

DATAPULSE TECHNOLOGY LIMITED

NOMINATING COMMITTEE

TERMS OF REFERENCE

1. Establishment

Pursuant to the Code of Corporate Governance issued by the Monetary Authority of Singapore on 6 August 2018 (the "**Code**"), the Nominating Committee ("**Committee**") is established by the Board of Directors of the Company ("**Board**") in accordance with the terms of reference approved by the Board.

2. Objectives

The Committee will make recommendations to the Board on all Board appointments and re-appointments, to review multiple board representations of directors, to formally assess the effectiveness of the Board as a whole, the effectiveness of the Board Committees and the contribution by each individual director to the effectiveness of the Board, to review the training and professional development programmes for the Board, to review the structure, size and mix of expertise and experience of the Board, to review the succession plans for the Chairman of the Board, Directors of Company, the Chief Executive Officer of the Company and key management personnel of the Company, and to assess the independence of directors and level of independent element within the Board.

3. Composition and Constitution

- 3.1 The Committee should comprise at least three (3) directors, a majority of whom, including the Chairman, should be independent. The lead Independent Director, if any, should be a member of the Committee. The other members should be non-executive Directors
- 3.2 The Chairman of the Committee should be a director who is not directly associated with¹, a substantial shareholder (with interest of 5% or more in the voting shares of the Company). The Committee shall appoint one of its members, who is an independent director, to chair the Committee.
- 3.3. A member who wishes to retire or resign from the Committee shall provide sufficient notice to the Board so that a replacement may be appointed before he leaves.
- 3.4 In the event of a vacancy resulting in the number of members falling below the minimum of three (3), the Company shall endeavour to fill the vacancy within two (2) months, but in any case not later than three (3) months.

¹ A director will be considered "directly associated" to a substantial shareholder when the director is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder in relation to the corporate affairs of the company. A director will not be considered "directly associated" with a substantial shareholder by reason only of his or her appointment having been proposed by that substantial shareholder.

4 Duties and Power

- 4.1 Develop the performance evaluation framework for the Board, the Board Committees and individual Directors. If deemed appropriate, the Committee should also propose objective performance criteria for the Board and conduct the evaluations, analyse the findings and report the results to the Board. The Committee will also recommend areas that need improvement, if any. This process can be assisted by independent third party facilitators.
- 4.2 Annual review of the size and mix of the Board:
- (a) To examine the size of the Board and, with a view to determining the impact of the number upon effectiveness, decide on what it considers an appropriate size for the Board, taking into consideration the scope and nature of the operations of the Group, which facilitates effective decision making;
 - (b) To review the required expertise and experience of the directors to ensure that there are adequate relevant competencies of the directors in discharging their respective functions in a balanced Board; and
 - (c) To report the results of the review to the Board.
- 4.3 Annual review of multiple board representations held by directors:
- (a) To review the multiple board representations held by directors to ensure that sufficient time and attention is given to the affairs of the Company. The Committee shall decide if a director is able to and has been adequately carrying out his/her duties as a director of the Company.
- 4.4 Annual assessment of the effectiveness of the Board as a whole:
- (a) To conduct annually a formal assessment of the effectiveness of the Board as a whole.
 - (b) In assessing the effectiveness of the Board as a whole, to consider a number of factors, including the performance of the Board, overall attendance of Board members and contributions of Board members during Board Meetings.
 - (c) This assessment process is to be disclosed annually in the Company's Corporate Governance Report in the Annual Report upon the recommendation by the Committee to the Board.

Note 1: The Code requires annual assessment of contributions by individual director to the effectiveness of the Board. In assessing the contribution by each individual director to the effectiveness of the Board, with the aim of assessing whether each director continues to contribute effectively and demonstrate commitment to the role (including commitment of time for Board and committee meetings, and any other duties), to consider to adopt objective criterion such as the director's attendance; preparedness, participation and candour during Board Meetings.

However, the Committee is of the view that assessing the effectiveness of the Board as a whole would be adequate and assessing the contributions of individual directors to the effectiveness of the Board would not be meaningful given that the Board's functioning and performance are dependent on the combined efforts, expertise and experience of all directors and could not be attributed to any single director.

Note 2: The Code requires the Committee to decide on how the Board's performance may be evaluated and propose objective performance criteria (to be approved by the Board) that allow comparison with its industry peers and address how the Board has enhanced long term shareholders' value.

Performance criteria should not be changed from year to year, and where circumstances deem it necessary for any of the criteria to be changed, the onus should be on the Board to justify the decision.

In addition to any relevant performance criteria which the Board may propose, the performance evaluation should consider the Company's share price performance over a 5-year period vis-à-vis the Straits Time Index and a benchmark index of the Company's industry peers. Other performance criteria that may be used include return on assets ("ROA"), return on equity ("ROE), return on investment ("ROI"), economic value added ("EVA") and profitability on capital employed.

However, the Committee is of the view that the use of financial indicators may be limiting in the assessment of the Board's effectiveness.

4.5 Review and make recommendations on all nominations for appointments:

(a) To identify candidates and review all nominations for appointment on:

- (i) members of the Board and alternate directors; and
- (ii) CEO, Deputy CEO, CFO 'including any other officer by whatever name called who has responsibilities and functions similar to any of these officers.

(b) In reviewing, to consider criterion such as the candidate's leadership experience, level of professional skill and appropriate personal qualities, taking into account the range of expertise, skills and attributes of the existing Board members and the needs of the Board and the Group's future business directions and strategies.

(c) To review the candidate's board memberships in other organization, if any, with the view to assess whether he/she is able to carry out his/her duties efficiently taking into account the degree of his board representation(s) and the time spent on each board.

4.6 Review and make recommendations on all re-appointments/re-elections:

(a) To review and make recommendations on all re-appointments/re-elections.

(b) In reviewing, to consider criterion such as the director's contributions and performance (e.g. attendance, preparedness, participation and candour) including, and if applicable, assessment of the director's independence status. The Committee should also decide whether the director under review has been adequately carrying out his/her duties as director of the Company.

(c) All directors to submit themselves for re-appointments/re-elections at regular intervals and at least once every 3 years.

- (d) Directors are to submit their names together with the following information for election/re-election:
 - (i) academic and professional qualifications;
 - (ii) shareholdings in the Company and its subsidiaries;
 - (iii) board committees served on (as a member or chairman);
 - (iv) date of first appointment as a director;
 - (v) date of last re-election as a director;
 - (vi) directorships or chairmanships both present and those held over the preceding 3 years in other listed companies;
 - (vii) other major appointments; and
 - (viii) whether the directors are executive, non-executive or considered by the Committee to be independent.

4.7 Annual determination of directors' independence and level of independent element within the Board:

- (a) On appointment, and thereafter, on an annual basis, every non-executive director of the Board shall complete a return (as in **Appendix I**) showing any relationships, dealings or arrangement between the director and the Company or any of its related companies.
- (b) The Committee shall review the returns to determine if a director is to be considered independent.
- (c) An independent director shall notify the Committee immediately, if any change in circumstance occurs.
- (d) The Committee may, after considering the change in circumstance, recommend to the Board that the affected director be required to resign from the Board.

Note: An "independent" director is defined as one who has no relationship (whether familial, business, financial, employment, or otherwise) with the Company, its related companies (includes its subsidiary, fellow subsidiary or parent company), substantial shareholders², or officers, which could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Company. Examples of such relationships, which would deem a director not to be independent, include:

- (i) a director being employed by the Company or any of its related companies for the current or any of the past three (3) financial years;

² A "substantial shareholder" is a shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in the company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the company, in line with the definition set out in section 2 of the Securities and Futures Act (Chapter 289) of Singapore.

- (ii) a director who has an immediate family members (refers to the spouse, child, adopted child, step-child, brother, sister and parent) who is, or has been in any of the past three (3) financial years, employed by the Company or any of its related companies as a senior executive officer whose remuneration is determined by the Remuneration Committee;
- (iii) a director, or a director whose immediate family member, in the current or immediate past financial year, provided to or received from the company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services), other than compensation for board service. The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material. As a guide, payments aggregated over any financial year in excess of S\$50,000 should generally be deemed significant; or
- (iv) a director, or a director whose immediate family member, in the current or immediate past financial year, is or was, a substantial shareholder of or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organization which provided to or received from the Company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services). The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material. As a guide, payments aggregated over any financial year in excess of **S\$200,000** should generally be deemed significant irrespective of whether they constitute a significant portion of the revenue of the organisation in question. Payments for transactions involving standard services with published rates or routine and retail transactions and relationships (for instance credit card or bank or brokerage or mortgage or insurance accounts or transactions) will not be taken into account, unless special or favourable treatment is accorded; or
- (v) a director who is or has been directly associated³ with a substantial shareholder of the company, in the current or immediate past financial year.

