute sexual harassment; and/or
- The recipient has made it clear that the behaviour is considered offensive; and/or
- The perpetrator should have known that the behaviour is regarded as unacceptable.

**5.2** Sexual harassment may include unwelcome physical, verbal or non-verbal conduct, but is not limited to the examples listed as follows:

- Physical conduct of a sexual nature includes all unwanted physical contact, ranging from touching to sexual assault and rape, and includes a strip search by or in the presence of the opposite sex.
- Verbal forms of sexual harassment include unwelcome innuendoes, suggestions and hints, sexual advances, comments with sexual overtones, sex-related jokes or insults or unwelcome graphic comments about a person's body made in their presence or directed toward them, unwelcome and inappropriate enquiries about a person's sex life, and unwelcome whistling directed at a person or group of persons.
- Non-verbal forms of sexual harassment include unwelcome gestures, indecent exposure, and the unwelcome display of sexually explicit pictures and objects.
- Quid pro quo harassment occurs where an owner, employer, supervisor, member of Management or co-employee, undertakes or attempts to influence the process of employment, promotion, training, discipline, dismissal, salary increment or other benefit of an employee or job applicant, in exchange for sexual favours.

**5.3** Sexual favouritism exists where a person who is in a position of authority rewards only those who respond to his/her sexual advances, whilst other deserving employees who do not submit themselves to any sexual advances are denied promotions, merit rating or salary increases.

**5.4** A non-employee who is a victim of sexual harassment may lodge a grievance with the employer of the harasser where the harassment has taken place in the workplace or in the course of the harasser's employment.

**5.5** Company's Policy Statement:

5.5.1 All employees, job applicants and other persons who have dealings with the business, will be treated with dignity.

5.5.2 Sexual harassment in the workplace will not be permitted or condoned.

5.5.3 Individuals who have been subjected to sexual harassment in the workplace have a right to raise a grievance about it should it occur and appropriate action will be taken against the perpetrator.

5.5.4 Allegations of sexual harassment will be dealt with seriously, expeditiously, sensitively and confidentially.

5.5.5 Persons will be protected against victimization, retaliation for lodging grievances and from false accusations.

## **5.6 Filing a Sexual Harassment Complaint**

- 5.6.1 Any Persons should be under no duress to make the complaint by himself /herself to his / her own HR Department.
- 5.6.2 Persons can lodge a complaint by himself / herself or through a friend with the Subsidiary HR Department; Corporate HR Department or Corporate Affairs Department.
- 5.6.3 The Department that receives the complaint, should carry out investigations and resolve the complaint expeditiously.
- 5.6.4 Care will be taken during the investigation that the aggrieved person is not at a disadvantage, and that the position of parties is not prejudiced if the grievance is found to be unwarranted.
- 5.6.5 This Code of Conduct provides that any Persons may be dismissed for serious misconduct or repeated offences. Serious incidents of sexual harassment or continued harassment after warnings are dismissible offences.
- 5.6.6 A victim of sexual assault has the right to press separate criminal and/or civil charges against an alleged perpetrator, and the legal rights of the victim are in no way limited by this code.
- 5.6.7 Should a complaint of alleged sexual harassment not satisfactorily resolved through the Company's internal procedures set above, either party may within 30 days of the dispute having arisen, refer the matter to the Ministry of Human Resource for conciliation in accordance with the provisions of Part XVA Sexual Harassment of the Employment Act 1955, Malaysia.

## **5.7 Confidentiality**

- 5.7.1 The Company and the Persons must ensure that the grievances about sexual harassment are investigated and handled with strictest confidentiality.
- 5.7.2 Only appropriated members of the Management as well as the aggrieved person, representative, alleged perpetrator, witnesses and interpreter must be present in the disciplinary enquiry.
- 5.7.3 The Management is required to disclose to either party or to their representatives, such information as may be reasonably necessary to enable the parties to prepare for any proceedings.

- 5.8** In cases of serious sexual harassment where the Person on medical advice requires trauma counselling, the Management will give due consideration for the granting of additional sick leave if the Person's existing sick leave entitlement has been exhausted.

## **6.0 Conflict of Interest**

- 6.1** A conflict of interest situation arises when the "private interests" of the Person compete or conflict with the interests of the Company. "Private interests" refers to both financial and personal interests of the Person or those of their connections, including:
- Family and other relations;
  - Personal friends;
  - Other companies or business interest which the Employee holds or owns (both in part or in whole);
  - Other clubs and societies to which the Employee belongs;
  - Any person to whom the Person owes a favor or is obliged in any way.

