



Policy

This policy document describes in detail the principle of actions regarding:

Intellectual Property Policy

Intellectual Property Steering Committee

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Record History

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1. Policy Statement

1.1 The purpose of this Policy is to document the principles of action regarding Intellectual Property (“IP”) protection and IP services of NanoMalaysia Berhad (hereinafter referred to as “NMB”) and NanoMalaysia Berhad Group of Companies (hereinafter referred to as “NMB Group”), in which, the IP will be used as knowledge, creative application and, includes a variety of legal rights (hereinafter referred as ‘Intellectual Property Rights’) which protects the applications of ideas and information with commercial value that will be utilized by NMB and NMB Group.

2. Objectives

The objectives of this Intellectual Property Policy are:

- 2.1 to establish and provide a common framework to regulate the ownership and the management of Intellectual Property from the creation, protection, innovation, exploitation and technology transfer activities carried out by NMB and NMB Group;
- 2.2 to ensure and facilitate the protection of IP (Invention Disclosure, IP filing, IP Portfolio Management) in line with the best interest of NMB and NMB Group; and
- 2.3 to establish, strategies and manage IPRs commercialisation (technology readiness, valuation and contracting through licensing) and maximising value for NMB and NMB Group.

3. Scope

- 3.1 Provide legal advice in IP pertaining to drafting, facilitating contract negotiation, optimize business values, filing of IPs with relevant authorities; and
- 3.2 Managing the eco-system of IP for NMB and NMB Group underpinned the technology by being a business partner, enabler and strategist.

4. Definitions

(a) The following definitions are included in this Policy.

Agency	Government Agency as defined below
Assignment	the transfer of ownership of Intellectual Property

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Commercialisation	taking an idea to an outcome, whether a product, service, process or organisational system to market by way of licensing, Assignment, spin-off, or joint ventures;
Confidential Information	any Confidential Information or business/ scientific data including all oral and visual information or data recorded in writing or in any other medium or by any other means
Copyright	Copyright under the Copyright Act 1987 as currently in force
Derivative Intellectual Property	new Intellectual Property created by using the original Intellectual Property
Design	a Design protected under the Industrial Designs Act 1996 as currently in force
Expenses	all necessary and reasonable Expenses incurred in the Commercialisation stages of that Intellectual Property, including Patent and other Intellectual Property filing, registration and legal fees, Intellectual Property insurance premium, maintenance fees, marketing and licensing costs,
External IP agents/	the third-party IP or legal firms which is appointed by NMB
Fund	any Fund provided by the Government of Malaysia or any other funding organisations related to nanotechnology business activities for research and development, acquisition, pre-commercialisation and Commercialisation of Intellectual Property
Innovation	any idea or knowledge in whatever form which brings about changes in the form of product, service or process resulting in positive impact to the economy, business, public service delivery system, social well-being or the environment
Intellectual Property	any Intellectual Property protected by the laws of Malaysia, and includes patentable Invention, Copyright, trademark, Industrial Design, Utility Innovation and trade secret;
Intellectual Property Acquisition	the acquisition by way of Assignment, Licence (exclusive or non-exclusive or sole), or by any other legal means through funding (in whole, or in part) by the NMB
Invention	an idea of an Inventor, which permits in practice the solution to a specific problem in the field of technology, and may be, or may relate to, a product or process
Inventor	the person who is the actual creator of the Invention or who has made an intellectual contribution to the conception of the Invention, and where the context so requires, means the author or designer
IP Steering Committee	an Intellectual Property Steering Committee established by NMB to discuss matters regarding Intellectual Property Policy as well as larger issues regarding policies and procedures, anti-competition, patents, licenses and other legal issues within the industrial. Role of IP Steering Committee shall include:

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	<ul style="list-style-type: none"> Establishment of special ad hoc committees to study specific issues relating to IP Periodically review, recommend and endorse new and existing policies, and approve processes and procedures, regarding IP Review and endorse budget, manpower and technology resources for operating and/or improve IP activities Plan, strategise and provide direction for all actions regarding IP Selection and approval of IP agent firms to NMB's panel Review, maintain and update Group IPR Matrix Review, maintain and update IP Management Power BI report Form focused-topic Intellectual Property Working Committees ("IPWCs") Review reports from the respective IPWCs Review and recommend actions on infringements of IPs
IPR Management System	system that manages intangible creations of the human intellect and primarily encompasses patents, Utility Innovation, Trademark, Copyright, Trade secret and others
License	the right to exploit any Intellectual Property rights granted by the owner, the licensor, to another person, the licensee, and includes a sub-licence
Net Proceeds	the gross proceeds (including all royalties, fees and other benefits) received from the Commercialisation of the Intellectual Property less Expense
NMB Group of Companies	any or all of the subsidiaries owned by NMB namely Nano Commerce Sdn. Bhd., NanoVerify Sdn. Bhd., Nanovation Ventures Sdn. Bhd. and all subsidiaries under the NMB Group.
NMB IP Agents	In-house intellectual Property counsel appointed and authorized by NMB
Patents	Patents protected under the Patents Act 1983, as currently in force, and others such Patent Cooperation Treaty (PCT)
Registered Trademark	Registered Trademark as defined in the Trade Marks Act 1976 as currently in force
Standard Operating Procedures	the Intellectual Property Commercialisation established to implement this Policy
Technology Transfer Office	<p>an organisation or research centre or an institute which has tasks as identification and management of academic intellectual property (IP), IP protection, IP commercialization and license contracts Besides them main task is the creation and management of spin-off organizations and contact keeping with the partners. The Technology Transfer Office (TTO) and industrial liaison offices and research organisations help companies and investors to:</p> <ul style="list-style-type: none"> Access new knowledge and expertise to drive innovation through research collaboration, contracted services and consultancy.

