

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

**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 the Board, the Board Committees and the Key Senior Management 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 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 Articles of Association 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 Malaysia”) 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. However, at all times the Board shall have a balanced composition of Executive and Non-Executive Directors, with at least half of the Board being Independent Non-Executive 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 Board collectively, and each Director individually, has the rights to seek independent professional advice at the Company's expense, subject to the approval of the Chairman or in the Chairman's absence, the Board.

### 3.2 Appointments and Re-election

- 3.2.1 The Nominating Committee and Remuneration Committee shall identify candidates with appropriate skills, experience, knowledge and expertise in order to discharge its mandate effectively and to maintain the necessary mix of expertise to the Board for approval. The Board may utilise independent sources to identify suitably qualified candidates as well.
- 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 All other Directors are subject to retirement by rotation at least once in every three (3) years and is eligible for re-election.
- 3.2.4 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 Key Senior Management and free of any business or other relationship that could materially interfere with the exercise of unfettered and independent judgement.
- 3.3.2 The Nominating Committee undertakes to assess the independence of its Independent Directors upon 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. BOARD PERFORMANCE**

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

5.1.1 The Board is responsible for the control and proper Key Senior Management of the Company and will assume, amongst others, the roles 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 conduct of business. Directors are required to comply with the Directors' Code of Best Practice which amongst others includes the declaration of any personal, professional or business interest, direct or indirect which may conflict with directors' responsibilities as a Board Member and to refrain from voting on such transaction with the Group;
- (l) To ensure that there is in place an appropriate investor relation and communication policy, as set out in Appendix A;
- (m) To ensure that the Company's corporate disclosure are in compliance with the disclosure requirements as set out in the Listing Requirements; and
- (n) 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 Policy and Strategies

5.2.1 The following matters shall be reserved to the Board for determination and/or approval (save to the extent that the Board resolves that determination and/or approval of any such matter shall be delegated to the Committees of the Board or Key Senior Management):

- (a) corporate plans and programmes;
- (b) annual budgets, including major capital commitments;
- (c) new ventures;
- (d) material acquisitions and disposals of undertakings and properties;
- (e) 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 Chairman and Chief Executive Officer

5.4.1 The Board will ensure that its Chairman is a non-executive member of the Board. The roles of the Chairman and the Chief Executive Officer are distinct and separated to ensure a balance of power and authority.

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 of 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.

5.4.3 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) monitoring performance results against plans;
- (f) taking remedial action, where necessary;
- (g) reporting on significant business decisions; and
- (h) referring to the Chairman or other board committees on matters requested from time to time.

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

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

#### 5.6 Executive Directors and Non-Executive Directors

5.6.1 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.

#### 5.7 Board Committees

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

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

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

5.7.3 The 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.

#### 5.8 Board Meetings

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

- 5.8.2 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.
- 5.8.3 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.
- 5.8.4 The appropriate Key Senior Management personnel of the Company or its subsidiaries shall attend such meeting based on invitation basis where their presence is considered appropriate as determined by the Chairman or the Executive Directors of the Company.
- 5.8.5 At each scheduled meeting, the Board shall consider, where applicable, the following:-
- Financial Statements;
  - Quarterly announcements to be submitted to Bursa Malaysia;
  - Minutes and Reports by various committees of the Board;
  - Significant capital expenditure and acquisitions;
  - Significant disposal of the Company's/Group assets;
  - Major operational issues; and
  - Any other matters requiring its authority.

## 5.9 Directors' Remuneration

- 5.9.1 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.
- 5.9.2 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.
- 5.9.3 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.
- 5.9.4 Remuneration for Non-Executive Directors is not linked to individual performance.

## 5.10 Directors' Training and Continuing Education Programme

5.10.1 In addition to the Mandatory Accreditation Programme as required by the Bursa Malaysia, 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.

5.10.2 The Board will assess the training needs of the Directors from time to time and will ensure Directors have access to continuing education programme.

## 5.11 Financial Reporting

5.11.1 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.

5.11.2 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.

