

HWA TAI INDUSTRIES BERHAD GROUP

WHISTLEBLOWING POLICY

Purpose

Hwa Tai Group's Whistleblowing Policy is intended to assist employees who believe they have discovered improper conduct within Hwa Tai Group. It is not designed to question financial or business decisions taken by Hwa Tai Group.

Where an employee discovers information which he / she believes shows improper conduct within Hwa Tai Group then this information should be disclosed internally without fear of reprisal so that the organisation can conduct an investigation and resolve the complaint involving the improper conduct.

It is reasonable to expect employees to use this Whistleblowing Policy rather than air their complaints outside Hwa Tai Group.

Definition

- Whistleblowing – When an employee reports an improper conduct that he / she is aware of through his / her work / dealing.
- Whistleblower – The employee who discloses or reports the improper conduct.
- Improper conduct – Defined under the Whistleblower Protection Act 2010 as meaning any conduct which if proved, constitutes a disciplinary offence or a criminal offence.

Scope

This Whistleblowing Policy applies to all employees (permanent, contract and part-time) of the Company and all its subsidiary companies.

Improper conduct includes, inter alia, the following:-

- Fraud, corruption or bribery
- Criminal activity
- Breach of any law or regulatory obligation
- Breach of Hwa Tai Group policies, procedures and rules
- Misuse of Hwa Tai Group's information
- Misappropriation or theft of funds, software, data or other assets
- Falsifying payroll records, overtime claims, travel expenses or entertainment expenses
- Forgery or alteration of any document (including cheques and other financial instruments)
- Malpractice or impropriety in matters of financial reporting
- Act of conflict of interest with suppliers, customers or contractors
- Fictitious reporting of receipts, delivery orders, etc from suppliers or shipment to customers
- Action which poses danger to health, safety or the environment
- Attempts to conceal any of the above improper conducts

Safeguards

- **Protection**

This Whistleblowing Policy is designed to offer protection to employees who disclose such improper conduct provided the disclosure is made in good faith.

An employee who in good faith discloses an improper conduct will be protected from any reprisal (disciplinary action, harassment, retaliation, demotion, suspension or termination of employment or service) within Hwa Tai Group as a direct consequence of the disclosure. Any such employee who believes he / she is being retaliated against must contact the Head of the Human Resources Department immediately. An employee who retaliates against another employee who has reported an improper conduct in good faith is subject to discipline action including termination of employment.

- **Untrue Allegations**

An employee filing a complaint concerning an improper conduct must act in good faith, exercise due care to ensure the accuracy of the information and has reasonable grounds for believing the information disclosed to be true.

If an employee makes an allegation in good faith, which is not confirmed by subsequent investigation, no action will be taken against that employee. If, however, an employee makes malicious allegations or disclose information which is knowingly to be false, disciplinary action may be taken against that employee.

- **Confidentiality**

This Whistleblowing Policy encourages employees to put their name to any complaint of an improper conduct they make. A complaint may also be submitted anonymously. Complaints submitted anonymously are much less reliable, but they may be considered at the discretion of the organisation taking into account the seriousness and credibility of the allegation.

The organisation will treat all such disclosures in a confidential and sensitive manner. The identity of the employee making the allegation will be kept confidential to the extent possible so long as it does not hinder or frustrate any investigation. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law, and to provide accused individuals their legal rights of defence.

Procedure

1. A complaint must be in writing and contain the following information:-

- a. Incident date
- b. Incident time
- c. Incident location
- d. Name, designation, division, department of the accused individual
- e. Description / Circumstances of the alleged improper conduct
- f. Names of witnesses
- g. To provide any supporting evidence
- h. Complainant to sign-off with name, designation, division, department and telephone number
- i. Date of complaint made

2. The complaint should be submitted as follows:-

- a. In a sealed envelope to the Group Chief Executive Director or the Chairman who will, as soon as reasonably possible, nominate an appropriate investigation officer who is without any conflict of interest.
- b. Alternatively, the complainant may approach his / her supervisor who is usually in the best position to address an area of concern. However, if the complainant is not comfortable speaking to the supervisor or not satisfied with the supervisor's response, the complainant is encouraged to speak to the Head of Human Resources Department or anyone in management whom the complainant feels comfortable with.

The supervisor / Head of Human Resources Department / manager must then assist the complainant to submit a written complaint to the Group Chief Executive Director or the Chairman who will, as soon as reasonably possible, nominate an appropriate investigation officer who is without any conflict of interest.

3. The investigation officer should follow the steps below:-

- a. Full details and clarifications of the complaint should be obtained.
- b. The investigating officer should inform the accused individual as soon as is practically possible on the complaint.
- c. The allegations should be fully investigated by the investigating officer with the assistance, where appropriate, of other individuals in the organisation.
- d. A judgement concerning the complaint and validity of the complaint will be made by the investigating officer. This judgement will be detailed in a written report containing the findings of the investigations and reasons for the judgement. The report will be passed to the Group Chief Executive Director and the Chairman.
- e. The Group Chief Executive Director / the Chairman will decide what action to take. If the complaint is shown to be justified, then they will invoke the disciplinary or other appropriate actions. The Head of Human Resources Department is responsible for executing the disciplinary action.
- f. The investigating officer should keep the complainant informed of the progress of the investigations and, if appropriate, of the final outcome.
- g. If there is evidence of criminal activity then the investigating officer should inform the police. The organisation will ensure that any internal investigation does not hinder a formal police investigation.
- h. Due to the varied nature of the complaints, which may involve internal investigators and / or the police, it is not possible to lay down precise timescales for such investigations. The investigating officer should ensure that the investigations are undertaken as quickly as possible without affecting the quality of those investigations.

4. If the complainant is not satisfied that his / her concern is being properly dealt with by the investigating officer, the complainant has the right to raise it with the Group Chief Executive Director / the Chairman.
5. If the investigation finds the allegations unsubstantiated and all internal procedures have been exhausted, but the complainant is not satisfied with the outcome of the investigation, the organisation recognises the lawful rights of the complainant to seek external legal redress.
6. The Group Chief Executive Director must ensure the management takes into account recommendations contain in the investigation report to prevent the conduct from continuing or occurring in the future and takes appropriate actions to remedy any harm or loss arising from the conduct.

Review

The Board of Directors can modify this Whistleblowing Policy at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with laws and regulation and / or accommodate organisational changes within Hwa Tai Group. However, the modification made shall be effective after the same is circulated to employees in writing or electronically. This Whistleblowing Policy was approved by the Board of Directors on 5 April 2018.