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	<ul style="list-style-type: none"> Identify and license new technologies and intellectual property (IP) relevant to their business. Make use of state-of-the-art facilities and equipment. Finding academic partners for companies Commercial assessment Contract drafting and negotiation Protecting and managing intellectual property (IP) Company formation Company incubation Evaluation and audit Valuation
The Company	Technology Recipient or Technology Collaborator,
Unregistered Trademark	any trade signifier which is protected under the law of passing off
Works	means literary Works, musical Works, artistic Works, films, sound recordings, broadcasts, derivative Works, and educational course materials and academic papers or any other Works protected under the Copyright Act 1987

- (b) Any reference to the word “suspension” shall mean a temporary suspension from any engagement of external IP agents who are on NMB’s panel, for provision of relevant services to NMB and NMB Group.
- (c) Any reference to the provision of legal services in this document by Group Legal shall not be limited to the provision of IP services to NMB and NMB Group only.

5. Intellectual Property Protection

5.1 NMB and NMB Group may leverage IP to achieve its business objectives and to implement innovation initiatives for a range of purposes including:

- (a) strategic positioning
- (b) finding routes to innovation
- (c) protecting innovation results
- (d) attracting and securing investment
- (e) increasing competitive advantage
- (f) establishing clear ownership of IP and IPR
- (g) establishing freedom to operate
- (h) creating innovation value
- (i) enabling collaboration

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5.2 NMB and NMB Group IPs management system will include patents, copyright, trademark, Industrial Design, utility Innovation and confidential information/trade secret that briefly stated as per below:

5.2.1 Patent (Patent Act 1983)

Any invention which are commercially attractive or intellectually meritorious for NMB and NMB Group will be based on the invention is novel, inventive steps and industrial applicable.

5.2.2 Utility Innovation (Section 17 of Patent Act 1983)

Any innovation which creates a new product or process, or any new improvement of a known product or process, which is capable of industrial application and includes an invention". Utility innovations need only to be "new" and "industrially applicable" and unlike patents there is no requirement for an inventive step. This relaxed provision reflects the fact that this different breed of patents is only applicable to minor inventions, and is generally confined to improvements of a known product or process.

5.2.3 Copyright (Copyright Act 1987)

eligible work for copyright includes literary works; musical works; artistic works; films; sound recordings; broadcasts; and derivative works. Copyright protection is sought in order to recognise authorship and protect the integrity of the work. It is also essential in order for the NMB and NMB Group to license copyrightable materials to commercial book publishers. Notice of copyright must be affixed to the copyrightable material.

5.2.4 Trademark/Service Mark (Trademark Act 2019)

any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings. A sign may constitute a trademark even though it is used in relation to service ancillary to the trade or business of an undertaking and whether or not the service is provided for money or money's worth. A trademark or a service mark may be used to protect those names and symbols associated with the NMB's activities, events and related technology developments. Prior to registration for trademark protection, the symbol "TM" for a trademark or "SM" for a service mark will give adequate notice of a claim of ownership. The symbol ® or for a trademark may only be used after registration has taken place.

5.2.5 Industrial Designs (Industrial Designs Act 1996)

features of shape, configuration, pattern or ornament applied to an article by any industrial process or means, being features which in the finished article appeal to and are judged by the eye, but does not include a method of principle of construction; or features of shape or configuration of an article which are directed solely by the function which

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article has to perform; or are dependent upon the appearance of another article of which the article is intended by the author of the design to form an integral part.

5.2.6 Trade Secret/Confidential Information

A Trade secret is any practice or process of a company that is generally not known outside NMB and NMB Group. Trade secrets are a part of NMB and NMB Group IP, unlike patent, a trade secret is not publicly known. In order to maintain protection while a trade secret is in use, it is the policy of the NMB to bind individuals having access to the secret by a contractual agreement through Non-Disclosure Agreement. NMB also using the IPR Management system as the tools to ensure trade secret will be protected.