## 5.10 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 and the Company's Code of Conduct as provided in Appendix E. The Board should undertake a review of the Codes of Conduct annually to ensure that this code is current and relevant.

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 who plays an important advisory role and ensure that the Company Secretary fulfils its function for which he/she has been appointed.
- 6.2 The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group.
- 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 Malaysia and Securities Commission on a timely basis;
  - (c) ensure that deliberations at the meetings are well captured and minuted, and subsequently communicated to the relevant Key Senior Management personnel for necessary actions;
  - (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) inform and keep the Board updated of the latest enhancement in corporate governance, changes in the legal and regulatory framework, new statutory requirements and best practices;
  - (h) keep the Directors and principal officers informed of the closed period for trading in the Company’s shares; and
  - (i) 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. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION**

- 8.1 The Company is committed to ensure that shareholders are well-informed of all major developments affecting the state of affairs of the Company. To achieve this, the Company has prepared for the implementation of, amongst others, the following:
- (a) timely release of announcements and disclosures made in accordance with the Listing Requirements to Bursa Malaysia, which include quarterly financial results, material contract and any other material information that may affect the investors' decision making;
  - (b) regular dialogues with financial analysts and press conference as a means of effective communication that enables the Board and Key Senior Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests;
  - (c) all Directors shall attend the general meeting and allows shareholders to raise questions and concerns directly to the Chair of the Audit & Risk Management Committee, Nominating Committee, Remuneration Committee or any other directors to provide meaningful response to questions addressed to them. The Company will also invite the external auditor to attend the Annual General Meeting and be available to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report;
  - (d) publish a summary of all key matters discussed at the annual general meeting on the Company's website as soon as practicable after the conclusion of the Annual General Meeting pursuant to the Listing Requirements; and
  - (e) shareholders can gain access to information about the Company including the summary of the Group's investor relation activities and media releases through the Company's website, [www.dnoncetech.com](http://www.dnoncetech.com).

## **9. WHISTLE BLOWING POLICY**

- 9.1 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.

9.2 The Group encourages all employees and the public to disclose any improper conduct in accordance with procedures provided under the Whistle Blowing Policy.

9.3 The Whistle Blowing Policy is provided in Appendix F.

## **10. REVIEW OF BOARD CHARTER**

10.1 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 19 November 2019.

**D'NONCE TECHNOLOGY BHD.**  
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**Corporate Disclosure Policies and Procedures**

**1. The Board's Relationship with Shareholders and Stakeholders**

- 1.1 The Board shall maintain an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the general public.
- 1.2 It is the responsibility of the Board to ensure that the Annual General Meeting and Extraordinary General Meeting of the Company are conducted in an efficient manner and serves as a crucial mechanism in shareholder communications. Key ingredients behind this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the general meetings. The Board will focus its efforts to abide by the following best practices to enhance the effectiveness of the general meetings :
- (a) ensure that each item of special business included in the notice to be accompanied by a full explanation of the effects of the proposed resolution;
  - (b) for re-election of Directors, ensures that the notice of meeting state which Directors are standing for election or re-election with a brief description to include matters such as age, relevant experience, list of directorships, date of appointment to the Board, details of participation in board committee and the fact that a particular Director is independent;
  - (c) ensure that all resolutions are considered by poll and to announce the detailed results of the votes cast for and against in each instance;
  - (d) ensure that the Chairman provides reasonable time for discussion at the meeting. Where appropriate and if required, the Chairman will also undertake to provide written answer to any significant question which cannot be answered immediately; and
- 1.3 The Chairman and/ or Chief Executive Officer shall take responsibility for addressing queries from shareholders, stakeholders and analysts. In the performance of this responsibility, the Chairman and/ or Chief Executive Officer shall be mindful of the regulatory requirements pertaining to price sensitive information.

**2. Investor Relations Structure and Responsibility**

The Company has established the following Investment Relations ("IR") structure and responsibility for the implementation of IR programme and strategy:-

**Spokesperson:**

Primary:	Chairman
Secondary:	Chief Executive Officer

Note:

The Chairman and Chief Executive Officer have been appointed to communicate with audience constituents and respond to questions in relation to the corporate vision, strategies, developments, future prospects, financial results and plans, operation matters, etc.

### **3. Mode of Disclosure**

The Company makes use of a broad range of communication channels to disseminate information regarding the Company. These would include:

- Electronic facilities provided by Bursa Malaysia;
- Press releases;
- Corporate website;
- Email;
- Road shows or events; and
- Annual General Meetings / Extraordinary General Meetings

### **4. IR Programme and Strategies**

The Company has the following programmes and strategies in place to bridge and enhance the relationship with investors or potential investors:-

#### **4.1 Announcement of Material Information**

After the approval from the Board on releasing of material information, an announcement will be made to the Bursa Malaysia vide the Bursa Link and such material announcement will also appear on the Company's corporate website.

#### **4.2 Annual General Meeting or Extraordinary General Meeting**

The Annual General Meeting / Extraordinary General Meeting is treated as a major Company event.

Notice for the meeting will be announced to Bursa Malaysia and in a daily newspaper, and will be in compliance with the Listing Requirements.

The content of the Annual General Meeting / Extraordinary General Meeting will concentrate on the Company's resolutions, financial performance, development, strategy, and any relevant operational matters of interest to shareholders.

The Annual General Meeting / Extraordinary General Meeting is regarded as an important forum, especially for individual shareholders. The Company believes it should provide an opportunity for shareholders to engage with the Board and Key Senior Management and to gain a fuller understanding of the Company's affairs. As such, meetings will be conducted in a manner which permits reasonable enquiry and the Company will endeavor to provide shareholders with all relevant information which may include written answers.

Key matters discussed at the Annual General Meeting / Extraordinary General Meeting will be posted on the Company's corporate website.

#### **4.3 Annual and Quarterly Financial Reports**

The Annual Report and Quarterly financial reports are submitted to the Bursa Malaysia and also available on the corporate website of the Company.

#### **4.4 Meetings or Interviews with Investors, Analysts and Media**

The spokespersons will meet the shareholders, analysts or media to update them on the Company's performance, strategy, development, etc.

#### **4.5 Participate in Investor Relations Web Portal**

The Company has established a company website including the creation of an IR web portal to reach out to current and potential investors.

### **5. Reports and Rumours**

#### **5.1 Analysts' reports**

Analysts writing about the Company will often contact the Company to verify factual information and to validate assumptions. It is the Company's policy to offer only verbal guidance in these situations, and to point out factual errors or assumptions which are inconsistent with previously announced information. However, the Company will not endorse any analyst's report, nor will it endeavour to influence the opinions or conclusions of the analyst.

Upon third party request, the Company may circulate all analysts report as determined by the Board. The Company may also circulate such reports internally to its Board and senior management to assist them in understanding how the market and outsiders view the Company.

#### **5.2 Rumours**

From time to time, reports or rumours about the Company may circulate. Ordinarily, the Company will not respond to such reports or rumours, unless they appear to contain material information, or may be expected to affect the price of the Company's securities or trading activity in those securities.

When a report or rumour about the Company contains material errors, the Company will issue an announcement to the Bursa Malaysia to deny or clarify the report or rumour, and provide sufficient supporting information.

In general, the Company will take a proactive approach to the addressing of reports and rumours, so as to minimise uninformed speculation and promote an orderly market in its securities.

### **6. Periodic Review**

This policy shall be reviewed from time to time by the Board when deemed necessary.

**D'NONCE TECHNOLOGY BHD.**  
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**Terms of Reference of the Audit & Risk Management Committee**

These Terms of Reference shall supercede all previous established terms of reference.