- 6.2** Persons should avoid using their official position or any information made available to them in the course of their duties for the Company to benefit themselves, their relations or any other persons with whom they have personal or social ties, or business connections. Persons should avoid putting themselves in a position that may lead to an actual or perceived conflict of interest with the Company. Failure to avoid or declare any conflict of interest may give rise to criticism or favoritism, abuse of authority or even allegations of corruption, which are to the corporate disgrace of the Company.
- 6.3** Persons involved in the procurement process should declare conflict of interest if they are closely related to, or have or will likely be perceived to have, beneficial interest in any company which is considering submission of quotation / tender to the Company or is being considered for selection as the Company's supplier of goods or services. Appendix 2 shows some examples of conflict of interest situations which may be encountered and should be avoided by Persons.
- 6.4** Any Persons shall not conduct any business other than the Company business during office hours and shall not be involved in any business activities outside the Company that will affect an employee's work performance.
- 6.5** Any Persons shall not indulge or participate in similar business activities as the Company or join a competitor within a two-year period after leaving or resigning from the Company.
- 6.6** Persons who wish to take up paid outside work, including those on a part-time basis, must inform and seek the written approval of the Company before accepting the job. Outside work will not be approved if it is in conflict with the official responsibilities of the Person. Application for approval should be submitted to the Human Resource Department, to be vetted by the immediate superior of the Person and approved by the respective General Manager.
- 6.7** Persons should make a declaration in writing to his/her respective General Manager, when called upon to deal with matters of the Company for which there is an actual or perceived conflict of interest.
- 7.0 Handling of Classified or Proprietary Information**
- 7.1** Persons are not allowed to disclose any classified or proprietary information entrusted to them, to anybody without prior authorization by the Company or legally mandated. Classified and proprietary information includes all non- public information that might be of use to competitors or harmful to the Company or its customers if disclosed, or is price-sensitive and will have an effect on the market price of the Company when it becomes publicly known. It also includes information that suppliers and customers have entrusted to the Group. The obligation to preserve classified and proprietary information continues even after employment ends.
- 7.2** Persons who have access to or are in control of such information should at all times provide adequate safeguards to prevent its abuse or misuse. Misuse of information include the disclosure of information in return of monetary rewards, or use of information for personal interest or business benefit. Unauthorized disclosure of any personal data may result in a breach of the Personal Data Protection Act Malaysia 2010.
- 7.3** As a condition of employment, the Company may require a Person to sign a specific undertaking relating to the confidentiality of an Employee's work in the Company in the form of Letter of Undertaking or Non-Disclosure of Confidential Information.
- 7.4** Except with the permission of the Company, any Person shall not make any unauthorized

public statement nor shall he circulate, divulge or communicate with any customer, member of the public, media or Government departments on the policies or decision of the Company on any issue, or any other information or details in respect of the Company's business.

- 7.5** Personal records and remuneration including the Person's own remuneration are classified as Private and Confidential Information and shall not be divulged.

## **8.0 Timely and Truthful Public Disclosure**

- 8.1** Persons involved in the preparation of reports and documents filed with or submitted to Bursa Malaysia Securities Berhad (Bursa Securities) and the Securities Commission and other government regulatory bodies, and the Directors involved in reviewing and approving such reports, shall ensure that the reports are complete, fair, accurate, timely and understandable.

- 8.2** Persons shall not knowingly conceal or falsify information, misrepresent material facts or omit material facts necessary to avoid misleading the Company's independent public auditors, investors or the public.

## **9.0 Health and safety**

- 9.1** The Company will use its best endeavors to ensure a safe workplace and maintain proper occupational health and safety standards to commensurate with the nature of the Company's businesses and activities. Such a commitment requires that all Persons understand and abide by the Company's policies and procedures.

## **10.0 Compliance with the Code**

- 10.1** It is the responsibility of every Person to understand and comply with the Code of Conduct by conscientiously avoiding any non-compliance, which include conflict of interest, and making declaration and seeking prior permission from the Company in accordance with the Code in any case of exception.

- 10.2** The Management will ensure that the Persons understand and comply with the standards and requirements stated in the Code. All problems and suggestions should be channeled to the respective General Managers for considerations and advice.