6. Group Legal Responsibilities

6.1 The main responsibilities of Group Legal or Technology Transfer Office will includes the following:

- a) process and safeguarding patent, trade and service mark, copyright, utility innovations, industrial design and other technology agreements that related;
- b) determination of the patentability or copyrightability (including receiving patent disclosures, undertaking patent search and completing applications for patents and copyright) with the assistance of external IP agents;
- c) provide IP landscape to project teams and business units under NMB Group;
- d) provide advice on strategic way forward directions for all IP under NMB and NMB Group based on item (c) above;
- e) provide advice on licensing and commercialization strategies for all IP under NMB Group;
- f) evaluate the commercial potential of the invention together with NMB business team and external IP agents;
- g) obtain appropriate patent protection;
- h) negotiate and managing licenses; and
- i) others that related to any IPs activities

7 Selection and Appointment of External IP Agents

7.1 The selection of IP Panelship will be based on the following general requirements:

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- (a) Area of Expertise: The firm shall have minimum of [number of years] years' experience in the said area of Intellectual Property Laws.
- (b) Firm's Profile and Track Record: The firm shall be able to furnish with the firm's profile and information, including its awards, client base, the types of files previously handled and expertise of each partner.
- (c) Dedicated Resource: The firm shall be able to allocate an experienced partner to handle the dedicated matters at first instance and at least a legal associate to follow up and deliver on NMB's instruction on time.
- (d) Budget: The professional fees in retaining the law firm shall be able to fulfil the budget approved by the Board of NMB.

7.2 Criteria to be met by the IP Agents that seeking for empanelment are segregated accordingly as follows:

Category	Criteria
Tier 1	<ol style="list-style-type: none"> 1. The firm to comprise at least five (5) partners 2. At least two (2) of the IP firm's partners have more than five (5) years of requisite experience in all fields of Intellectual Property for uniqueness and technological advancement for short- or long-term commercialisation. 3. The firm having professional indemnity insurance coverage of at least RM10 million in aggregate and RM5 million for each and every claim. 4. the firm has been in existence for at least five (5) years. <p>*may provide any IP services for with related to Patent, Copyright, Utility Innovation etc, commercialiasation, Training and others and may be used to any transaction amount</p>
Tier 2	<ol style="list-style-type: none"> 1. The firm to comprise at least three (3) partners. 2. At least three (3) of the firm's part at least two (2) of the firm's partners have more than five (5) years of requisite experience in all fields of Intellectual Property for uniqueness and technological advancement for short- or long-term commercialisation. 3. The firm having professional indemnity insurance coverage of at least RM5 million in aggregate and RM3 million for each and every claim. 4. The firm has been in existence for at least three (3) years.

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	* may provide any IP services for with related to Patent, Copyright, Utility Innovation, commercialisation, Training and others and may be used for transactions for an amount not exceeding RM30 million
Tier 3	<ol style="list-style-type: none"> 1. The firm to comprise at least 2 partners. 2. At least one (1) of the firm's partners have more than years (3) years of requisite experience in all fields of Intellectual Property for uniqueness and technological advancement for short- or long-term commercialisation. 3. The firm having professional indemnity insurance coverage of at least RM2 million in aggregate and RM2 million for each and every claim. 4. The firm has been in existence for at least two (2) years.
Litigation	<ol style="list-style-type: none"> 1. The firm to comprise at least five (5) partners 2. At least two (2) of the IP firm's partners have more than five (5) years of requisite experience in all fields of Intellectual Property for uniqueness and technological advancement for short- or long-term commercialisation. 3. The firm having professional indemnity insurance coverage of at least RM10 million in aggregate and RM5 million for each and every claim. 4. The firm has been in existence for at least five (5) years. <p>*may provide any IP services pertaining to IP Infringement</p>
IP Valuation	<ol style="list-style-type: none"> 1. The firm to comprise at least two (2) partners or individual. 2. At least three (3) of the firm's part at least two (2) of the firm's partners have more than five (5) years of requisite experience in all fields of Intellectual Property for uniqueness and technological advancement for short- or long-term commercialisation. 3. The firm having professional indemnity insurance coverage of at least RM5 million in aggregate and RM3 million for each and every claim.

