



**MTOUCHE TECHNOLOGY BERHAD**  
**(Company No.: 656395-X)**

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**BOARD CHARTER**

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**Supersedes and replaces all prior versions as from the effective date.**

<b>TABLE OF CONTENTS</b>		<b>PAGE NO.</b>
<b>1.</b>	<b>INTRODUCTION</b>	<b>1</b>
<b>2.</b>	<b>OBJECTIVES</b>	<b>1</b>
<b>3.</b>	<b>BOARD SIZE AND COMPOSITION</b>	<b>1</b>
<b>4.</b>	<b>ROLES AND RESPONSIBILITIES</b>	<b>3</b>
4.1	Role of Board	3
4.2	Role of Individual Directors	5
4.3	Role of Independent Director	5
4.4	Role of Senior Independent Non-Executive Director	6
4.5	Role of Chairman	6
4.6	Role of Chief Executive Officer	8
4.7	Role of Committees	8
<b>5.</b>	<b>BOARD NOMINATION AND APPOINTMENT</b>	<b>9</b>
5.1	Nomination	9
5.2	Re-election	9
5.3	Retention/ Re-designation of an independent Director with cumulative term of more than nine (9) years	10
5.4	Independence	10
5.5	Time commitment of Director for accepting new directorships	11
<b>6.</b>	<b>BOARD/MANAGEMENT AUTHORITIES</b>	<b>11</b>
<b>7.</b>	<b>BOARD COMMITTEES</b>	<b>11</b>
7.2.1	Audit Committee	11
7.2.2	Nomination Committee	11
7.2.3	Remuneration Committee	12
<b>8.</b>	<b>BOARD PROCEDURES</b>	<b>12</b>
<b>9.</b>	<b>PERFORMANCE OF THE BOARD</b>	<b>12</b>
9.1	Directors' Assessment / Board Evaluation	12
9.2	Directors' Training and Development	13
<b>10.</b>	<b>AUTHORITY</b>	<b>13</b>
<b>11.</b>	<b>MEETING &amp; MINUTES</b>	<b>14</b>
11.1	Board Meeting	14
11.2	General Meeting	15
<b>12.</b>	<b>REMUNERATION OF DIRECTORS</b>	<b>15</b>
<b>13.</b>	<b>ACCESS TO INFORMATION AND INDEPENDENT ADVICE</b>	<b>16</b>
<b>14.</b>	<b>FINANCIAL REPORTING</b>	<b>16</b>
14.1	Transparency	16
14.2	Company Auditors	17

• **Board Charter**

<b>15. SHAREHOLDERS' COMMUNICATION</b>	<b>17</b>
<b>15.1</b> Investor Relations	<b>17</b>
<b>15.2</b> Other Stakeholders	<b>17</b>
<b>15.3</b> Employees	<b>18</b>
<b>15.4</b> Environment	<b>18</b>
<b>15.5</b> Social Responsibility	<b>18</b>
<b>16. COMPANY SECRETARY</b>	<b>18</b>
<b>17. CONFLICT OF INTERESTS</b>	<b>19</b>
<b>18. APPLICATION</b>	<b>19</b>
 <b>APPENDICES</b>	
<b>A.</b> List of Matters Reserved for the Board	<b>20</b>
<b>B.</b> Code of Ethics for Company's Director	<b>22</b>
<b>C</b> Code of Conduct for Officer and Employees	<b>24</b>
<b>D</b> Whistle Blowing Policy	<b>30</b>
<b>E</b> Remuneration Policy	<b>33</b>
<b>F</b> Board Diversity Policy	<b>35</b>
<b>G</b> Procedure for the appointment of Directors and Senior Management staff for the approval of the Board of Directors	<b>37</b>
<b>H</b> Succession Planning	<b>39</b>

## **1. INTRODUCTION**

The Board of Directors (“Board”) of mTouche Technology Berhad (“mTouche” or “the Company”) acknowledges and fully supports the importance of corporate governance in directing and managing the businesses and affairs of mTouche and its group of companies’ (“Group”), and to safeguard and enhance shareholders’ value and performance of the Group.

The Board Charter sets out the Board’s strategic intent and outlines the roles and responsibilities of the Board of Directors (“Board”) and the standard of conduct expected of the Board.

This Charter is subject to the provisions of the Companies Act 2016 (“CA 2016”), the Constitution of the Company, the ACE Market Listing Requirements (“Ace LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Malaysian Code on Corporate Governance 2017 (“MCCG”), regulatory and legislative requirements, and best practices on corporate governance.

The Charter was first adopted by the Board on 23 April 2013 and last reviewed by the Board on 28 November 2016. The Board will regularly review this Charter and the terms of reference of Board Committees to ensure they remain consistent with the Board’s objectives and responsibilities, and relevant laws, regulations, guidelines and standards of corporate governance.

## **2. OBJECTIVES**

The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all their dealings in respect, and on behalf of the Company.

In pursuit of the ideals in this Board Charter, the intention is to exceed “minimum legal requirements” with due consideration to recognised standards of best practices locally and internationally. This Board Charter is not an “all inclusive” document and shall be read as a broad expression of principles.

## **3. BOARD SIZE AND COMPOSITION**

3.1 The Constitution of mTouche provides for the number of Directors shall not be less than two (2) and not more than fifteen (15). At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Directors. The appointment of Directors shall be recommended by the Nomination Committee and approved by the Board.

3.2 The Board should comprise of individuals with character, experience, integrity, competence and time to effectively discharge their role as company Director. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.

3.3 The Board may appoint a Senior Independent Non-Executive Director to whom shareholders’ concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the Chief Executive Officer have failed to resolve them.

- 3.4 The Board shall appoint the Senior Independent Director as the Chairman of the Nomination Committee, unless a better candidate is available.
- 3.5 The positions of Chairman of the Board and Chief Executive Officer should be held by different individuals.
- 3.6 The directorships held by any Board member at any one time shall not exceed five (5) in listed companies.

Any Director shall notify the Chairman of the Board before accepting any new directorship in listed companies, including an indication of time that will be spent on the new appointment.

- 3.7 Qualifications for membership of the Board include:

- 3.7.1 Appropriate knowledge, understanding and experience of the conduct of the business, as well as the laws, customs and values that govern the activities of the organisation.
- 3.7.2 Ability to make informed business decisions and recommendations.
- 3.7.3 Entrepreneurial talent for contributing to the creation of shareholder value.
- 3.7.4 Ability to ask sensible questions.
- 3.7.5 High ethical standards and profession approach to duties as well as sound practical sense.
- 3.7.6 Ability to see the wider picture and perspective, with some benefit of international experience.
- 3.7.7 Integrity in personal and business dealings.
- 3.7.8 Proactive and total commitment to furthering the interest of the Company's shareholders and to achieve the Company's goals.

- 3.8 A Non-Executive Director is considered an individual who:

- 3.8.1 has no direct or indirect pecuniary interest in the Company other than his/her Director's emoluments and his/her "permitted" shareholdings in the Company;
- 3.8.2 is not an employee of the Company or affiliated with it in any other way and is not involved in the day-to-day running of the Company's business but may have pecuniary interests in the Company, whether direct or indirect; or
- 3.8.3 is not an employee of the Company but standing as a nominee for a substantial shareholder.

- 3.9 Key competencies required for Non-Executive Directors:-

- 3.9.1 To contribute an independent view to matters under consideration.
- 3.9.2 To add value to Board deliberations.
- 3.9.3 To contribute to the breadth and depth of experience of the Board.
- 3.9.4 To clearly communicate.
- 3.9.5 To demonstrate a wide and unfettered perspective on issues and bring to the Board, integrity and a strong sense of ethics.
- 3.9.6 To have organisational and strategic awareness and an appropriate level of financial literacy.
- 3.9.7 To be well-versed in the responsibilities of a Director.
- 3.9.8 To constructively collaborate as part of a team contributing towards the successful performance of the Company.