The relationships set out above are not intended to be exhaustive, and are examples of situations which would deem a director to be not independent. If the company wishes, in spite of the existence of one or more of these relationships, to consider the director as independent, it should disclose in full the nature of the director's relationship and bear the responsibility for explaining why he should be considered independent.

- (e) The Committee shall, after reviewing the individual director's independence, assess the level of independent element in the Board to enable an objective judgement on the corporate affairs of the Group by the Board, taking into account the number of independent directors.
- (f) The Committee shall report the results of the review to the Board.

³ A director is considered "directly associated" with a substantial shareholder when he is accustomed or under the obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder in relation to the corporate affairs of the company. A director will not be considered "directly associated" with a substantial shareholder by reason only of his or her appointment having been proposed by that substantial shareholder.

- 4.8 Before appointing an appointee to the Board, the Committee shall ask him to disclose any existing or expected future business interests that may lead to a conflict of interests. This disclosure is to be included in any recommendations to the Board.
- 4.9 Following the Board's confirmation, the Committee, if it deems appropriate, will send the newly-appointed director a formal appointment letter which clearly sets out his roles and responsibilities, authority, and the Board's expectations in respect of his time commitment as a Director.
- 4.10 Consider the various disclosure requirements, particularly those required by regulatory bodies such as SGX and to ensure that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties.
- 4.11 Recommend to the Board any appropriate extensions or changes in the duties and powers of the Committee.
- 4.12 Where appropriate, seek any information it requires from the Company Secretary and any employee of the Company insofar as legally permissible.
- 4.13 Retain, at the Company's expense, such legal and other professional consultant firm as the Committee may deem necessary to enable it to discharge its duties hereunder satisfactorily. The Committee may meet such third party service providers as and when it deems necessary and if the Committee deems fit, without the presence of Management.
- 4.14 Where appropriate, review the succession plans for the Board Chairman, Directors, CEO and senior management of the Company.
- 4.15 Where appropriate, identify and develop training programmes for the Board and assist with similar programmes for the Board Committees.
- 4.16 Where appropriate, keep up to date with developments in corporate governance initiatives, changes to relevant legislations, strategic issues and commercial changes that may affect the Company and the industry in which it operates.
- 4.17 Carry out such other duties as may be agreed to by the Committee and the Board.
- 4.18 All recommendations of the Committee shall be made unanimously and thereafter put to the Board for approval. In the event that there is no unanimity over any issue, all conflicting views shall be submitted to the Board for its final decision.
- 4.19 No director shall participate in any decision relating to himself or herself.

5. Meetings

- 5.1 The Committee shall hold at least one meeting, and as often as necessary, in each financial year. The meeting shall be held for the following purposes:
 - 5.1.1. to carry out its duties under Clause 4 of these terms of reference; and
 - 5.1.2. for any other matter decided by the Committee or the Board.

- 5.2 The Chairman of the Committee shall chair all meetings. If no such Chairman is appointed or if the Chairman is not present within 10 minutes after the time appointed for holding any meeting, the members present may choose one of the independent directors to be Chairman of the meeting.
- 5.3 The Chairman or in his absence, a member of the Committee, should be present and available to address questions at shareholders' general meetings.
- 5.4 The Secretary of the Company shall be Secretary of the Committee. If the Secretary is not present, the Committee may choose any person to be Secretary of the meeting.
- 5.5 Any minutes signed by the Chairman of the meeting to which they relate or of the meeting at which they are read shall be sufficient evidence without any further proof of the facts stated therein.
- 5.6 Minutes of each Committee meeting shall be circulated to the Board.
- 5.7 Minutes of the meetings shall be safe-kept at the registered office of the Company.
- 5.8 Unless otherwise agreed, the notice and agenda for each meeting shall be circulated before each meeting to the Committee members and those who are required to be in attendance. The notice must be sent to the relevant persons at least one week before the meeting.
- 5.9 Each member is expected to attend every meeting either in person or by teleconference, video conference, or any other form of audio or audio-visual communication.
- 5.10 The quorum for each meeting shall be a majority of the members, with the majority of the quorum being Independent Directors.
- 5.11 The Committee may invite any director and executive officer of the Company, or external consultants whom it believes can provide the information it needs for the purposes of the meeting, to attend its meetings. For the avoidance of doubt, such invitees would not count towards the quorum.
- 5.12 The Committee may regulate its own procedure and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceedings thereat.
- 5.13 In case of an equality of votes, the Chairman of the meeting has a second or casting vote.
- 5.14 A member of the Committee shall not participate in the deliberations of the Committee if he has an interest in the subject of the matter being deliberated.