8. IPR Management System

- 8.1 Typically, the management of IP rights which for the purpose of NMB IP Policy, include any immaterial asset that may have commercial value or that may be required for facilitating future exploitation that requires a centralised organisation responsible for overseeing the creation and commercial exploitation of rights.
- 8.2 NMB IPR Management system rights include, depending on Jurisdiction, registered of Patents, Utility Innovation, Industrial design, trademarks as well as unregistrable rights including copyright and trade secret and should also stretch to any other right such as domain name and ultimately, rights that have been acquired by way of a license or assignment from 3rd parties. The summary of IPRs system as per Table 1 below

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Intellectual Property Rights (IPRs)		
Registered IPRs	Unregistered IPRs	Other Immaterial assets
Patents	Copyright	Invention prior to patent application
Utility Innovations	Trade secret	Rights that have been acquired by way of a license or assignment from 3 rd Parties
Trademarks		
Industrial Designs		
Geographical indications		

Table 1

8.3 For the purpose of IPR Management system, NMB also will subscribe to IPR Management system that be provided by the external party to be used by NMB and NMB Group to manage, monitor, evaluate and exploit the any potential, existing IPs for the interest of NMB and NMB Group.

The details of the NMB IPR Management System will be provided under IP Asset Management SOP.

9. Ownership and Inventions of IPs

- 9.1 All Intellectual Property including patents, utility innovation, trade and service marks, industrial designs and copyright shall be filed in the name of the NMB as the wholly-owned and/ or co-applicant and, or co-inventor as co-owned.
- 9.2 Notwithstanding to section 9.1 above, all Intellectual property either tangible and intangible assets that be developed in any projects will be owned by NMB and NMB shall have the right either to exclusive license, non-exclusive license, cross-licensing and others to NMB and NMB Group or other 3rd Parties.
- 9.3 Any Intellectual Property Rights (except in respect of the other works/partners based on projects which not belong to the NMB) created by the NMB employees and secondments in the course of their employment will belong to the NMB.
- 9.4 NMB will claim ownership and rights of IP where work is done by non-employees, such as consultants, visitors, industrial personnel, fellows, independent contractors, etc pursuant to their being commissioned by the NMB to do such work, and the NMB has procured a written agreement from non- employees assigning his rights to the NMB.
- 9.5 Notwithstanding to section 9.4 above, all IPs owned by NMB may be licensed out to Nano Commence Sdn Bhd ("NCSB") or any other NMB Group for the purpose of Commercialisation or any purpose that related to the IPs.

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9.6 NMB and/or co-applicant or co-inventor shall cooperate and assist to facilitate in the registration of the relevant Intellectual Property for filing of patent, Utility Innovation, Copyright etc. NMB shall reserves the right to decide for the Patent Cooperation Treaty (PCT) filing or based on TRIPS Agreement, Madrid Protocol or others to provide more extensive protection of IP and to which ever countries deem necessary.

9.7 Any Tangible Assets and Equipment purchased and/or funded by NMB-funded either through research contract or donated by the collaborating company has tended to remain the property of NMB's upon completion of the contract or project but it will be placed under Nano Commence Sdn Bhd.

The details of the ownership of IP and Invention will be provided under Group Legal Intellectual Property SOP.

10. NMB Research Collaboration with External Parties

10.1 NMB and NMB Group will collaborate with the industries, universities and others in which such collaboration is encouraged as interaction with industries and universities to ensures that research remains important and marketable for any products that be produced from the Projects.

The details of the research collaboration with external parties will be provided under Group Legal Intellectual Property SOP.

11. Intellectual Property Exploitation

11.1 Any Inventor that creates an Intellectual Property on behalf of NMB, shall notify NMB in writing before publishing the finding or invention in the form of article, research paper or any other form, so that it will not jeopardise with NMB Intellectual property rights. Hence, NMB shall determine the party in whom the IP should vest in accordance with Group Legal Intellectual Property SOP.

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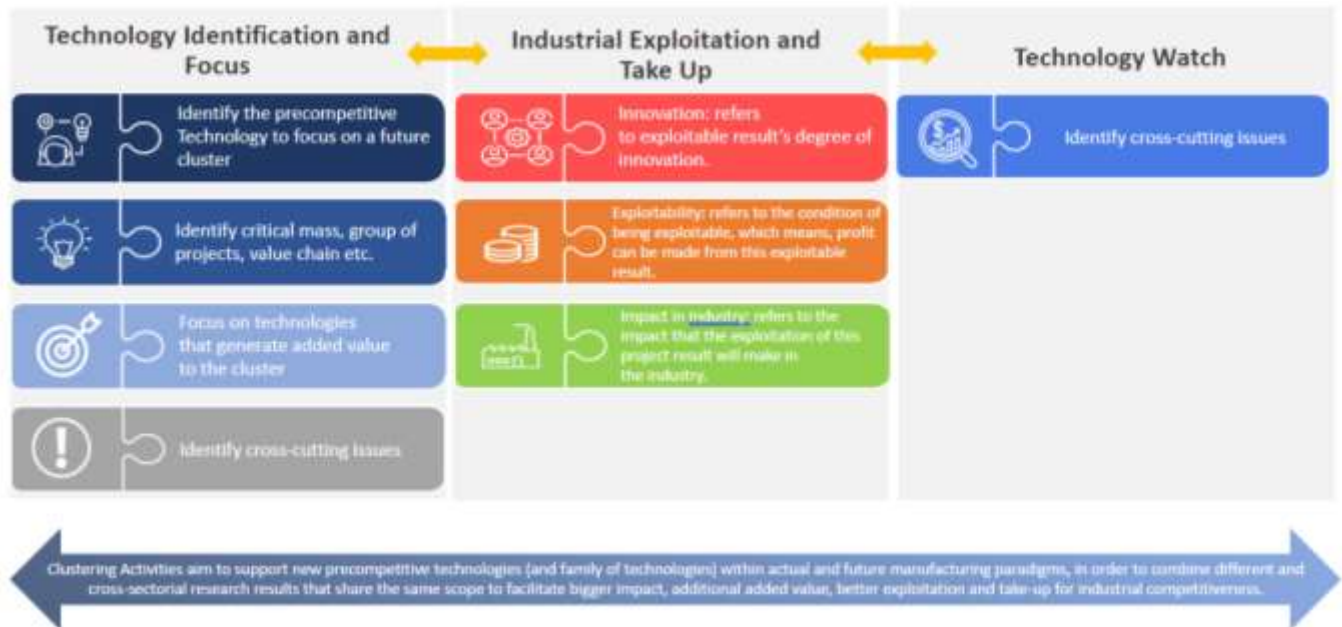