- 3.9.9 To possess appropriate and relevant industry-specific knowledge and experience.
- 3.10 An Independent Non-Executive Director is considered an individual who:
- 3.10.1 Is not an Executive Director of the Company or any related corporation of the Company.
  - 3.10.2 Has not been within the last two years and is not an officer (except as a Non-Executive Director) of the Company or any related corporation of the Company. For this purpose, “officer” shall have the meaning given in Section 2 of the Companies Act 2016.
  - 3.10.3 Is not a major shareholder of the Company or any related corporation of the Company.
  - 3.10.4 Is not a family member of any Executive Director, officer or major shareholder of the Company. For this purpose, “family member” means spouse, parent, brother, sister, child (including adopted or step child) and spouse of his child, brother or sister.
  - 3.10.5 Is not acting as a nominee or representative of any Executive Director or major shareholder of the Company or any related corporation of the Company.
  - 3.10.6 Has not been engaged as a professional adviser by the Company under such circumstances as prescribed by Bursa Malaysia Securities Berhad (“Bursa Securities” either personally or through a firm or company of which he is a partner, director (except as an Independent Director) or major shareholder, as the case may be.
  - 3.10.7 Has not been engaged in any transaction with the Company under such circumstances as prescribed by Bursa Securities or is not presently a partner, Director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has been engaged in any transaction with the Company under such circumstances as prescribed by Bursa Securities.

#### **4. ROLES AND RESPONSIBILITIES**

The Board plays the role of stewards and guardians of the Group on behalf of the Shareholders and is the key in ensuring that Shareholders’ interest are being protected. The Board takes full responsibility to guide the Group towards achieving its corporate objectives and enhancing Shareholders’ value.

##### **4.1 Role of the Board**

- 4.1.1 Adheres to high standards of ethics and corporate behaviour

The Board is guided by the Company’s Code of Ethics and Conduct in discharging its oversight role effectively. The Code of Ethics and Conduct requires all Directors to observe high ethical business standards, corporate behaviour, honesty and integrity and to apply these values to all aspects of the Group’s business and professional practice and act in good faith and in the best interests of the Group and its shareholders.

- 4.1.2 Setting the Company’s strategic aims and the strategic plan

To review, challenge and decide on Management’s proposal for the Company. The Board brings objectivity and breadth of judgment to the strategic planning process as they are not involved in the day-to-day

management of the business. The Board should satisfy itself that Management has taken into account all appropriate considerations in tabling the proposals, includes strategies on economic, environmental and social considerations underpinning sustainability. The Board is also responsible for monitoring the implementation of the strategic plan by Management. The Budget and the Key Projects Update are tabled at every Board meeting to assist the Board examining the underlying strategic issues.

4.1.3 Regularly evaluating economic, environmental, social and governance issues and any other relevant external matters that may influence or affect the development of the business or the interests of the shareholders in ensuring that the Company's strategies promote sustainability;

4.1.4 Overseeing the conduct of the Company's business

To oversee the performance of Management to determine whether the business is being properly managed. The Board's obligation to oversee the performance of Management contemplates a collegial relationship that is supportive yet vigilant. Therefore, the Board must ensure that there are measures in place against which Management's performance can be assessed. The Board has put in place key performance indicators ("KPI") for the executive Management to ensure the Management's strategy and performance are aligned with the Company's strategic objective.

4.1.5 Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures

The Board must understand the principal risks of all aspects of the Company's business and recognise that business decisions involve the taking of appropriate risks. This is intended to achieve a proper balance between risks incurred and potential returns to shareholders. The Board must therefore ensure that there is a sound framework for internal controls and risk management systems which effectively identify, analyse, assess, monitor and manage these risks.

4.1.6 Succession planning

The Board should ensure that all candidates appointed to senior management positions are of sufficient calibre. The Board should also be satisfied that there are plans in place to provide for the orderly succession of Board members and senior management.

4.1.7 Overseeing the development and implementation of a shareholder communications policy for the Company

The responsibility of the Board is to ensure that the Company has in place a policy to enable effective and timely communication with its shareholders and other stakeholders. This policy should include how feedback received from its shareholders and stakeholders are considered by the Company when making business decisions.

- 4.1.8 Reviewing the adequacy and the integrity of the management information and internal controls system of the Company

The Board has to ensure that there is a sound framework of reporting on internal controls and regulatory compliance.

- 4.1.9 Access to information and independent advice

Directors may access such information, seek such independent advice and participate appropriate continuing education programmes as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgment in decision making.

- 4.1.10 Reviewing and approving formal and transparent remuneration policies and procedures to attract and retain Directors.

- 4.1.11 Ensuring there is appropriate corporate disclosure policies procedures.

- 4.1.12 Encouraging the usage of information technology in communicating with stakeholders.

## 4.2 **Role of Individual Directors**

- 4.2.1 Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors. Broadly these include:-

4.2.1.1 Acting in good faith and in the best interests of the Company as a whole.

4.2.1.2 Acting with care and diligence and for proper purpose.

4.2.1.3 Avoiding conflicts of interest with the Company in a personal or professional capacity.

4.2.1.4 Refraining from making improper use of information gained through the position of director and from taking improper advantage of the position of director.

- 4.2.2 Directors will keep all Board information, discussions, deliberations and decisions that are not publicly known confidential and not use information gained through the Board for their interest, or their employers' interest.

## 4.3 **Role of Independent Directors**

- 4.3.1 Independent Directors have the mandate of bringing objectivity to the oversight function of the Board.

To execute their roles, Independent Directors, have similar responsibilities to those of other Directors. The fiduciary duties of care, diligence and acting in good faith apply equally to Independent Directors as to other Directors. In view of faith imposed on them by various agencies, they are more bound to execute their functions with impartiality.

- 4.3.2 It is necessary for the Independent Directors to:-

- 4.3.2.1 Prepare themselves thoroughly for the meeting.
  - 4.3.2.2 Be objective in forming sound decisions relating to the Company and its business.
  - 4.3.2.3 Be open minded, free and frank in expressing their opinions and at the same be willing to engage in meaningful debates.
  - 4.3.2.4 Be committed to decisions made as a Board.
  - 4.3.2.5 Regularly seek information both from within and if required outside professional knowledge to keep abreast with the latest developments in the areas of the Company's operations.
  - 4.3.2.6 Constructively challenge and contribute to the development of the business strategies and direction of the Company.
  - 4.3.2.7 Mitigate any possible conflict of interest between the policy-making process and day-to-day management of the Company.
  - 4.3.2.8 Be informed on laws and regulations influencing their functioning as Directors.
  - 4.3.2.9 Utilise the expertise they possess to the good advantage of the company.
  - 4.3.2.10 Be conversant with the business so as to exercise intelligent reviews of transactions involving Directors, Management and controlling shareholders.
- 4.3.3 The most important role that independent directors play directly in relation to the decision of the Board is the objective view that they bring in while evaluating the Board and Management, creating a balance in the interest of the shareholders. These areas are executive remuneration, succession planning, and changes in corporate control, take-overs and acquisitions and the audit function.

#### **4.4 Role of Senior Independent Non-Executive Directors**

The Senior Independent Non- Executive Director shall:-

- 4.4.1 Ensure all Independent Non-Executive Directors have an opportunity to provide input on the agenda and advise the Chairman on the quality, quantity and timeliness of the information submitted by Management that is necessary or appropriate for the Independent Non-Executive Directors to perform their duties effectively.
- 4.4.2 Consult the Chairman regarding Board meeting schedules to ensure the Independent Non-Executive Directors can perform their duties and with sufficient time for discussion of all agenda items.
- 4.4.3 Serve as the principal conduit between the Independent Non-Executive Directors and the Chairman on sensitive issues.
- 4.4.4 Serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Chairman, the Group Managing Director/Chief Executive Officer and the Executive Directors.

#### **4.5 Role of Chairman**

- 4.5.1 The Chairman leads the Board and is responsible for the effective performance and ensure the smooth functioning of the Board.