- 10.3** Any Person who violates any provision of the Code will be subjected to disciplinary action, or termination of employment where warranted. In cases of suspected corruption or other criminal offences, a report will be made to the Malaysian Anti- Corruption Commission (MACC) or the appropriate authorities.

## **Appendix 1**

### **Ways to dispose of gifts presented to an Employee in his personal capacity**

- If the gift is of perishable nature, it may be shared among colleagues in the office or during an activity organized by the Company
- If the gift is of historical or other interest, it may be donated to a library or museum, or put up for display in the office.
- If the gift is suitable for display (painting, plaque, vase, etc.) it may be retained for display in the office, noticeable in the Company's premises
- If the gift is of low value (below RM500) it may be donated to the Company's social function as a lucky draw prize.
- If the gift is a personal item of low value (below RM500), it may be retained by the recipient after approval by the Company.

## **Appendix 2**

### **Examples of Conflict of Interest Situations**

- Any Person that takes part in the selection of suppliers or contractors, and one of the bidders under consideration is his relative or close personal friend;
- Any Person that has a financial interest in a company which is being considered for selection as the Company's supplier of goods or services, or is an existing supplier;
- Any Person that acquires dealership of goods and services on insider knowledge that such goods or services are being considered for procurement by the Company;
- Any Person that selects a venue where his relative or close personal friend has management responsibility;
- Any Person that accepts frequent or lavish entertainment or expensive gifts from the Company's suppliers or contractors;
- Any Person that hires a relative or staff member, or is considering the promotion of such a person;
- Any Person that nominates a relative as office-bearer;
- Any Person that vets applications for program sponsorship submitted by a community club of which he is also a committee member.

## **WHISTLEBLOWING POLICY**

### **Policy Statement**

1. D'nonce Technology Bhd ("D'nonce") is committed to achieving and maintaining high standards of integrity and work behavior as set out in the Code of Conduct for Employees of D'nonce and its subsidiaries ("D'nonce Group of Companies") ("Code of Conduct") and the relevant regulatory requirements.
2. Employees and stakeholders (amongst others, shareholders / suppliers / customers) by acting in good faith are encouraged to report genuine concerns about unethical behavior, malpractices, illegal acts or failure to comply with regulatory requirements without fear of reprisal.
3. This policy is further enhanced with the Whistleblower Protection Act 2010 where a whistleblower must be given proper protection against an employer while a complaint is being investigated. Harassments or retaliations in any form or manner against genuine whistleblower, if proven, shall be treated as gross misconduct, which may lead to dismissal.
4. The policy is applicable to the D'nonce Group of Companies.

### **Whistleblowing**

5. In this policy "whistleblowing" means the reporting by any person of suspected misconduct, illegal acts or failure to act within the regulatory requirements and/or the Code of Conduct.
6. Among others, the disclosures relating to, but not limited to, either of the following concerns or wrongdoings by any person in the conduct of the business shall be reported:
  - (a) Corruption, bribery and fraud;
  - (b) Criminal offence or any breach of the laws of Malaysia;
  - (c) Acceptance of gifts/ favour beyond the threshold allowed by the Company;
  - (d) Misuse and/or misappropriation of the Company's fund or assets;
  - (e) Impropriety (including financial and operational, etc.) within the Company;
  - (f) Abuse of authority and/or gross mismanagement within the Company (including serious potential breach to the interest of society and environment);
  - (g) Breach of Code of Conduct of the Company, including sexual, physical or other abuse of human rights; and
  - (h) Act or omission jeopardising the health and safety of the Company's employees, the stakeholders or the public
7. A whistleblower can report or disclose through established channels of any wrong doings described in the above. Only genuine concerns should be reported and this report should be made in good faith with a reasonable belief that the information and any allegation in it are substantially true, and the report is not made for personal gain. Malicious and false allegations will be viewed seriously and if proven, may lead to dismissal or other punitive measures including legal actions.