Illustration on IP exploitation

- 11.2 The above illustration, will be used by NMB Group as a guideline in considering any IPs exploitation but subject to further changes and amendments case to case basis
- 11.3 NMB Group shall be responsible for any Commercialisation of the IP, including, but not limited to, one or more of the following:
- take the appropriate measures to protect the IP;
 - obtain an independent valuation of the IP;
 - identify potential licensee(s);
 - assign the rights to a third party(s); and
 - determine an appropriate methods and ways to exploit the IP.

The details of the Intellectual Property Exploitation will be provided under Group Legal Intellectual Property SOP.

12. Disclosure and Evaluation of Invention

- 12.1 The Inventor shall cooperate with the NMB IP Counsel and/or Technology Transfer Office in all matters, including providing full technical details of the Invention, relevant market information (if any), prior art documents and names of all Inventors who have contributed intellectually to the creation of the Invention.

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12.2 If patentability assessment shows that the Invention is new (novelty), inventive steps, and of industrial application, and has commercial potential, the NMB through NMB IP Counsel and/or Technology Transfer Office will seek to protect the Invention.

12.3 The Principal Inventor and the Key Personnel and any other inventors under its employment or commission for hire to cooperate and provide assistance as is reasonably requested in connection with the preparation of the patent or other appropriate protection applications for the Foreground Intellectual Property or any of the IP Asset, including but not limited to, promptly disclose to NMB or NMB Group on a confidential basis the IP Asset and any other Invention arising under this Agreement by submitting the Invention Disclosure Report

12.4 The Disclosure and Evaluation of Invention is set as per APPENDIX I of this IP Policy.

The details of the Disclosure and Evaluation of Invention will be provided under Group Legal Intellectual Property SOP.

13. IP Commercialisation

13.1 Commercialisation means taking an idea to an outcome in a form of a product, service, process or organisational system to market by way of licensing, Assignment, spin-off, or incorporate or Unincorporate Joint Ventures.

13.2 The Inventor, NMB and Commercialisation party(s) are required to disclose the particulars of any Intellectual Property rights and other relevant information which would be relied upon during the negotiation. Before disclosing any Confidential Information, an NDA must be executed by parties.

13.3 NMB or NMB Group and the company will collaborate or enter into a joint venture for the purpose of the Commercialisation of any of the IP Asset including the Foreground Intellectual Property and the Product. In the event the Parties agree to form a joint venture company for such Commercialisation, NMB and NMB Group shall hold an equity in the joint venture company equivalent to the Repayment Amount. The Company and NMB or NMB Group shall enter into Definitive Agreement.

13.4 All agreements for licensing or commercialisation of any of the IP Assets with any third party shall be submitted to NMB.

The details of the IP Commercialisation Disclosure and Evaluation of Invention will be provided under Group Legal Asset Management SOP.

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14. IP Licensing Management

14.1 Background IP

- a) Any technologies or Intellectual Property provided by NMB to be used and, or licensed to be used for the Project shall remain the exclusive property of NMB. Likewise, any Background IP belong to the Company will remain the exclusive property of the Company.
- b) If the Company wishes to develop, produce or exploit similar works which contain component, design, system, specifications or other elements which may be reasonably considered to be similar or similar or has any elements or components of the Background Technology IP, the Improvements, the Company shall consult and obtain the prior express written consent of NMB or NMB Group prior to proceeding with such work.
- c) The Company shall not, at any time, transfer, assign, sell, dispose, encumber or in any way part with any of the Background Technology IP, in whole or in part, without the prior express written consent of NMB or NMB Group.