- 4.5.2 The Chairman of the Board shall be a Non-Executive Member of the Board.
- 4.5.3 The Chairman is responsible for:
- 4.5.3.1 Providing leadership for the Board so that the Board can perform its responsibilities effectively:-
    - ensures that the Board plays a constructive part in determination of the Company's strategies and policies, and that Board decisions taken are in the Company's best interests and fairly reflect the Board's consensus; and
    - ensures that procedures are in place to govern the Board's operation.
  - 4.5.3.2 Maintaining a relationship of trust with and between the Executive and Non-Executive Directors.
  - 4.5.3.3 Ensuring the provision of accurate, timely and clear information from Management.
  - 4.5.3.4 Ensuring effective communication with shareholders and relevant stakeholders.
  - 4.5.3.5 Arranging evaluation of the performance of the Board, its Committees and individual Directors.
  - 4.5.3.6 Facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors.
  - 4.5.3.7 Facilitating the on-going development of all Directors.
  - 4.5.3.8 Leading the Board in establishing and monitoring good corporate governance practices in the Company. Facilitating the meetings of the Board that no directors, whether executive or non-executive, dominate discussion, that appropriate discussion takes place and that relevant opinion among Directors is forthcoming.
  - 4.5.3.9 Inculcate positive culture in the Board.
  - 4.5.3.10 Ensure that all relevant issues are on agenda for Board meeting and all Directors are able to participate fully in the Board's activities.
  - 4.5.3.11 Ensure that the Board debates strategic and critical issues.
- 4.5.4 The Chairman, in consultation with the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda.
- 4.5.5 The Chairman ensures orderly conduct and proceedings of the Board and general meetings and is responsible for managing the business of the Board to ensure that:
- 4.5.5.1 All Directors are properly briefed on issues arising at Board meetings in a timely manner.
  - 4.5.5.2 All Directors receive complete and accurate information in a timely manner.
  - 4.5.5.3 Sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board's discussion.
  - 4.5.5.4 The issues discussed are forward looking and concentrates on strategy.

- 4.5.6 The Chairman will have no casting vote if two (2) Directors form a quorum, or if there are only two (2) Directors competent to vote on the question at issue.
- 4.5.7 The Chairman ensures that Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.
- 4.5.8 Should the Chairman be absent from a meeting, the members of the Board present at the meeting, may choose one of their number to chair the said meeting.

#### **4.6 Role of Chief Executive Officer (“CEO”)**

- 4.6.1 The CEO/Group MD is primarily accountable for overseeing the day-to-day management to spearhead the business and ensure the smooth and effective operation within the Group.
- 4.6.2 The CEO/Group MD is responsible for the development and implementation of the strategies for the Group and setting the overall strategic policy and direction of the Group’s business operations based on effective risk management controls.
- 4.6.3 The CEO/Group MD ensures that the financial management practice is performed at the highest level of integrity and transparency and that the business and affairs of the Group are carried out in an ethical manner and in compliance with the relevant laws and regulations.
- 4.6.4 The CEO/Group MD is responsible for ensuring high management competency and that an effective management succession plan is in place to sustain continuity of operations.
- 4.6.5 The CEO/Group MD is the conduit between the Board and Management in ensuring the success of the Company’s governance and management functions.
- 4.6.6 The CEO/Group MD implements the policies, strategies and decisions adopted by the Board. All Board authorities conferred on Management is delegated through the CEO and this will be considered as the CEO’s authority and accountability as far as the Board is concerned.

#### **4.7 Role of Committees**

- 4.7.1 The Board appoints the following Board Committees with specific Terms of Reference:
  - (a) Audit Committee;
  - (b) Nomination Committee; and
  - (c) Remuneration Committee.
- 4.7.2 Independent and Non-Executive Directors play a leading role in these Committees. Management and third parties are co-opted to the Committees as and when required.

## **5. BOARD NOMINATION AND APPOINTMENT**

### **5.1 Nomination**

- 5.1.1 The Board should ensure that the Directors and the senior management are of high calibre, sound judgment, high integrity and credibility as they are entrusted by the shareholders to manage and perform effectively.
- 5.1.2 All nominations of candidates for the positions of Directors and CEO must be submitted to the Nomination Committee for consideration and decision by full Board upon appropriate recommendation from the Nomination Committee. The Nomination Committee shall consider the following before recommending the candidates to the Board for approval:-
- 5.1.2.1 Age limit
  - 5.1.2.2 Work Experience
  - 5.1.2.3 Qualifications
  - 5.1.2.4 Personal Background
  - 5.1.2.5 Competencies
  - 5.1.2.6 Directorship (shall hold not more than 5 Directorships in listed companies)
- 5.1.3 The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.
- 5.1.4 Upon the appointment of a new Director, the new Board member shall be briefed on the terms of their appointment, their duties and obligations and on the operations of the Group. Copies of the following shall be provided to the newly appointed Directors:-
- Board Charter
  - Constitution
  - Latest Annual Report
  - Organisation Chart
- 5.1.5 The Company has adopted an induction programme for newly appointed Directors. The induction programme aims at communicating to the newly appointed Directors, the Company's vision and mission, its philosophy and nature of business, current issues within the Company, the corporate strategy and the expectations of the Company concerning input from Directors.
- 5.1.6 The Company Secretary shall explain the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities. Thereafter, all Directors are provided with appropriate briefings on the Company's affairs and up-to-date Corporate Governance materials published by the relevant bodies.

### **5.2 Re-election**

- 5.2.1 All Directors are subject to retirement by rotation. In addition, at least one-third of the Board is subject to retire by rotation at each Annual General Meeting ("AGM"). The Directors to retire in each year are the

Directors who have been the longest in office since their appointment or re-appointment. A retiring Director is eligible for re-election.

5.2.2 New Board members will only hold office until the next AGM, and will then be eligible for re-election.

**5.3 Retention/ Re-designation of an independent Director with cumulative term of more than nine (9) years**

5.3.1 The tenure of an independent Director should 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 subject to the Director's re-designation as a Non-Independent Director. The Board, upon recommendation of the Nomination Committee, shall justify and seek shareholders' approval at the AGM in the event that it desires to retain a person who has served in that capacity for more than nine years as an independent Director.

5.3.2 In the event that an Independent Director has served the Company beyond twelve (12) years, the voting process for the resolution on his/her continuance to act as an independent director shall be carried out by two-tier voting pursuant to the MCCG.

Under the two-tier voting process, shareholders' votes will be casted in the following manner:-

- a) Tier 1: only the large shareholder of the Company to vote; and
- b) Tier 2: shareholders other than large shareholders to vote.

The resolution is deemed successful if both Tier 1 and Tier 2 votes support the proposed resolution.

5.3.3 Further, the long serving Director is required to declare to the Company annually that he complies with the criteria as stated in item 3.10 above.

**5.4 Independence**

5.4.1 An Independent Non-Executive Director is independent of management and free of any significant business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement, and who otherwise meet the criteria for independence.

5.4.2 The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.

5.4.3 The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

5.4.4 The views of the Independent Directors should carry significant weight in the Board's decision-making process.

- 5.4.5 The Board undertakes to assess the independence of the Independent Directors on an annual basis upon readmission or when any new interest or relationship develops.

**5.5 Time commitment of Director for accepting new directorships**

- 5.5.1 Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company.
- 5.5.2 Any Director shall notify the Chairman before accepting any new directorship and the notification shall include the indication of time that will be spent on the new appointment.

**6. BOARD/MANAGEMENT AUTHORITIES**

The Board shall have the authority to approve transactions or activities which are beyond the individual discretionary powers of senior officers or management committees delegated by the Board as per the Approving Authority limits stipulated in the relevant policy manuals of respective operating units subject to the provision of the Constitution of the Company.

**7. BOARD COMMITTEES**

- 7.1 The Board should establish and delegate certain duties to specialised Board Committees to oversee critical or major functional areas and to address matters, which require detailed review or in-depth consideration before tabling its recommendation to the Board.
- 7.2 The Board has established the following Board Committees which operate within their specific terms of reference:-

**7.2.1 Audit Committee**

To provide independent oversight of the Group's financial reporting and risk management and internal control system and ensure checks and balances within the Group, and to ensure financial statements comply with applicable financial reporting standards.

To review and assess the suitability and independence of external auditors

**7.2.2 Nomination Committee**

To provide a formal and transparent procedures for the appointment of Directors and to review the required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the Board, as well as annual assessment of effectiveness of individual Directors, Board Committees and Board as a whole, CEO, Chief Financial Officer and key senior management officers.

The Nomination Committee should comprise entirely Non-Executive Directors, with the majority of whom are independent.

### 7.2.3 Remuneration Committee

To provide a formal and transparent procedure for developing remuneration policy for Directors and the CEO, and ensuring that compensation is competitive and consistent with the Group's culture, objectives and strategy.

Duties and functions of the above-mentioned committees are provided in their respective terms of reference.

## 8. BOARD PROCEDURES

- 8.1 The conduct of Directors will be consistent with their duties and responsibilities to the Company and, indirectly, to the shareholders. The Board will always act within any limitations imposed by the provisions of relevant laws and guidelines on its activities.
- 8.2 Directors will use their best endeavours to attend Board meetings. Directors are expected to participate fully, and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board.
- 8.3 Directors who are not able to attend a meeting will advise the Chairman at an earlier date as possible and confirm in writing to the Secretary.
- 8.4 Board discussions will be open and constructive, recognising that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus of the Board but may, where considered necessary, call for a vote.
- 8.5 All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to legal and regulatory requirements the Board will decide the manner and timing of the publication of its decisions.
- 8.6 Directors are expected to strictly observe confidentiality of the Company's information.
- 8.7 Directors are required to inform the Board of conflicts or potential conflict of interest that may have in relation to particular items of business or transaction. Subject to provisions of relevant laws and guidelines, these Directors shall abstain from deliberation and determination of those matters.

## 9. PERFORMANCE OF THE BOARD

### 9.1 Directors' Assessment / Board Evaluation

- 9.1.1 The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Committees. The

Board reviews and evaluates its own performance and the performance of its Committees on an annual basis.

- 9.1.2 The Board evaluation comprises a Board Assessment, an Individual (Self & Peer) Assessment and an Assessment of Independence of Independent Directors.
- 9.1.3 The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committee and the Chairman's role and responsibilities.
- 9.1.4 For Individual (Self & Peer) Assessment, the assessment criteria include contribution to interaction, quality of inputs, and understanding of role.
- 9.1.5 The criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and the Company and his involvement in any significant transaction with the Company.

## **9.2 Directors' Training and Development**

- 9.2.1 In addition to the mandatory programmes as required by the Bursa Securities, Board members are encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Company's operations and business.
- 9.2.2 The Nomination Committee shall assess the training needs of the Directors and ensure Directors have access to continuing education programme.
- 9.2.3 The Board shall disclose in the Annual Report the trainings attended by the Directors.

## **10. AUTHORITY**

- 10.1 The Board shall within its terms of reference:
  - 10.1.1 Have complete, adequate and timely information prior to Board meetings and on an ongoing basis.
  - 10.1.2 Have the resources required to perform its duties.
  - 10.1.3 Have full and unrestricted access to any information pertaining to the Company.
  - 10.1.4 Have the authority to form management / sub-committee(s) if deemed necessary and fit.
  - 10.1.5 Have the authority to delegate any of its responsibilities to any person or committee(s) that is deemed fit.

10.1.6 Have direct communication channels with employees, senior management personnel and relevant external parties.

10.1.7 Be able to obtain independent professional or other advice.

## **11. MEETING & MINUTES**

### **11.1 Board Meeting**

Subject to relevant laws and guidelines, the following should be observed by the Board:-

11.1.1 The Board shall meet on a quarterly basis, but in any event, no less than once in every three (3) months, or whenever deemed necessary.

11.1.2 Individual Directors must attend at least 50% of the Board meetings held in each financial year or such other percentage as may be prescribed by the Listing Requirements.

11.1.3 The quorum of the meetings shall be met pursuant to the Constitution of the Company.

11.1.4 The Board is also allowed to carry out the resolution by way of circulation.

11.1.5 The participation of the Directors can be facilitated by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

11.1.6 Head of the respective division units and relevant management personnel and external independent advisors may be invited to attend the Board meetings as and when the need arises.

11.1.7 The Company Secretary shall be appointed as Secretary of the Board Meeting and minutes of meetings shall be taken and documented.

11.1.8 Information should be supplied to the Directors at least five (5) business days prior to the meeting in order for them to discharge their duties.

11.1.9 Management is responsible for providing the Board with the required information in an appropriate and timely manner. The Chairman, assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information provided by Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.

## 11.2 General Meeting

- 11.2.1 The Board regards the general meeting as an important event in the corporate calendar of which all Directors and key senior executives should attend.
- 11.2.2 The Company regards the general meeting as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.
- 11.2.3 The Chairman and, where appropriate, the CEO responds to shareholders' queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.
- 11.2.4 The Chairman encourages active participation by the shareholders during the general meeting. To encourage poll voting during the general meeting, the Chairman shall inform shareholders of their right to demand for a poll at the commencement of the meeting.
- 11.2.5 The Board will consider requisitions by shareholders to convene an extraordinary general meeting or any other urgent matters requiring immediate attention of the Company.

## 12. REMUNERATION OF DIRECTORS

- 12.1 The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.
- 12.2 The level of remuneration for the Executive Directors is determined by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar industry.
- 12.3 Non-executive Directors are entitled to participate in the Company's Employee Share Options Scheme (ESOS) subject to approval at a general meeting. Non-executive Directors who participated in the ESOS are prohibited to sell, transfer or assign the shares within one (1) year from the date of offer of such options.
- 12.4 No Director other than Executive Directors shall have a service contract with the Company.
- 12.5 A formal independent review of the Directors' remuneration is undertaken no less frequently than once every three (3) years.
- 12.6 Fees payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to executive directors may not include a commission on or percentage of turnover.

12.7 The fees of Directors, and any benefits payable to Directors shall be subject to annual shareholder approval at a general meeting.

12.8 There is adequate disclosure in the Annual Report with a note on the remuneration of Directors.

Refer to **Appendix E** for Remuneration Policy.

### **13. ACCESS TO INFORMATION AND INDEPENDENT ADVICE**

13.1 The Directors shall have access to Management for relevant and additional information or seek explanations, as and when required. At the request of the Board, Management is obliged to supply in a timely manner, all relevant information to enable director to make sound business judgments and discharge their duties more effectively.

13.2 Directors will be entitled to:

13.2.1 Access members of the senior Management via the CEO at any time to request relevant and additional information or seek explanations.

13.2.2 Have access to internal and external auditors, without Management present to seek explanations or additional information.

13.2.3 Seek independent professional advice with the Chairman's prior consent, which will not be unreasonably withheld or delayed, and which will be at the Company's expense.

### **14. FINANCIAL REPORTING**

#### **14.1 Transparency**

14.1.1 The Company aims to present a clear and balanced assessment of the Company's financial position and future prospects that extends to the interim and price-sensitive information and other relevant reports submitted to regulators.

14.1.2 The Directors ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards.

14.1.3 The Company's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period.

14.1.4 The Auditors Report shall contain a statement from the Auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements.

## **14.2 Company Auditors**

- 14.2.1 The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company Auditors through its Audit Committee.
- 14.2.2 The Audit Committee also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company Auditors. The Company ensures that the Company Auditors do not supply a substantial volume of non-audit services to the Company.
- 14.2.3 The Audit Committee performs annual evaluation on the performance of the External Auditors and undertaking follow-up measures.
- 14.2.4 Appointment of the Company Auditors is subject to approval of shareholders at general meetings. The Company Auditors have to retire during the AGM every year and be re-appointed by shareholders for the ensuing year.

## **15. SHAREHOLDERS' COMMUNICATION**

### **15.1 Investor Relations**

- 15.1.1 The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.
- 15.1.2 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.
- 15.1.3 The Company conducts dialogues with financial analysts from time to time as a mean of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.
- 15.1.4 The Company leverage on information technology for effective dissemination of information. The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

### **15.2 Other Stakeholders**

- 15.2.1 In the course of pursuing the vision and mission of the Company, the needs and interests of other stakeholders are also taken into consideration.

### 15.3 Employees

- 15.3.1 The Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the vision and mission of the Company.
- 15.3.2 The Company adopts comprehensive and documented policies and procedures with respect to the following:
- occupational safety and health with the objective of providing a safe and healthy working environment for all employees; and
  - Industrial relations with the objective of managing employees' welfare and well-being in the workplace.

### 15.4 Environment

- 15.4.1 The Board acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Company's vision and mission.
- 15.4.2 The Company adopts comprehensive and documented policies and procedures as part of its commitment to protect the environment and contribute towards sustainable development.
- 15.4.3 The Company supports initiatives on environmental issues.

### 15.5 Social Responsibility

- 15.5.1 The Board has a continuing responsibility to the community to ensure that the Company's activities are conducive towards promoting the economic well-being of its community and are in line with government's economic objectives.
- 15.5.2 The Company supports charitable causes and initiatives on community development projects.

## 16. COMPANY SECRETARY

- 16.1 The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.
- 16.2 The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matters.
- 16.3 The Company Secretary is a central source of information to the Board and its Committees on issues relating to compliance with rules and regulations, procedures and regulations affecting the Company.
- 16.4 The Company Secretary should guide Directors of their obligations to adhere to matters relating to:
- 16.4.1 Disclosure of interest in securities;
- 16.4.2 Disclosure of any conflict of interest in a transaction involving the Company;
- 16.4.3 Prohibition on dealing in securities; and

16.4.4 Restriction on disclosure of price-sensitive information.

16.5 The Company Secretary must keep abreast of, and inform, the Board of current governance practices.

16.6 The Board members have unlimited access to the professional advice and services of the Company Secretary.

## **17. CONFLICT OF INTERESTS**

17.1 Directors must:

17.1.1 disclose to the Board (through the Secretary and/or Chairman) any actual or potential conflicts of interest which may exist or be thought to exist as soon as they become aware of the issue;

17.1.2 take any necessary and reasonable measures to try to resolve the conflict; and

17.1.3 comply with the provisions Companies Act 2016 on disclosing interests and restrictions on voting.

17.2 If a conflict or potential conflict situation exists, it is required that the conflicted Director shall be absent from the meeting whilst the Board discusses the matter and not vote on the matter, unless the other directors who do not have a material personal interest in the matter have passed a resolution that states that those directors are satisfied that the interest should not disqualify the director from being present.

17.3 Directors are expected to advise the Company Secretary of any proposed Board or executive appointment to other companies as soon as practicable.

## **18. APPLICATION**

18.1 The Board will review this Charter from time to time and make any necessary amendments when there are changes to the Malaysian Code on Corporate Governance 2017 and the Main Market Listing Requirements that may have an effect on the Board's responsibilities.

18.2 Any updates to the principles and practices set out in this Charter will be made available on the Company's website.

<b>APPENDIX A</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>LIST OF MATTERS RESERVED FOR THE BOARD</b>	<b>Page 1 of 2</b>

The following matters shall be reserved for decision by the Board, supported by any recommendation as may be made from time to time by the Board Committees (as appropriate):

**A FINANCIAL**

- 1) The adoption of any significant change or departure in the accounting policies and practices of the Company and its subsidiaries.
- 2) The raising of incremental borrowing facilities involving substantial amounts.
- 3) The approval of the strategy, business plans and annual budgets and of any subsequent material changes in strategic direction or material deviations in business plans.
- 4) The approval of the annual financial statements and interim reports, the valuation of unlisted investments, the declaration of dividends and the forfeiture of unclaimed dividends.
- 5) The recommendation to shareholders of any increase, reduction or alteration to the share capital of the Company and the allotment, issue or other disposal of shares of the Company (except for shares allotted under any employee share option scheme).

**B. STATUTORY AND ADMINISTRATIVE**

- 1) Recommending amendments to the Constitution of the Company.
- 2) The frequency of meetings of the Board.
- 3) The convening of general meetings of shareholders of the Company.
- 4) The prosecution, defence or settlement of legal or arbitration proceedings where material and except in the ordinary course of business.
- 5) The appointment, removal or replacement of the Company Secretaries.

**C REGULATORY**

- 1) The approval of the terms and conditions of the Company's rights issues, public offers, capital issues or issues of convertible securities including shares or convertible securities issued for acquisitions;

<b>APPENDIX A</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>LIST OF MATTERS RESERVED FOR THE BOARD</b>	<b>Page 2 of 2</b>

- 2) The approval and authority to issue circulars to the shareholders of the Company;
- 3) The approval of and authority to issue prospectuses, listing particulars, rights offers or takeover or merger documents;
- 4) Recommending to the shareholders that any ordinary or special resolutions in respect of the Company;
- 5) Recommending to the shareholders to take a particular course of action proposed by the Board; and
- 6) Any decision to list the Company's shares on any stock exchange or to terminate any such listing.

**D CONDUCT OF THE BOARD**

- 1) The appointments to the Board including the appointment of the Chairman, Chief Executive Director, Executive Directors and Non-Executive Directors and the approval on the nomination of Alternate Directors (if any) as recommended by the Nomination Committee.
- 2) The appointment of, terms of reference and changes in the composition of the Board Committees as are established from time to time.
- 3) Any increase of Board members' fees as recommended by the Remuneration Committee and endorsed by the Board, which shall ultimately be approved by the shareholders of the Company in a general meeting.
- 4) Any employee share option scheme, the rules applicable to any such scheme and any amendments to such rules for submission to the shareholders of the Company for approval.
- 5) The formulation of recommended policies in relation to equal opportunity employment, human capital development, environment, health and safety.
- 6) Constituting part of this Board Charter is a "general enabling resolution" which deals with the authority of certain Directors and officials to negotiate and finalise the terms of contracts, for and on behalf of the Company.

<b>APPENDIX B</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>CODE OF ETHICS FOR COMPANY'S DIRECTOR</b>	<b>Page 1 of 2</b>

## **A PRINCIPLES**

The Code of Ethics for Company's Director is based on the following principles:

- Compliance with legal and regulatory requirements, and the Company's policies;
- Observance of the Board Charter;
- Duty to act in the best interest of the Company;
- Honesty and integrity;
- Sincerity
- Avoid conflict of interests;
- No-profit rule;
- Relationship with stakeholders; and
- Corporate social responsibility.

## **B. PURPOSE**

This Code of Ethics is formulated to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following aims:

- To establish a standard of ethical behaviour for directors based on trustworthiness and values that can be accepted, are held or upheld by any one person.
- To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administering a company.

## **C. DEFINITION**

In the context of this code, a company director means any person who holds the position of director in a corporation irrespective of any designation used, including anyone who follows the directives and advice of a corporate director and who usually takes action, as well as an in-turn or substitute director. A director also includes both executive and non-executive directors as well as executive and non-executive chairpersons.

## **D. CODE OF ETHICS**

### **I. Corporate Governance**

In the performance of his duties, a director should at all times observe the following codes:

1. Should have a clear understanding of the aims and purpose, capabilities and capacity of the company;
2. Should devote time and effort to attend meetings and to know what is required of the board and each of its directors, and to discharge those functions;
3. Should ensure at all times that the company is properly managed and effectively controlled;

<b>APPENDIX B</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>CODE OF ETHICS FOR COMPANY'S DIRECTOR</b>	<b>Page 2 of 2</b>

4. Should stay abreast of the affairs of the company and be kept informed of the company's compliance with the relevant legislation and contractual requirements;
5. Should insist on being kept informed on all matters of importance to the company in order to be effective in corporate management;
6. Should limit his directorship of companies to a number in which he can best devote his time and effectiveness; each director is his own judge of his abilities and how best to manage his time effectively in the company in which he holds directorship;
7. Should have access to the advice and services of the company secretary, who is responsible to the board to ensure proper procedures, rules and regulations are complied with;
8. Should at all times exercise his powers for the purposes they were conferred, for the benefit and prosperity of the company;
9. Should disclose immediately all contractual interests whether directly or indirectly with the company;
10. Should neither divert to his own advantage any business opportunity that the company is pursuing, nor may he use confidential information obtained by reason of his office for his own advantage or that of others;
11. Should at all times act with utmost good faith towards the company in any transaction and to act honestly and responsibly in the exercise of his powers in discharging his duties; and
12. Should be willing to exercise independent judgment and, if necessary, openly oppose if the vital interest of the company is at stake.

## **II. Relationship with Shareholders, Employees, Creditors and Customers**

1. Should be conscious of the interest of shareholders, employees, creditors and customers of the company; Should at all times promote professionalism and improve the competency of management and employees; and
2. Should ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

## **III. Social Responsibilities**

1. Should ensure that necessary steps are taken in accordance with the law to properly wind-up or strike off the company register if the company has not commenced business or has ceased to carry on business and is not likely to commence business in the future or resume business as the case may be;
2. Should adopt an objective and positive attitude and give the utmost cooperation for the common good when dealing with government authorities or regulatory bodies;

<b>APPENDIX C</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>GUIDELINES OF CODE OF CONDUCT FOR OFFICERS AND EMPLOYEES</b>	<b>Page 1 of 6</b>

## **A INTRODUCTION**

The Code of Conduct (“Code”) as set below seeks to establish guidelines and set out the minimum standards of conduct expected from officers and employees (hereinafter collectively referred to as (“Staff”) of mTouche and its group of companies (hereinafter referred to as “the Group”).

All Staff are expected to conduct their business with the highest principles of moral behaviour and integrity. The Code is in keeping with this objective and identifies the particular responsibilities that each Staff must assume to merit public confidence and to protect the good reputation of the Group.

A breach of the Code will result in disciplinary action, which may include summary dismissal if found guilty. It is imperative that all Staff read and fully understand the Code. If you have any queries on the Code, no matter how trivial, you should seek immediate clarification.