8. Any concern should be raised to immediate superior. However, if for any reason, it is believed that this is not possible or (“CEO”). In the case where reporting to management is a concern, then the report should be made to the Chairman of Audit & Risk Management Committee.
9. All reports will be investigated promptly by the person receiving the report. If required, he can obtain assistance from within the Group who is not in conflict with the concerns raised (e.g. Executive Director, Chief Financial Officer, Group Human Resource Department, etc.). The progress of investigation (if any) will be reported to the Audit & Risk Management Committee as soon as possible for their deliberation and decision on the course of action or any other actions to prevent similar situation arising.
10. If the channels have been followed and if the person making the report still have unresolved concerns or if he feels the matter is grave in nature that it cannot be discussed with any of the appointed above, he should contact the Chairman of the Board of Directors, being the Director identified in the Company’s Annual Report as one to whom concerns may be conveyed.
11. Anonymous reports will be treated as confidential and it is advised that maintaining anonymity may hinder an investigation. Irrespective of this, anonymity will be maintained as long as it’s permitted by law. This Policy, however, encourages the whistleblower to put his/her name to the allegations as the identity of the reported person will not be disclosed without his prior consent. Being anonymous will make it much more difficult to protect the whistleblower’s position or to give any feedback, but they may be considered at the discretion of the receiving authority, the CEO, the Chairman of the Audit & Risk Management Committee or the Chairman of the Board depending on the level of authority. In exercising this discretion the factors to be taken into account would include the seriousness of the issue raised, the credibility of the concern, and the likelihood of confirming the allegation from other sources.

### **Protection**

12. A whistleblower will be accorded with protection of confidentiality of identity, to the extent reasonably practicable. In addition, an employee who whistleblows internally will also be protected against any adverse and detrimental actions for disclosing any improper conduct committed or about to be committed within the Group, to the extent reasonably practicable, provided that the disclosure is made in good faith. Such protection is accorded even if the investigation later reveals that the whistleblower is mistaken as to the facts and the rules and procedures involved.
13. If a whistleblower reasonably believes that he is being subjected to reprisal, including harassment and victimisation, as consequence of whistleblowing, he may consult or report to the Appointed Persons:-

### **Reporting Channels**

14. The followings are the reporting channels to the respective levels of authority within the D’nonce Group:

#### **Chairman of the Board**

Name : Dato' Moktar Bin Mohd Noor

e-mail : [moktar.mn@dnoncetech.com](mailto:moktar.mn@dnoncetech.com)

Mail : To mark “Strictly Confidential” Chairman  
of the Board D’nonce Technology Bhd  
51-14-B&C, Menara BHL Jalan Sultan Ahmad Shah  
10050 Penang



**Chairman of Audit & Risk Management Committee**

Name : Mr. Marcus Kang

e-mail : [whistleblower@dnoncetech.com](mailto:whistleblower@dnoncetech.com)

Mail : To mark "Strictly Confidential" Chairman of the  
Audit & Risk Management Committee D'nonce Technology Bhd  
51-14-B&C, Menara BHL Jalan Sultan Ahmad Shah  
10050 Penang

**Chief Executive Officer**

Name : Datuk Tho Yow Yin

e-mail : [yytho@dnoncetech.com](mailto:yytho@dnoncetech.com)

Telephone : +604 2281198

Mail : To mark "Strictly Confidential" Chief Executive Officer  
D'nonce Technology Bhd  
51-14-B&C, Menara BHL Jalan Sultan Ahmad Shah  
10050 Penang

## **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

### **1. OBJECTIVE**

This Policy sets out in detail the Group's position on bribery in all its forms and matters of corruption that might impact the Group in its day to day operations.

### **2. SCOPE**

This policy applies to all Directors, Management and Employees of the Group.

### **3. LOCAL LEGISLATION RECOGNITION**

The Group is committed to conducting its business ethically and in compliance with all applicable laws and regulations, including but not limited to MACCA, Malaysian Penal Code(revised 1977) (and its amendments) and the Companies Act 2016 (Malaysia) and other local laws and regulations where the Group operates in. In cases of conflict between mandatory law and the principles contained in this Policy the law shall prevail.

### **4. ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

- a) All forms of bribery and corruption are strictly prohibited. The Group upholds a zero tolerance approach. In addition to bribery, Employees must not participate in any corrupt activity, such as extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.
- b) Bribery may take the form exchange of money, goods, services, property, privilege, employment position or preferential treatment. Employees shall not therefore, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either for the intended benefit the Group or the persons involved in the transaction.
- c) This Policy applies equally to its business dealings with commercial ('private sector') and government ('public sector') entities, and includes interactions with their directors, Employees, agents and other appointed representatives at all levels. Even the perception of bribery is to be avoided.
- d) This Policy applies to the Groups subsidiaries in Malaysia and it's foreign subsidiaries, without exception and without regard to regional customs, local practices or competitive conditions.
- e) The Group does not offer employment to prospective Employees in return for previous favour/in exchange of improper favour.
- f) The Group awards contracts and employee positions purely based on merits.
- g) The Group recognises the value of integrity in its Employees and Directors. The Group's recruitment, training, performance evaluation, remuneration, recognition and promotion for all Employees, shall be designed to recognise integrity. The group will not penalize any Employees for refusing to pay or receive bribes or other refusing any other corrupt behaviour.