**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.
- 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 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 two 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, 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 auditor 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 Key Senior Management and internal control;
- (i) to promptly report such matter to Bursa Malaysia 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.
- (j) to verify the allocation of options during the year if any, under the Company's Employees Share Option Scheme ("ESOS") to ensure that this was in compliance with the allocation criteria determined by the ESOS committee and in accordance with the By-Laws of the ESOS; 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**

- (b) Meeting shall be held not less than four (4) times a year.
- (c) Meetings should be organised so that attendance is maximised.
- (d) 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 Head of Finance, the Head of Internal Audit 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.
- (e) The Audit & Risk Management Committee should meet with the external auditors without any executive Board members present at least twice 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. REPORTING PROCEDURES**

- 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 The Audit & Risk Management Committee shall liaise with the Board to produce a Audit & Risk Management Committee's report to be included in the Company's annual report shall include :
- the composition of the Audit & Risk Management Committee, including the name, designation (indicating the chairman) and directorship of the members (indicating whether the Directors are independent or otherwise);
  - the number of Audit & Risk Management Committee meetings held during the financial year and details of attendance of each Audit & Risk Management Committee member; and
  - a summary of the work of the Audit & Risk Management Committee in the discharge of its functions and duties for that financial year of the Company and how it has met its responsibilities; and
  - a summary of the work of the internal audit function.
- 5.4 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 Malaysia.

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

**Terms of Reference of Nominating Committee**

These Terms of Reference shall supersede all previous established terms of reference.

**2. AUTHORITY AND GENERAL SCOPE**

- 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. MEMBERSHIP**

- 3.1 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.
- 3.2 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.
- 3.3 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.
- 3.4 A member who wishes to retire or resign from the Nominating Committee, while he is still a member of the Board, shall notify the Board in writing by giving at least one (1) month's notice, unless waived or shortened by the Board.
- 3.5 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.
- 3.6 The Nominating Committee shall have no executive powers.

#### **4. DUTIES AND RESPONSIBILITIES**

- 4.1 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.
- 4.2 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.
- 4.3 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.
- 4.4 The Nominating Committee shall ensure that time commitment is obtained from a Director on his appointment and the expectations are met.
- 4.5 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.
- 4.6 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.
- 4.7 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.
- 4.8 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.
- 4.9 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.
- 4.10 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.

- 4.11 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.
- 4.12 Recommend Directors who are retiring by rotation under the Company's Constitution to be put forward for re-election.
- 4.13 Have due regard to the principles of governance and code of best practice.
- 4.14 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.
- 4.15 Facilitate board induction and training for newly appointed Directors.
- 4.16 Propose to the Board the responsibilities of Non-Executive Directors, including membership and Chairpersonship of Board Committees.
- 4.17 Review its own performance, at least once a year, and recommend any necessary changes to its Terms of Reference.
- 4.18 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.

## **5. MEETINGS**

The Company Secretary shall be the secretary of the Committee.

### **5.1 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.

### **5.2 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.

### 5.3 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.

### 5.4 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.

## **6. REPORTING PROCEDURES**

- 6.1 The Nominating Committee is authorised to regulate its own procedures and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceeding thereat, the keeping of minutes and the custody, production and inspection of such meetings.
- 6.2 The minutes of meetings shall be circulated by the Secretary of the Committee to the Committee members. The Chairman of the Committee shall report to the Board after each Nominating Committee meeting.
- 6.3 The Nominating Committee shall liaise with the Board to produce a Nominating Committee's report to be included in the Company's annual report about its activities in the discharge of its duties shall include :
  - Policy on Board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the Company;
  - Board nomination and election process and the criteria used by the Nominating Committee in the selection process; and
  - Assessment undertaken by the Nominating Committee in respect of the Board, Committees and individual Directors together with the criteria used for such assessment

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

**Terms of Reference of the Remuneration Committee**

These Terms of Reference shall supersede the previous established terms of reference.

**1. AUTHORITY AND GENERAL SCOPE**

- 1.1 The Board has constituted the Remuneration Committee with the authorities necessary to perform the duties and responsibilities as outlined in these Terms of Reference.
- 1.2 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.
- 1.3 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.
- 1.4 These terms of reference may from time to time be amended as required, subject to the approval of the Board.

**2. MEMBERSHIP**

- 2.1 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.
- 2.2 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.
- 2.3 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.
- 2.4 A member who wishes to retire or resign from the Remuneration Committee, while he is still a member of the Board, shall notify the Board in writing by giving at least one (1) month's notice, unless waived or shortened by the Board.
- 2.5 The office of a member shall become vacant upon the member's resignation/retirement/removal or disqualification as a Director of the Company.