The Code is divided into two (2) main sections as follows:

- Section 2.1 – Guidelines on Preservation of Integrity for all Staff
- Section 2.2 – Guidelines on the Code of Conduct for Staff

## **B. THE CODE OF CONDUCT**

### **I. Guidelines on Preservation of Integrity for All Staff**

- a) The Staff must ensure that decisions and actions for or on behalf of the Group conform to the highest standard of ethical conduct. This involves the notions of integrity and morality that must not be compromised in the name of profit or competition.
- b) The Staff’s business dealings for or on behalf of the Group with the regulators, business partners or prospective business partners, fellow Staff or those who may rely upon the Group, must be conducted “above board” (i.e. openly and fairly). For this reason, the Staff must not be influenced by friendship or association in the course of meeting the business partners’ requirements or in recommending that these requirements are met. Such business decisions must be made strictly on arm’s length business basis.
- c) The Staff must avoid all preferential transactions with insiders or related party(s). However, if such transactions are necessary for the benefit of the Group, they shall be made in full compliance with the Group’s guidelines and strictly on arm’s length basis judged on the basis of normal business criteria.

<b>APPENDIX C</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>GUIDELINES OF CODE OF CONDUCT FOR OFFICERS AND EMPLOYEES</b>	<b>Page 2 of 6</b>

## **II. Guidelines on the Code of Conduct for Staff**

A Staff **SHALL** at all times comply with and observe the rules and procedures set out under this Code which includes but not limited to the following:

- i) Compliance with Circulars, Guidelines and Policies
  - a) Abide by and adhere to all circulars, guidelines, internal policies, procedures and directives that may be imposed, amended and / or updated by the Group from time to time;
  - b) All Staff are required to sign a declaration.
- ii) Ensuring Information Confidentiality

Take every precaution to protect and maintain confidentiality of all transactions, accounts, material information, correspondences, dealings, personnel information, business affairs and materials be it copyrighted or otherwise affecting the Group and its business partners or any person that the Group may have dealings with, throughout the Staff's employment and thereafter.

All records including but not limited to computer files or programmes, personnel files, financial statements and business partners' information must be accessed and used only for the management-approved purposes for which they were originally intended, they must be stored away from unauthorised personnel and shredded once it has served its purpose.

Staffs are prohibited from discarding papers into the waste bins in whole or in part, where the Company's internal information can be read. Papers must be shredded and/or torn into pieces before being discarded. All staff must take every effort to avoid a breach of this duty. Public or private discussion of the affairs of the Group's business partners should always be avoided except with colleagues who have the need to know.

Information confidentiality is clearly stipulated in the Letter of Offer. All staff are to take responsibility of maintaining confidentiality of business partner information as well as the Company's internal information.

- iii) Ensuring Fair and Equitable Treatment

Conduct business dealings with current and potential business partners, with other members of the Staff and with all those who may have cause to rely upon the Group, fairly and equitably.

<b>APPENDIX C</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>GUIDELINES OF CODE OF CONDUCT FOR OFFICERS AND EMPLOYEES</b>	<b>Page 3 of 6</b>

- iv) Commitment to the Group, Quality and Competence
  - a) Give undivided loyalty and devotion to the Group by putting the Group's interest ahead of individual's;
  - b) Competent performance for all job duties assigned;
  - c) Observe punctuality at work;
  - d) At all times during working hours be neatly and properly dressed and groomed, wearing proper business attire and footwear, appropriate to the job performed;
  - e) Report to the Group's appointed medical practitioner in the event that the Staff suffers from any serious infectious or contagious disease including but not limited to hepatitis, tuberculosis, etc.
- v) Reporting Internal Fraud, Theft or Illegal Activities
  - a) Be alert and vigilant in respect to frauds, thefts or illegal activity committed within the office premises. If any such activity comes to the attention of a Staff, the Staff must immediately report the same to their Departmental Heads, who will arrange for appropriate action to be taken.

A Staff **SHALL NOT** conduct the following practices:

- i) Conflict of Interest
 

Engage directly or indirectly in any business activity that competes or conflicts with the Group's interest including but not limited to the following:-

  - a) Outside financial interest
 

Where the Staff has a financial interest in a business partner, such interest must be disclosed immediately to the Staff's immediate supervisor where thereafter, that Staff should not directly be involved in the Group's dealings with the business partner as long as the interest continues to exist.
  - b) Other business interest
 

It is considered a conflict of interest if a Staff conducts business other than Group's business during office hours.

<b>APPENDIX C</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>GUIDELINES OF CODE OF CONDUCT FOR OFFICERS AND EMPLOYEES</b>	<b>Page 4 of 6</b>

Where the acquisition of any business interest or participation in any business activity outside the Group and office hours demands excessive time and attention, thereby depriving the Group of the Staff's best efforts on the job, a conflict of interest arises.

c) Other employment

Staff must obtain written approval from the Group's management before embarking on any part-time employment or other business activities. Approval will only be granted when the interests of the Group will not be compromised.

The Policy on prohibition from holding positions outside the Group must be adhered by all staff at all times.

d) Entertainment and gifts

Staff must not accept entertainment, gifts, favours or concessionary offers from any organisation, firm or individual as an inducement to facilitate or secure a favourable decision.

e) Corporate directorships

Staff must not solicit corporate directorships i.e. a Staff should not serve as a director of another corporation without the approval of the Management. However, Staff may act as directors of non-profit public service corporations such as religious, educational, cultural, social, welfare or charitable institutions subject to approval from Management.

ii) Misuse of Position and Information

a) Use the Group's name or facilities for personal advantage in political or investment transactions, or in similar types of activities.

Staff should also not engage in 'back-scratching' exercises with another person to provide mutually beneficial transactions in return for similar favours, designed to circumvent these ethical guidelines.

b) Staff who possesses insider information shall be prohibited from advising or influencing any other person to deal in the securities concerned or communicating such information to any other person, including other members of Staff who do not require such information in discharging their duty until the information has been made public.

<b>APPENDIX C</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>GUIDELINES OF CODE OF CONDUCT FOR OFFICERS AND EMPLOYEES</b>	<b>Page 5 of 6</b>

It should be noted that insider dealing has pervasive adverse effects on the Group's integrity and credibility. As such, the Company views insider dealing as a serious matter and would not hesitate to take appropriate action against the Staff who has infringed the provisions of the applicable rules and regulations on insider trading.

- c) Divulge business partners information and transactions or make use of any secrets, materials whether copyright or otherwise, or any correspondence, accounts or dealings of the Group or its business partners, except in the proper course of his / her duties or with the Group's written consent.

iii) Fraudulent Records and Transactions

Make entries or allow entries to be made for any account, record or document of the Group that are false or would obscure the true nature of the transaction, as well as to mislead the true authorisation limits or approval by the relevant authority of such transactions.

iv) Unethical and Negligent Conduct

- a) Conduct himself / herself in such a manner as to bring the Group into dispute or to bring discredit thereto;
- b) Conduct himself / herself in such a manner as can reasonably be construed as being negligent or careless;
- c) Conduct himself / herself in such a manner as to placed himself / herself open to suspicion of dishonesty;
- d) Conduct himself / herself in such a manner as to result in financial losses to the Group, damages to the Group's property, image and lowering other Staff's morale;
- e) Conduct himself / herself in such a manner as may be construed as an act of insubordination;
- f) Harass, threaten, intimidate or coerce any person at any time;
- g) Use obscene, abusive language, or spread malicious rumours;
- h) Consume or be involved in the trafficking of or be involved directly or indirectly in heroin, marijuana, ganja, ecstasy or such like drugs or be found in possession of them;

<b>APPENDIX C</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>GUIDELINES OF CODE OF CONDUCT FOR OFFICERS AND EMPLOYEES</b>	<b>Page 6 of 6</b>

- i) Carry offensive weapons or explosives, or have possession of them within the Group's premises;
- j) Gamble, or engage in any other game of chance while on the Group's premises.

(The above lists are merely illustrative and not exhaustive.)

<b>APPENDIX D</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>WHISTLE BLOWING POLICY</b>	<b>Page 1 of 3</b>

## **A INTRODUCTION**

Whistle blowing policy is a policy to encourage and enable employees to raise serious concerns within the Group (mTouche Group of Companies) rather than overlooking a problem or 'blowing the whistle' outside.