14.2 Foreground IP

- a) Any Foreground Intellectual Property developed, created, conceived and, or produced out of this Project shall be vested in NMB or NMB Group and the Company shall not, at any time, transfer, assign, sell, dispose, encumber or in any way part with any of the Foreground Intellectual Property, in whole or in part prior to the reassignment of the same and without the prior express written consent of NMB.
- b) NMB shall solely own the Foreground Intellectual Property developed out of the Project pursuant to this Agreement; and all applications and any right or form of protection of a similar nature and having equivalent effect to any of foregoing which may subsist in the foregoing; in the Territory and the foregoing shall not be disposed of without prior written approval of NMB.
- c) Upon Project Completion Date, the Company shall assist NMB to prepare for filing patent application for any invention developed and, or produced out of the Project. In accordance with NMB's instructions, the Company shall take any action needed to assist NMB to maintain the proprietary rights of NMB, including sign all relevant forms, deed, agreement, document and, or notice for the application for, registration, maintenance and protection of the Intellectual Property asset in the Territory.
- d) In the event that any invention, improvement, secret processes, Technical Know-How or experience relating to the Intellectual Property asset is developed or acquired by the Company, the Company shall disclose the same to NMB at NMB's request; and provide NMB with all the support needed to obtain patents or other appropriate protection for

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such invention, improvement, secret processes, Technical Know-How or experience in the Territory.

- e) If the Company wishes to develop, produce or exploit similar works which contain component, design, system, specifications or other elements which may be reasonably considered to be similar or similar or has any elements or components of the Foreground Intellectual Property, the Company shall consult and obtain the prior express written consent of NMB prior to proceeding with such work.
- f) The Company shall not, at any time, transfer, assign, sell, dispose, encumber or in any way part with any of the Foreground Intellectual Property or any asset, in whole or in part, without the prior express written consent of NMB.

14.3 NMB shall have the right to exploit the Background rights for research and development without prior written consent of the Company, and rights to sub-license the Technical Know-How (in whole or in part) to NMB Group without the prior written consent of the Company.

The details of the IP Licensing Management will be provided under Group Legal Asset Management SOP.

15. Methods of Commercialisation of Intellectual Property

15.1 NMB and NMB Group will use the method of IP commercialisation in the form licensing either exclusive Licence, non- exclusive Licence, sole Licence and cross Licence. All licensing arrangements can be contractually limited by geographical locations, time, industry and fields of application. NMB and NMB Group together with Inventor or Technology Recipient (“TR”) or/ Technology Collaborator (“TC”) should consider all options and weigh the advantages and disadvantages of each of the following options before entering into any agreement, namely:

15.1.1 Exclusive Licence

the Inventor and NMB transfers all rights of exploitation of the IP to the licensee. This means the Recipient relinquishes the rights to exploit the IP himself or to grant any additional, subsequent Licence(s) to another party. Inventor/TR/TC and NMB should retain the rights to use, conduct further research and development and exploit the IP for non- commercial use.

15.1.2 Non-Exclusive Licence

the Inventor and NMB may grant the rights of exploitation of the IP to one or more party(s), including the right to exploit the IP himself. In a non-exclusive Licence, the Inventor and NMB may grant the licensee sub-licensing rights.

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15.1.3 Sole Licence

the Inventor and NMB transfers all rights of exploitation of the IP to the licensee but retains his rights to exploit the IP themselves.

15.1.4 Cross-Licence

This option allows two or more IP owners to contractually authorise each other to use their IP for commercial and non-commercial purposes. In a cross - licensing arrangement, the consideration for the rights conferred by one party is a reciprocal grant of rights by the other. Cross-licensing terms may include the payment of a licensee fee or royalty if the rights conveyed by the parties are not equal in value.

15.2 Besides the above licensing methodology, Inventor and NMB Group may commercialise the IPs by way of:

15.2.1 Assignment

The Inventor and NMB transfers complete ownership to another party (assignee). Assignment involves an outright sale of IP rights to the assignee. However, partial Assignments are allowed, for example, an Assignment may be restricted by geographical locations.

15.2.2 Spin-Off Company

NMB establishes a company for the purpose of Commercialisation of the IP, where Inventor and NMB may own equity in the company together with any third party, in proportions to be negotiated.

15.2.3 Incorporated and Unincorporated Joint Venture Company

The Inventor and NMB establishes an entity together with a third party for the purpose of Commercialisation of the IP, where the Recipient and the third party are shareholders of the said company.

The details methods of commercialisation IP commercialisation can be referred in IP Assets Management SOP.