6 Resolutions in Writing and Meetings by Conference Calls

- 6.1 A resolution in writing signed or approved via letter, email or facsimile by a majority of the Committee members shall be effective for all purposes as a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may be contained in a single document or may consist of several documents all in like form signed by one or more members.
- 6.2 A decision shall be considered made if the agreement / approval in writing is signed by a majority of the members entitled to participate in the decision.

- 6.3 The Committee may conduct its meeting by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means without a member being in physical presence of another members and participation in a meeting in such manner shall be deemed to constitute presence in person at such meeting. Minutes of such a meeting signed by the Chairman of the Committee shall be conclusive evidence of any resolution of any meeting conducted in the manner as aforesaid.

7 Reporting Requirements

- 7.1 The Chairman reports on the Committee proceedings to the Board with minutes of Committee meetings, or by such other mode as deemed appropriate.
- 7.2 Where deemed appropriate, the NC helps the Board to describe and disclose the following information in the company's annual report:
- 7.2.1 names of the members;
 - 7.2.2 the Committee's key terms of reference that explain its role and the authority delegated to it by the Board;
 - 7.2.3 the number of meetings held in the year, as well as the attendance of every NC member at these meetings;
 - 7.2.4 the process for the selection, appointment and reappointment of new directors to the Board, including the search and nomination process;
 - 7.2.5 Key information on each director of the Board, as well as details and information on director(s) seeking shareholders' approval on his appointment to be included in the relevant resolution;
 - 7.2.6 where applicable, the independent status of NEDs; the reasons for considering that a particular Director is independent despite a relationship that, under the Code, would otherwise deem a Director not be independent; or the reason that a Director is still on the Board for more than nine years from the date of his first appointment as a Director;
 - 7.2.7 the induction, orientation and training provided to new and existing directors;
 - 7.2.8 the maximum number of listed company Board representations that directors may hold; and
 - 7.2.9 the assessment approach of the Board, Board Committees and each individual director. If an external facilitator has been engaged, the annual report shall also disclose whether the external facilitator has any other connection with the company or any of its directors.

8. General

- 8.1 This terms of reference shall be read in conjunction with the terms of the policy relating to the appointment, re-appointment and resignation of directors of the Company ("**Appointment of Directors Policy**") adopted by the Board on 10 September 2018, as amended from time to time. In the event of any conflict or inconsistency between thisterms of reference and the Appointment of Directors Policy, the terms of the Appointment of Directors Policy shall prevail.

Appendix I

Date:

To: The Board of Directors
Datapulse Technology Limited

Dear Sirs

Confirmation of Independence

In connection with my position as an independent director of Datapulse Technology Limited (hereinafter referred to as the "Company"), I confirm that:

- (a) I am not employed by the Company or any of its related corporations for the current or any of the past three financial years;
- (b) I am not a spouse, child, adopted child, sibling or parent of an executive director of the Company or any of its related corporations;
- (c) I do not have an *immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations as a senior executive officer whose remuneration is determined by the remuneration committee;
- (d) I am not accepting any compensation from the Company or any of its subsidiaries other than compensation for board service for the current or immediate past financial year;
- (e) I do not have an *immediate family member who is accepting any compensation from the Company or any of its subsidiaries other than compensation for board service for the current or immediate past financial year;
- (f) I am not a substantial shareholder of or a partner in (with 5% or more stake), or an executive officer of, or a director of any for profit business organisation to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments in the current or immediate past financial year. I understand that payments aggregated over any financial year in excess of SGD200.000 should generally be deemed significant;
- (g) I do not have an 'immediate family member who is a substantial shareholder of or a partner in (with 5% or more stake), or an executive officer of, or a director of any for-profit business organisation to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments in the current or immediate past financial year. I understand that payments aggregated over any financial year in excess of SGD200.000 should generally be deemed significant; and
- (h) I do not have a relationship which would interfere or be reasonably perceived to interfere with the exercise of independent judgement in carrying out the functions as an independent director of the Company.

Accordingly, I can continue to act as an independent director of the Company. Further, in connection with my position as chairman of the nominating committee, I confirm that I am neither a substantial shareholder of the Company nor am I **directly associated with a substantial shareholder of the Company.

In the event of any change in circumstances that may result in me not being able to meet any of the above criteria, I shall notify the Company immediately.

Yours faithfully

Signature

**Immediate family member means the spouse, child, adopted child, step-child, sibling or parent.*

*** A director will be considered "directly associated" to a substantial shareholder when the director is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder.*