Employees are often the first to realise that there is something seriously wrong with the Group. However, they may not express their concerns as they feel that speaking up would be disloyal to their colleagues or to the Group. They may also fear harassment or victimisation. In these circumstances it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.

The whistle-blowing policy is intended to encourage employees to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, and in an appropriate way.

This policy is designed to:

- support the Company's values;
- ensure that employees can raise concerns without fear of reprisals; and
- provide a transparent and confidential process for dealing with concerns.

This policy not only covers possible improprieties in matters of financial reporting, but also:

- fraud;
- corruption, bribery or blackmail;
- criminal offences;
- the unauthorised use of company's funds;
- conduct which is an offence or a breach of law, rules and regulations;
- failure to comply with a legal or regulatory obligation;
- miscarriage of justice;
- endangerment of an individual's health and safety; and
- concealment of any or a combination of the above.

This policy also does not replace other corporate complaints procedures which are for public use.

## **B. PRINCIPLES**

The principles underpinning the policy are as follows:

- all concerns raised will be treated fairly and properly;
- the Company will not tolerate harassment or victimisation of anyone raising a genuine concern;
- any individual making a disclosure will retain anonymity unless the individual agrees otherwise;
- the Company will ensure that any individual raising a concern is aware of the procedures in handling the matter; and

<b>APPENDIX D</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>WHISTLE BLOWING POLICY</b>	<b>Page 2 of 3</b>

- the Company will ensure that no one will be at risk of suffering some form of reprisal as a result of raising a concern even if the individual is mistaken. The Company, however, does not extend this assurance to someone who maliciously raise a matter he/she knows is untrue.

**C. UNTRUE ALLEGATIONS**

If an employee makes an allegation in good faith, but the allegation is not confirmed by the investigation, no action will be taken against the employee. If, however, an employee makes an allegation frivolously, maliciously or for personal gain, disciplinary action may be taken against the employee.

The employee must:

- disclose the information in good faith;
- believe it to be substantially true;
- not act maliciously or make false allegations; and
- not seek any personal gain.

**D. CONFIDENTIALITY**

All concerns will be treated in confidence and every effort will be made not to reveal employee's identity if the employee so wishes. If the situation arises where management is not able to resolve the concern without revealing the employee's identity (for instance because your evidence is needed in court), management will discuss with the employee whether and how management can proceed. However, such consultation will not take place in the event the disclosure of identity is required by law.

**E. REPORTING PROCEDURES**

If any employee believes reasonably and in good faith that malpractice exists in the work place, the employee should report this immediately to the line manager. However, if for any reason the employee does not want to report to the line manager, then the employee should report the concerns to the:

- Audit Committee Chairman
- Audit Committee Members

The officer above will maintain a record of concerns raised (in a form which does not endanger employee's confidentiality) and assess what action should be taken. This may involve an internal inquiry or a more formal investigation. Where appropriate, the matters raised may:

- be investigated by management, the responsible officer or through the disciplinary process;
- be referred to the police;
- be referred to the external auditor; or
- be subjected to an independent inquiry.

Employees who have raised concerns internally will be informed of how the matter will be dealt with.

<b>APPENDIX D</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>WHISTLE BLOWING POLICY</b>	<b>Page 3 of 3</b>

Whistle blowers' identities will not be disclosed without prior consent, unless disclosure is required by law. Where concerns cannot be resolved without revealing the identity of the employee raising the concern (i.e. if the evidence is required in court), a dialogue will be carried out with the employee concerned as to whether and how the matter can be pursued.

#### **F. DUTIES AND FUNCTIONS OF AUDIT COMMITTEE**

All matters reported after enquiry and/or investigation will be tabled to the Audit Committee, which is given the authority to:

- a) ensure that appropriate infrastructure, resources and systems are in place for effective implementation of the whistle blowing practices;
- b) establish procedures for reporting and handling complaints received from employees, including to:
  - appoint a person in charge to handle complaints received and to maintain a record of complaints;
  - establish a mechanism to verify that the complaints received pertain to matters covered by the procedures;
  - recommend appropriate mechanism and approach for investigation of the complaint received;
  - establish procedures prohibiting retaliation by the Company to discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee with respect to good faith reporting of a matter covered by this policy;
  - ensure that confidentiality of information in relation to the complaint is maintained to the fullest extent possible. Information shall be provided in such manner as to safeguard as much as possible the confidentiality of the identity of the reporting employee; and
  - recommend to the Board of Directors for a prompt and appropriate corrective action to be taken in consequence of the investigation.

The Audit Committee shall then report to the Board of Directors on reports and findings that requires their attention and approval.

#### **G. WHISTLEBLOWER PROTECTION ACT 2010**

The Whistleblower Protection Act 2010 was approved in Parliament on 6 May 2010 and came into force on 15 December 2010.

In case of any discrepancy between this policy and the Whistleblower Protection Act 2010, the Act will prevail.

<b>APPENDIX E</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>REMUNERATION POLICY</b>	<b>Page 1 of 2</b>

**A. GUIDELINES**

1. The objective of this Policy is to assist mTouche Technology Berhad (“mTouche”) Group in attracting, retaining and motivating its directors. The remuneration shall be based on conditions that are market driven and at the same time aligned with shareholders’ interests.
2. mTouche’s remuneration policy is approved by the Board of Directors on recommendation by the Remuneration Committee (“RC”). On a yearly basis, the RC recommends to the Board the remuneration packages of Executive and Non-Executive Directors and it is the responsibility of the Board as a whole to approve the remuneration packages, except that Director’s Fees shall be approved by the shareholders at general meetings.
3. No Director shall participate or vote on the deliberations and decisions concerning his or her own remuneration.

**B. POLICY & PROCEDURES**

The RC shall be responsible for the development of the remuneration policy and the determination of the remuneration packages of the Directors. Nevertheless, it is the ultimate responsibility of the Board to approve the remuneration of the Directors.

The Directors shall be offered an appropriate level of remuneration that would reflect the level of risks, responsibilities, experiences as well as the performance of the Company undertaken by the individual Director concerned.

**C. PROCEDURES**

1. Executive Directors

The remuneration of the Executive Director(s) shall comprise of basic salaries, directors’ fees, allowances, annual bonus & etc. and are set according to:-

- the job functions;
- the level of skills, qualification, experience and responsibilities given;
- the performance indicators (“KPI”) for the job;
- the key contributions towards the Group; and
- prevailing market and industry’s rate.

In formulating the remuneration levels, the RC must consider the assessment on the performance of the Executive Director(s) against such targets as well as benchmarking to market rate for benefits-in-kind, annual increment and bonus. The performance measures may derive from a mix of financial and strategic measures. Financial measures may include profitability of the Company. Strategic measures may include but not limited to competitive performance metrics such as enhancement of shareholder value/market share.

Remuneration of the Executive Director(s) shall be structured to link rewards to corporate and individual performance and shall take into consideration remuneration paid to directors of other similar companies, whether in size and/or industry, the individual’s performance and responsibility, market competitiveness as well as mTouche’s overall performance.

<b>APPENDIX E</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>REMUNERATION POLICY</b>	<b>Page 2 of 2</b>

2. Non-Executive Directors

The remuneration of the Non-Executive Directors shall consists of directors' fees and meeting allowances. The remuneration for the Non-Executive Directors must take into consideration of the experiences, responsibilities and time committed by the Non-Executive Directors concerned.

Remuneration for the services of Non-Executive Directors shall be aligned with market terms, taking into consideration remuneration paid to directors of other similar companies, whether in size and/or industry, the individual's performance and responsibility, market competitiveness as well as mTouche's overall performance.

3. Key Senior Management

The remuneration of the Key Senior Management is made up of basic salaries, annual bonus & etc. and are set according to:-

- the job functions;
- the level of skills, qualification, experience and responsibilities given;
- the performance indicators ("KPI") for the job;
- the key contributions towards the Group; and
- prevailing market and industry's rate.

Remuneration of the Key Senior Management shall be structured to link rewards to corporate and individual performance and shall take into consideration remuneration paid to them of other similar companies, whether in size and /or industry, the individual's performance and responsibility, market competitiveness as well as mTouche's overall performance.

**D. PROCESS**

The RC operates under the delegation of the Board to provide an oversight of the Company's remuneration and compensation plans on behalf of the Board.

The RC reviews the remunerations strategy and plans of the Company, compares the strategy and plans with community and industry standards and, where possible, verifies the appropriateness of the strategy and plans by reference to external information and advice.

