

Whistleblowing Policy

As part of good corporate governance, Kawan is committed to ensure that its operations are conducted in an ethical manner with integrity. Hence, Kawan has established a whistleblowing policy.

1.1 Objectives

- To provide and facilitate a formal mechanism for employees of the Group and members of the public to report concerns on any suspected and/or known misconduct, wrongdoings, unlawful acts, corruption, fraud, waste, abuse, product safety, integrity, quality and legality.
- To provide protection to the Whistleblower from reprisals for making disclosures and to safeguard the Reporting Individuals (RI's) confidentiality.
- To provide clear procedures for reporting of such matters.
- To manage all disclosure in a timely, appropriate, consistent and professional manner.
- To promote standards of good governance and corporate practices.

1.2 Definition

The Group refers to Kawan Food Berhad and its subsidiaries or related companies.

Policy refers to Whistleblowing Policy.

Reporting Individual(s) ("RI") refers to a person(s) who makes a report in accordance with the Whistleblowing Policy.

1.3 Scope

- The Policy covers the following allegations of misconduct, wrongdoing or improper conduct or abuse, product safety, integrity, quality and legality:
 - An act or omission which creates a substantial and specific danger to lives, health or safety risk to the public as well as other employees.
 - Conduct which constitutes a criminal offence under the law such as fraud, corruption, forgery, cheating, criminal breach of trust, insider dealing, abetting or intending to commit criminal offence.
 - Gross waste of the Company's resources or intended destruction of Company's property.
 - Failure to comply with legal or regulatory obligations.
 - Failure to comply with health, safety and environment regulations.
 - Improper conduct or unethical conduct.

The above list is not exhaustive. This Policy shall supplement and read in conjunction with the Group's Code of Ethics and Conduct, the Company's existing range of policies and procedures, rules and regulations. Employees are encouraged to use the provision of these procedures when appropriate.

1.4 Protection and Confidentiality

This Policy provides assurance that the Group will protect the identity and information pertaining to the RI. All reports and information received including the identity of the RI will be treated as confidential to the fullest extent possible.

The RI would be protected against reprisals and/or retaliation from any employee or party/ies. The RI who feels that he/she has been discriminated or harassed may report to the Whistleblowing Committee (“WC”). Any employees who threatens retaliation shall be subject to disciplinary action.

The RI who raises concerns under this Policy will not be subjected to disciplinary action or be at risk of losing his/her job provided that the disclosure is made in good faith and he/she believes that the allegations are substantially true.

This Policy excludes any issues, complaints or concerns about:

- a) Matters which are trivial, frivolous, malicious or vexations in nature or motivated by personal agenda or ill will;
- b) Matters pending or determined through any tribunal or authority or court, arbitration or similar proceedings; and
- c) Disclosure specifically prohibited by any written law.

However, the protection to the RI can be revoked under following circumstances, among others:

- a) the RI participated in the improper conduct;
- b) the RI wilfully disclosed a false statement;
- c) disclosure is made with malicious intent; and/or
- d) malicious or vexatious disclosure is made.

Should the Whistleblower had acted in such manner, he/she may be subjected to disciplinary actions.

1.5 Applicable Form/Table

- Document Reporting Violation Table (Appendix A)

1.6 Responsibility

All Employees of the Company and its subsidiaries (“the Group”), persons providing services to the Group and members of the public where relevant.

1.6.1 Heads of Department

- Responsible to receive and act immediately on any concerns/allegations of misconduct as covered above and reports to the Whistleblowing Committee.

1.6.2 Whistleblowing Committee (“WC”)

- The WC comprises Senior Independent Director (“Head of WC”), CEO and Head of HR. The Whistleblowing Officer (“WO”) refers to Head of HR.
- To receive and act on any concerns/allegations of misconduct by providing assurance that the RI would be protected against any reprisals and/or any retaliation from his/her colleagues, immediate superior or head of department/division.
- To conduct a preliminary assessment to establish whether the disclosure has merit and can be substantiated.

1.6.3 Senior Independent Director

- To receive and act on any concerns/allegations reporting to him via his email, dr_nikismail@kawanfood.com.

- To conduct a preliminary assessment to establish whether the disclosure has merit and can be substantiated.