16. Intellectual Property Valuation

16.1 NMB and NMB Group main purpose for the IP valuation is to determine the monetary value of subject IP.

16.2 To be able to do the valuation of an IP asset, NMB and NMB Group need to undertake and separately identifiable:

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- a) The IP asset must be subject to specific identification and a recognizable description.
- b) There should be some tangible evidence or manifestation of the existence of the IP asset (e.g., a contract, a license, a registration document, a computer diskette, a set of procedural documentation, a listing of customers, recorded on a set of financial statements, etc.)
- c) It should have been created or have come into existence at an identifiable time (or time period) or as the result of an identifiable event.
- d) It should be capable of being legally enforced and legally transferred.
- e) It should be capable of having its income stream separately identifiable and isolated from the contribution of other assets employed in the business.
- f) It should be capable of being sold, without selling the other business assets of the enterprise to the same buyer.
- g) It should be subject to being destroyed or to a termination of existence at an identifiable time (or time period) or as the result of an identifiable event.

16.3 For IP valuation, there are 3 methods (approaches) that will be used by NMB and NMB Group, namely:

16.3.1 Cost Method/Approach

- a) is based on the intention of establishing the value of an IP asset by calculating the cost of developing a similar (or exact) IP asset either internally or externally. It seeks to determine the value of an IP asset at a particular point of time by aggregating the direct expenditures and opportunity costs involved in its development and considering obsolescence of an IP asset.

16.3.2 Market Method/Approach

- a) is based on comparison with the actual price paid for a similar IP asset under comparable circumstances.
- b) For this valuation, NMB and NMB Group needs to have:
 - i- An active market (price information, arm's length);
 - ii- An exchange of an identical IP asset, or a group of comparable or similar IP assets
 - iii- If the IP assets are not perfectly comparable, variables to control for the differences
 - iv- The more information available on the nature and extent of rights transferred, including the detailed terms and conditions, the circumstances of the transaction (e.g., cross-licence, licence agreed in settlement of litigation), the more accurate the valuation will be.

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- c) This method is much more likely to reflect market perceptions and moods than a valuation based on the income method.

16.3.3 Income Method/Approach

- a) The income method values the IP asset on the basis of the amount of economic income that the IP asset is expected to generate, adjusted to its present-day value. This method is the most commonly used method for IP valuation.
- b) The Income method can determine economic income by:
- i- Project the revenue flow (or cost savings) generated by the IP asset over the remaining useful life of the asset.
 - ii- Offset those revenues/savings by costs related directly to the IP asset. Costs: labor, and materials, required capital investment, and any appropriate economic rents or capital charges
 - iii- Take account of the risk to discount the amount of income to a present-day value by using the discount rate or the capitalization rate
- c) Different measures of economic income may be relevant to the various income methods. Some of these measures include the following Gross or net revenues; Gross profit; Net operating income; Pre-tax income; Net income (after tax); Operating cash flow; Net cash flow; Incremental income; and Cost savings.
- d) Given the different measures of economic income that may be used in the income approach, an essential element in the application of the income method is to ensure that the discount rate or the capitalization rate used is derived on a basis consistent with the measure of economic income used.

17. Technology Acquisition and Intellectual Property Acquisition

17.1 Technology or IP Acquisition is the process of acquiring Intellectual Property rights for purpose of using or exploiting a particular technology or IP. It shall also include the process of technology transfer under which a foreign expertise is engaged to develop a particular technology locally.

17.2 The Technology or IP may be acquired through outright purchase or by licensing (exclusive or non- exclusive or sole), or any other legal means.

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17.3 IP that is acquired under this section by the NMB or NMB Group through funding that is provided in wholly or partially owned by the NMB and shall become the property of the NMB.

17.4 All Derivative IP developed from the use of the acquired technology or IP shall belong to the NMB. The NMB shall take all necessary steps to protect the derived IP through registration or other means.

18. Wealth Sharing Guidelines

18.1 In terms of wealth sharing under this policy, where two or more Inventors develop an IP, disbursement of the net revenue shall be distributed according to a written agreement between the respective Inventors. In the absence of such a written agreement, each co-inventor shall be entitled to an equal portion of that net revenue. In the event there is a change in the composition of the team of Inventors the terms of such written agreement shall be re-negotiated among the old and new members of the team.

18.2 This Policy shall also apply in respect of any revenue generated from the Commercialisation of Derivative IP unless the parties have otherwise agreed in writing among themselves.

18.3 In the event the NMB or NMB Group decided to go for Joint Venture or Setting up of a spin off company, the inventors may take some equity in the entity.

18.4 In a situation where two or more inventors develop an IP, disbursement of the net revenue shall be according to a written agreement between the respective Inventors.

18.5 In the event of a dispute, controversy, claim or difference of whatever nature arising out of the implementation or operation of this guidelines, among the inventors themselves, or between the inventor and the recipient, or inventor and or recipient, the IP Steering Committee shall try to resolve the dispute, claim or difference, failing which it shall refer the matter to the Chief Executive Officer and subsequently to the NMB Board for resolution.