## **5. GIFTS, ENTERTAINMENT, TRAVEL AND DONATION AND SPONSORSHIP**

- a) The Group prohibits both the giving and receiving of Gifts, Entertainment, Travel (GET) and Donation and Sponsorship (D&S) to influence business decisions, to induce the Employees to act against the interest of the Group, or lead to perception or complaints of bias or impropriety.
- b) Employees must comply with all applicable policies, procedures, laws and regulations related to the use of GET in all countries in which the Group operates.
- c) Any GET or D&S voluntarily offered to/by the employees in their official capacities are regarded as gifts to/from the Group and they should not be granted/accepted without permission.
- d) For GET which are presented to/by an employee and of nominal value (below RM500 per pax, e.g. token of appreciation presented to an employee for speaking in a conference etc.) the Management has given a blanket approval for the employees to accept the gifts. The employee's code of conduct had spelled out possible ways to dispose of such gifts.
- e) Any GET above the limit above would require immediate management approval, prior to the event or immediately after the event.
- f) Donations in the form of charity is based on management approval depending on the circumstance but should be made directly to an official entity and be able to be disclosed publicly when required to.

## **6. EMPLOYEE'S RESPONSIBILITIES**

Employees are responsible for understanding and complying with this Policy. In particular, the role of all Employees includes the following:

- i. Be familiar with applicable requirements and directives of the policy and communicate them to subordinates;
- ii. Promptly record all transactions and payments accurately and in reasonable detail;
- iii. Always raise suspicious transactions to immediate superiors or other appropriate channels for guidance on next course of action.

## **7. CONFLICT OF INTEREST**

- a) A conflict of interest situation arises when the "private interests" of the Employee compete or conflict with the interests of the Group. "Private interests" refers to both financial and personal interests of the Employee or those of their connections, including:
  - i) Immediate family
  - ii) Other companies or business interest which the Employee holds or owns (both in part or in whole)
- b) Employees should avoid using their official position or any information made available to them in the course of their duties for the Group to benefit themselves. Employees should avoid putting themselves in a position that may lead to an actual

or perceived conflict of interest with the Group. Failure to avoid or declare any conflict of interest may give rise to criticism of favouritism, abuse of authority or even allegations of corruption.

- c) Employees involved in the procurement process should declare conflict of interest if they are closely related to, or have or will likely be perceived to have, beneficial interest in any person/companies which is considering submission of quotation/tender to the Group or is being considered for selection as the Group's supplier of goods or services. The Employee's Code of Conduct shows some examples of conflict of interest situations which may be encountered and should be avoided by Employees.

## **8. BUSINESS ASSOCIATES**

- a) As part of the Group's commitment to combat bribery, the Group expects all Business Associates to refrain from bribery and any other corrupt practices.
- b) If bribery and corruption arises in the dealings with any Business Associate, the Group shall seek an alternative provider of the services /goods.

## **9. REPORTING OF POLICY VIOLATIONS**

Employees who encounter actual or suspected violations of this Policy are required to report their concerns. Each Employee has a responsibility to ensure that suspected - bribery and corruption incidents are reported promptly. The Group practices an open door policy and encourages all Employees to share concerns and suggestions with superiors and colleagues who are able to address them in an appropriate manner as per the whistle blowing policy.

## **10. CONTINUOUS IMPROVEMENT**

The Group is committed to continually improving its policies and procedures relating to anti bribery and anti-corruption.

## **11. ACTIONS FOR NON-COMPLIANCE**

- a) The Group regards bribery and corruption as a serious matter. Non-compliance may lead to disciplinary action, up to and including termination of employment. Further legal action may also be taken in the event that the Group's interests have been harmed as a result of noncompliance.
- b) The Group shall notify the relevant regulatory authority if any identified bribery or corruption incidents have been proven beyond reasonable doubt.
- c) Where notification to the relevant regulatory authorities have been done, the Group shall provide full co-operation to the said regulatory authorities, including further action that such regulatory authority may decide to take against convicted Employees.