<b>APPENDIX F</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>BOARD DIVERSITY POLICY</b>	<b>Page 1 of 2</b>

## **A. INTRODUCTION**

This Policy pursues to record, more formally, the Company's policy on Board diversity and to recognise the recommendation of the Malaysian Code on Corporate Governance 2017.

## **B. PRINCIPLES AND OBJECTIVES**

The Group strictly adheres to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, which includes the selection of Board members. The Board encourages a dynamic and diverse composition of members by nurturing suitable and potential candidates equipped with competency, skills, experience, good character, time commitment, integrity and other qualities in meeting the future needs of the Company.

The objectives of this Policy are to have a Board which:

- is characterised by a broad range of viewpoints rather than just diversity in skills and experience; diversity in viewpoints would exist if there are diversity in gender, nationality, age, culture and socio-economic backgrounds; and
- has sustainable development as its core value, thus promoting the interests of all our stakeholders, particularly the long term interests of our shareholders, fairly and effectively.

## **C. SCOPE & POLICIES**

The Board considers that the concept of diversity incorporates a number of different aspects, such as professional experiences, business experiences, skills, knowledge, gender, age, ethnicity and educational background.

### **(a) Board Mix**

The Board shall include a balanced composition of Executive, Non-executive and Independent Non-executive Directors to promote a strong element of independences in the Board. The Independent Non-executive Directors shall be of sufficient calibre and standing, for their views to carry weight.

### **(b) Skills and Experience**

The Board shall possess a balance of appropriate skills for the requirements of the business of the Company. The Directors shall have a mix of financial, legal, management and other backgrounds which when working in synergy, could provide the Company with considerable experience in a wide range of activities.

### **(c) Gender**

The Board takes cognisant of the recommendation of the Malaysian Government to have at least 30% women as decision makers in corporate sector. The Company shall endeavour to increase female representation on the Board if there are appropriate candidates available when Board vacancies arise.

### **(d) Ethnicity/Nationality**

The Company aspires to have a board of directors of different nationality or ethnic backgrounds who can contribute their knowledge and understanding of the business, industry and environment.

<b>APPENDIX F</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>BOARD DIVERSITY POLICY</b>	<b>Page 2 of 2</b>

- (e) Age  
The Board is fully committed to promote age diversity, valuing the contribution of its members regardless of age, and seeks to eliminate age stereotyping and discrimination.

#### **D. MEASURABLE OBJECTIVES**

This Diversity Policy framework for the Group is aimed towards achieving the following objectives:

1. Selection of candidates will be based on a range of diversity perspectives, including but not limited to, professional experiences, business experiences, skills, knowledge, gender, age, ethnicity and educational background. The ultimate decision will be based on merit and contributions that the selected candidates will bring to the Board. The Board's composition (including gender, ethnicity and age) will be disclosed in the Corporate Governance Report annually.
2. The Board acknowledges the importance of promoting gender diversity. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.

#### **E. MONITORING AND REPORTING**

1. Pursuant to the Term of Reference of the Nomination Committee, the Nomination Committee is (among other things) responsible for:
  - reviewing, recommending and considering candidates to the Board and committees of the Board;
  - assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Directors on an on-going basis; and
  - assessing the balance of the Board membership and determining the core competencies and skills required for the Board.
2. The Nomination Committee shall report to the Board on:
  - initiatives undertaken by the Board in relation to board Diversity and to achieve the Measurable Objectives;
  - progress in achieving the Measurable Objectives; and
  - recommendations regarding Measurable Objectives.
3. The Board shall, at least annually, assess:
  - Measurable Objectives; and
  - the progress in achieving the Measurable Objectives.
4. The Board will ensure that appropriate disclosures are made in the Annual Report regarding Board Diversity.

<b>APPENDIX G</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>PROCEDURE FOR THE APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT STAFF FOR THE APPROVAL OF THE BOARD OF DIRECTORS</b>	<b>Page 1 of 2</b>

**A. INTRODUCTION**

To develop a formal set of terms of appointment for Directors and Chief Executive Officer (“CEO”) / Group Managing Director (“MD”)

**B. OBJECTIVE**

To have clear terms of appointment for Directors and CEO/Group MD which defines scope of responsibility and accountability, tenure, retirement age, performance goals, misconduct and termination clause among others.

**C. PROCEDURE FOR APPOINTMENT FOR THE BOARD AND CEO/GROUP MD**

1. Recruitment

- (a) Recruitment of the Board and CEO/Group MD can be sourced out from internally or externally.
- (b) Internal sources:
  - Internal nomination from Succession Planning
  - Nomination from Internal Talent Pool
- (c) External sources:
  - Head Hunting
  - Referral

2. Procedures for Nomination

- All nominations of candidates including for the positions of Chief Financial Officer or Chief Operating Officer, must be submitted to the Nomination Committee for consideration.
- Chairman of the Nomination Committee to recommend to the Board, based on the established “Fit and Proper” standards.
- Board of Directors deliberate on the recommendation and approve the appointment of CEO/Group MD/ Directors, subject to the provisions in the Constitution, Listing Requirements and Companies Act 2016.

3. Re-election

All directors are required to submit themselves for re-election at regular intervals, subject to the provisions in the Constitution, Listing Requirements and Companies Act 2016.

4. Negative List

- Practicing accountant may be appointed as directors provided they are not employed/partners in an accounting firm, which has been engaged to conduct audit or consultancy work at the Company.

<b>APPENDIX G</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>PROCEDURE FOR THE APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT STAFF FOR THE APPROVAL OF THE BOARD OF DIRECTORS</b>	<b>Page 2 of 2</b>

- Practicing lawyers who are partners in a legal firm, which is on the panel of lawyers of the Company (and not receiving remuneration on a regular basis), may be appointed to the board. The lawyers are required to disclose the relationship with the Company on the onset to avoid potential issues of conflict of interest.
- Individuals who are active in politics cannot be appointed as directors in order to avoid the risk of politicians encountering conflicts of interest situations in serving their constituencies. A person is considered to be politically active if he is a Member of Parliament, State Assemblyman, Supreme Council Member of a political party or member who holds a position at divisional level in a political party.

5. Disqualification of Directors and CEO/Group MD

Nomination Committee is responsible for assessing on an annual basis, that the directors and key senior management officers are not disqualified under the Companies Act 2016 and other regulations and continue to comply with the "Fit & Proper" standards and recommend to the Board the removal of Director/Senior Management if they are ineffective, errant or negligent in discharging their responsibilities.

6. Others

Before any appointment by the Board, the Nomination Committee shall evaluate the balance of skills, knowledge, experience and diversity in the Board, and the current and future needs and size of the Company.

<b>APPENDIX H</b>	
<b>MTOUCHE TECHNOLOGY BERHAD</b>	
<b>SUCCESSION POLICY</b>	<b>Page 1 of 2</b>

**A. INTRODUCTION**

Succession planning is a process designed to ensure continuity in the management of the Company through the identification and development of talents via mentoring, training and rotation of positions so that they are able to replace key individuals in the management of the Company in the event of the vacancy of key positions.

**B. OBJECTIVES**

1. To prepare the Company and ensure management continuity in the event of vacancies left by the key management personnel such as the Group Managing Director (“MD”), senior management or others should they vacate their positions;
2. To identify, hire and develop suitable qualified employees for higher roles and responsibilities within the organisation; and
3. To develop procedures for employment of key personnel and ensure compliance to these procedures.

**C. KEY MANAGEMENT POSITIONS**

The positions that are regarded as key management position in this policy are as follows:

- a) Board Members;
- b) Chief Executive Officer/Group Managing Director;
- c) Executive Director;
- d) Chief Financial Officer; and
- e) Head of Departments or divisions.

**D. ROLES AND RESPONSIBILITIES**

1. The Board is essential in the succession planning where they will be primarily responsible for the succession planning of the key management positions of the Group.
2. The Board shall, with the assistance of its management team, ensure that candidates that are earmarked for the succession planning purposes possess the required skills to implement the Group’s vision and mission.
3. The Board shall be assisted by the Nomination Committee and Human Resource Department in the implementation of the succession plan which covers the identification of internal candidates, their training and development as well as identification of external candidates.
4. The Board shall maintain an emergency succession contingency plan should an unforeseen event such as death or disability occurs to ensure the availability of individuals to assume the roles and responsibilities of those affected.
5. The Board may review development and succession planning more frequently as it deems necessary.