The details of wealth sharing guidelines can be referred in the NMB IP Asset Management SOP.

19. Infringement

19.1 Individuals and stakeholders bound by this Policy must alert the NMB or NMB Group immediately on suspecting or becoming aware of an infringement of IP rights in the event of :-

- a) Infringement of IP rights owned by the NMB or NMB Group; or
- b) NMB's infringement of IP rights owned by a third party.

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19.2 Infringement

19.2.1 In case any claim is made or action is brought against NMB or NMB Group by a third-party alleging infringement of such third party's rights resulting from the use by NMB or NMB Group of the Foreground Intellectual Property or any of the IP Asset, the Company shall defend such claim or action, at its expense with assistance by NMB or NMB Group provided that:

- (a) all costs incurred in the Malaysia [or in such countries, if any, as NMB or NMB Group grants permission to the Company to export any Product(s)] in respect of obtaining, maintaining and, or defending the Foreground Intellectual Property or any of the IP Asset and, or any other rights and information within the subject matter of this Agreement;
- (b) all costs incurred in contesting Patent Rights, Technology Rights, trademarks, designs, models, copyrights or similar rights, of third parties in Malaysia or in such countries, if any, as NMB or NMB Group grants permission to the Company to export any Products and, or the Collaboration Products.
- (c) No legal proceedings or negotiations shall be conducted by the Company without the prior written consent and subject to the further instructions of NMB or NMB Group.

The details of the IP Commercialisation Disclosure and Evaluation of Invention will be provided under Group Legal Asset Management SOP.

20. Intellectual Property Steering Committee

20.1 "Intellectual Property Steering Committee" ("IPSC") means a committee responsible for general supervision, management and administration of the IP Policy. The establishment of IPSC with the purpose to review, decide and propose on matters concerning IP protection, providing technical inputs, contract negotiations, management, filing and infringement for NMB and NMB Group. The function and responsibilities of this IPSC as set under Clause 4 of this Policy.

20.2 The IPSC consisting of:

- a. Chairperson: NMB Chief Executive Officer
- b. NMB Chief Operating Officer
- c. VP-Legal or assigned representative from Group Legal
- d. Secretariat: IP Management from Group Legal
- e. Heads of Departments or assigned representatives of project teams handling

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20.3 The IPSC members accountable for the following:

- a) Individual members are responsible for reporting back to their respective Departments
- b) IPSC Secretariat is responsible to bring relevant actions and updates to the respective Management Teams

21. Administration and Implementation

21.1 The Policy will be implemented through IP SOPs (Patent, Trademark, Utility Innovation, Industrial Design, Copyright & Trade secret) and IP Asset Management SOP.

21.2 In recognition of the changes in the national and international scenario, the NMB has the right to review and amend this Policy as it deems appropriate to ensure that this Policy remains relevant and current.

22. Publication of the Policy

22.1 The IP Policy shall be communicated within NMB and NMB Group.

23. Periodic Review

23.1 The IP policy shall conduct a comprehensive review of this policy at a minimum of every two (2) years from the last review date or as required.

23.2 Any amendment(s) proposed must be endorsed by the Board.

24. References

- a. NMB Intellectual Property Standard Operating Procedure
- b. NMB Asset Management Standard Operating Procedure
- c. Patent Act
- d. Trademark Act
- e. World Intellectual Property Organisation (WIPO) at [WIPO - World Intellectual Property Organization](#) website
- f. Malaysian Intellectual Property Organisation (MyIPO) at [The Official Portal of Intellectual Property Corporation of Malaysia \(myipo.gov.my\)](#)

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APPENDIX I

INVENTION DISCLOSURE FORM

The purpose of this Invention Disclosure Form is to record that a new technology/invention has been developed, and the circumstances under which this occurred.

No.	Item	Description
1.	What is the field of technology of your invention?	
2.	Describe the problem for which your invention aims to provide a solution? Describe the problem and shortcoming of aforesaid existing technologies.	
3.	Describe your invention and how it works? Point out the features believed to be new and not found else-where.	
4.	Drawings, photographs, experimental results, sample, prototype or working models, etc. (If these are available and can illustrate or describe the invention, please provide the same along with comments)	
5.	Describe novel (new) and inventive (improved) features of your invention. What are the features of your invention that you would like to protect or claim?	
6.	List down the primary keywords that relate to your invention.	
7.	Has the invention been disclosed?	
8.	Is further experimental work now under way or contemplated for in the near future? (Yes/No). If so, give a general summary of such work and some indication of when this phase of the program will be completed.	
9.	State the nature and extent of any literature and/or patent search made to date, indicating references found.	
10.	Any further information/document which is important to understand your invention.	