**TERMS OF REFERENCE OF EMPLOYEE SHARE OPTION SCHEME (“ESOS”)  
COMMITTEE**

**1. MEMBERSHIP**

- 1.1 The ESOS Committee shall consist of not less than 3 Directors appointed by the Board of Directors, all of whom should be exclusively Non-Executive Directors, a majority of whom must be independent.
- 1.2 The Chairman of ESOS Committee shall be appointed by the Board and he should be an Independent Director or the Lead Independent Director as identified by the Board. In the absence of the Committee Chairman, the remaining members present shall elect one of their members, who shall be an Independent Non-Executive Director to chair the meeting.
- 1.3 If the number of members, for whatever reasons, falls below three (3), the Board of Directors shall, within three (3) months of the event, appoints such number of new members as may be required to make up the minimum number of three (3) members.
- 1.4 The office of a member shall become vacant upon the member’s resignation / retirement / removal or disqualification as a Director of the Company, or as determined by the Board.

**2. AUTHORITY AND GENERAL SCOPE**

- 2.1 To implement and administer the Company’s Shares Issuance Scheme.
- 2.2 The Board has constituted the ESOS Committee with the authorities necessary to perform the duties as outlined in these Terms of Reference.
- 2.3 The ESOS Committee in carrying out its tasks under these Terms of Reference may obtain such external or other independent professional advice as it considers necessary to carry out its duties.
- 2.4 The Board will ensure that the ESOS Committee will have access to professional advice both internally and externally at the Company’s expense in order for it to perform its duties.
- 2.5 These Terms of Reference may from time to time be amended as required, subject to the approval of the Board.

**3. DUTIES AND RESPONSIBILITIES**

- 3.1 To determine the eligibility of the person for participation in the ESOS.
- 3.2 To decide on the number of shares to be offered to eligible persons, the subscription price for the shares and such other terms in relation to the offer.
- 3.3 To enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the ESOS subject to the provisions of the ESOS By-Laws.

3.4 To take all other actions within the purview of the ESOS Committee pursuant to the ESOS By-Laws, for the necessary and effective implementation and administration of the ESOS.

#### **4. MEETINGS**

4.1 The Company Secretary shall be the secretary of the Committee.

##### 4.2 Frequency of meetings and attendance

- (a) Meetings of the ESOS Committee will be held as the ESOS Committee deems to be appropriate.
- (b) Meetings should be organised so that attendance is maximised.
- (c) A meeting may be called, at any other time, by the Chairman of the ESOS Committee or any member of the ESOS Committee. Any Director or Key Senior Management may be invited to the meetings.

##### 4.3 Quorum and voting

- (a) The quorum for decisions of the ESOS Committee shall be any two (2) members, including at least one Independent Director, present and voting on the matter for decision.
- (b) Each member present shall have one vote. All resolutions passed in the meeting shall be by majority votes. If the votes for and against a resolution are equal, the Chairman of the meeting shall have a casting vote.
- (c) The notice of each meeting confirming the date, time, venue and agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the ESOS Committee at least seven (7) days in advance of each scheduled meeting date. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

##### 4.4 Minutes of Meetings

- (a) The Secretary shall minute the proceedings and resolutions of all meetings of the ESOS Committee, including the names of those present and in attendance.
- (b) Minutes of all meetings shall be confirmed by the Chairman of the meeting and circulated to all the members of the ESOS Committee. Such minutes signed by the Chairman of the ESOS Committee shall be conclusive evidence without any further proof of the facts thereon stated.
- (c) The ESOS Committee may resolve and approve certain ad-hoc matters via circular resolutions provided that the circular resolutions are drawn up with detailed information and must be signed by all members of the ESOS Committee.

#### **5. ADMINISTRATION**

5.1 The ESOS Committee shall regulate its own procedure, in particular:-

- i. the calling of meetings;

- ii. the notice to be given of such meetings;
- iii. the voting and proceedings of such meetings;
- iv. the keeping of minutes; and
- v. the custody, production and inspection of such minutes.

5.2 The secretary shall keep minutes of each meeting which shall be distributed to each member of the Committee. The Chairman of the ESOS Committee shall report to the Board on each meeting.