### **3. DUTIES AND RESPONSIBILITIES**

- 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.

### **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 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.

## **5. REPORTING PROCEDURES**

- 5.1 The Remuneration Committee is authorised to regulate its own procedures and in particulars the calling of meetings, the notice to be given of such meetings, the voting and proceeding thereat, the keeping of minutes and the custody, production and inspection of such meetings.
- 5.2 The minutes of meetings shall be circulated by the Secretary of the Committee to the Committee members. The Chairman of the Committee shall report to the Board after each Remuneration Committee meeting.
- 5.3 The Remuneration Committee shall 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.

## **6. ADVISORS**

- 6.1 The Remuneration Committee is authorised by the Board to appoint internal or external professional advisors as and when it is considered necessary when carrying out its tasks under these terms of reference, as it considers necessary.

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

**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** All employees 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. All employees of 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.

**1.3** This Code of Conduct outlines a comprehensive standard of conduct expected of all employees 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**

- 2.31 It is the policy of the company to prohibit all employees from soliciting any gratification from any persons having business dealings with the company (include suppliers, contractors, shareholders, and business partners). Employees 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.
- 2.32 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. Employees 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.
- 2.33 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.
- 2.34 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:
- An employee 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;
  - An employee responsible for the selection of suppliers placing his own or his relative's company in an advantageous position ahead of other competitive bidders;
  - An employee 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.

- An employee who is 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. Employees 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 Persons 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 Employees will be protected against victimization, retaliation for lodging grievances and from false accusations.

**5.6** Filing a Sexual Harassment Complaint

- 5.6.1 An Employee should be under no duress to make the complaint by himself /herself to his / her own HR Department.
- 5.6.2 The Employee 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 an Employee may be dismissed for serious misconduct or repeated offences. Serious incidents of sexual harassment of 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 Employees 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 Employee on medical advice requires trauma counselling, the Management will give due consideration for the granting of additional sick leave if the Employee'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 Employee compete or conflict with the interests of the Company. "Private interests" refers to both financial and personal interests of the Employee 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 Employee owes a favor or is obliged in any way.

- 6.2** Employees 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. Employees 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** 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 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 Employees.
- 6.4** An employee 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** An employee 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** Employees 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 Employee. Application for approval should be submitted to the Human Resource Department, to be vetted by the immediate superior of the Employee and approved by the respective General Manager.
- 6.7** Employees 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** Employees and Directors 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** Employees 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 an Employee 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, an Employee 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 employee's own remuneration are classified as Private and Confidential Information and shall not be divulged.

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

**8.1** Employees involved in the preparation of reports and documents filed with or submitted to Bursa Malaysia Securities Berhad (Bursa) 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** Employees and Directors 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 Employees understand and abide by the Company's policies and procedures.

## **10.0 Compliance with the Code**

**10.1** It is the responsibility of every Employee 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 Employees 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 Employee 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.

**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.

**Examples of Conflict of Interest Situations**

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

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

**Whistle-Blowing 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 Whistle-blower Protection Act 2010 where a whistle-blower must be given proper protection against an employer while a complaint is being investigated. Harassments or retaliations in any form or manner against genuine whistle-blower, 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.

**Whistle-Blowing**

5. In this policy "whistle-blowing" means the reporting by employees and stakeholders 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 whistle-blower 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 whistle-blower 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 whistle-blower’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 whistle-blower will be accorded with protection of confidentiality of identity, to the extent reasonably practicable. In addition, an employee who whistle-blows 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 whistle-blower is mistaken as to the facts and the rules and procedures involved.
13. If a whistle-blower reasonably believes that he is being subjected to reprisal, including harassment and victimisation, as consequence of whistle-blowing, 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 : Mr. Lim Siang Kai

e-mail : [sklim@dnoncetech.com](mailto:sklim@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 Committee**

Name : Mr. Lam Kwong Fai (Lin Guanghui)

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 : Mr. 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