

## **Compliance**

The D&M Group has established the following compliance structure placing emphasis on compliance management.

### ◆ Compliance regulations

To raise awareness of corporate ethics and compliance throughout the organization, compliance related regulations, including Code of Conduct has been formulated and are available on the company intranet.

### ◆ Establishment of the Compliance Committee

To enhance the effectiveness of legal and ethical compliance within the D&M Group, the Company has established the Compliance committee. The committee is responsible for overseeing the compliance system within the company, and to prevent and provide for early detection of any improper conduct within the company

#### Role:

- To review and to monitor compliance of the Charter of Conduct
- To establish and review the compliance related internal regulations
- To investigate on non-compliance and non-compliance reported to the D&M Compliance Hotline
- To report its findings and any remedial actions to the Audit Committee

#### Members:

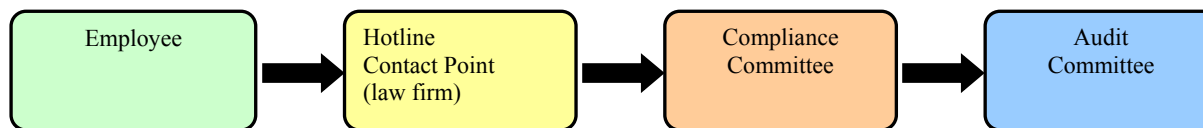
- CEO
- General Manager of the Internal Auditing Division
- General Manager of the Legal Division
- General Manager of the Human Resources Division

### ◆ Compliance Hotline

“D&M Compliance Hotline” has been introduced to prevent and provide for early detection of any illegal, dishonest, unethical or fraudulent act by an employee or a business division within the D&M group.

A law firm has been designated as a contact point to protect the whistle-blower from unfair treatment.

#### Hotline flowchart



- Report non-compliance by another employee or a business division
- Email, Letter (anonymity possible)

- Notification of the report received from an employee to the Compliance Committee
- Record of report to be created

- Investigation
- If non-compliance is found:
- consider appropriate measure to be taken and report to the Company (the Board) and Audit Committee

- Decision on disciplinary action against the non-complying employee/officer responsible for a business division
- Feed back the outcome to the originating employee

### ◆ Compliance Training

The D&M Group believes that compliance efforts are essential elements in sustaining the credibility of the company. Training programs have been conducted to all employees and compliance seminars are held for new employees on regular basis. Legal Division provide support for the running of compliance training program in our overseas group companies whilst taking into account local laws, regulations, customs and cultures.