1.7 REPORTING PROCEDURE

Procedures for initial assessment

Prior to submitting a report through this Policy,

- The RI should consider talking to raise the concern on potential or actual improper conduct, wrong doings, corruption, fraud, etc (“the said Violation”) to his/her Head of Department (“HOD”).
- Disclosures can be made:
 - ❖ meet in person with HOD/HR/Senior Management; or
 - ❖ email your concern through HR-PR01-R01 Document Reporting Violation Table disclosed at Appendix A of this Policy.
- Disclosures can be made to the Senior Independent Director, Dr Nik Ismail Bin Nik Daud. If it is deemed more appropriate to raise the concern to.

a) Lodging a report of improper conduct

The reports can be made through the following channels:

- (i) In writing: Kawan Food Berhad c/o Senior Independent Director
 Lot 129351, Jalan Sungai Pinang 4/19
 Taman Perindustrian Pulau Indah
 Selangor Halal Hub, Fasa 2C
 42920 Pulau Indah
 Selangor Darul Ehsan

- (ii) email to: dr_nikismail@kawanfood.com.

- The RI should provide sufficient, precise relevant information relating, among others, to individuals, dates, places, names, witnesses, numbers, actual or potential violations so that reasonable investigations can be conducted.
- The RI is not expected to prove the truth but needs to demonstrate that there are reasonable grounds for the concerns.
- All reports shall be maintained in the Whistleblowing Register maintained by a Whistleblowing Officer (“WO”).
- In the event that a report is received by others, the person must forward the report to the WO in order to keep record in the Whistleblowing Register.
- Upon registration, the WC shall deliberate to categorise and determine whether the report is a human resource issue which shall be referred to Human Resource Department or within the scope of this Policy which WC shall proceed with the investigation.
- The WO shall submit a report on the findings and recommendation to the WC.
- The Senior Independent Director has the authority to make referrals to relevant enforcement agencies for proper investigation if an employee wishes to make a report pursuant to the Act.

1.8 Procedures for investigations

- Investigations will be conducted quickly as possible taking into account the nature and complexity of the issues raised.
- Employees, contractors, business partners (suppliers, customers, banks etc) are expected to fully cooperate in the investigations.
- Investigation will be managed internally but the Company may appoint external investigators or investigating team if deemed appropriate.
- The Head of WC shall appoint the Investigation Team (“IT”) and shall direct and guide the investigation activities.
- In conducting the investigation, the IT has the rights and authority:
 - access to all records, facilities and premises within the scope of their investigations;
 - access to the RI – meetings may be arranged offsite to protect the identify of the RI.
 - scheduled meetings are confidential and documented by way of voice recording or minutes.
 - all documentary information must be properly secured.
- The Leader of the IT shall update the Head of WC accordingly.
- The WC shall contact the RI, explaining that actions are being taken or will be taken on the report made.
- Upon completion of the investigation, the IT shall submit a written report of its findings and recommendation to the Head of WC who will report to the Board.
- The Head of WC shall review the findings of the investigations and recommend the appropriate actions to the Board.
- The Senior Independent Director shall inform WC of the decision made to be updated in the register.
- The WC is responsible to track the progress of the investigation, implementing recommendations and ensuring appropriate actions are taken.
- The Head of WC shall update the Board at its quarterly meetings.
- If the claim of malpractice is established, appropriate disciplinary action will be taken against the defaulting party/ies. Where it is believed that criminal activity has taken place, the matter may be reported to the police and appropriate legal action taken.
- However, if it is later discovered from an investigation that the disclosure/report was made with malicious intent, appropriate action can be taken against the RI.
- The RI may withdraw the disclosure/report giving reasons, but the Company reserves the right to proceed with the investigations.
- The RI will be notified of the outcome, as appropriate.

1.9 Safekeeping of Records

- All reports, its supporting evidence, findings of investigations and monitoring shall be kept and monitored by WC.
- Disclosures of reports to those who are not involved in the investigation will be viewed as a serious disciplinary offence which may result in disciplinary action.

Strictly Private & Confidential

**SUBJECT:
DOCUMENT REPORTING VIOLATION TABLE**

Details of Reporting Individual (RI)

Name : _____

NRIC: _____

Employee No: _____

Department: _____

Date of Report: _____

Mobile No: _____

Details of Person(s) Involved

Name: _____

Name: _____

Department: _____

Details of the Allegations

Nature of the Allegations including Date, Time & Places of the occurrence of the Alleged Misconduct/Wrongdoing: _____

Other Relevant information: _____

Please attached any supporting evidence if available.

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Name of RI:

Date:

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Name of the officer in charge:

Date: