cofreth (M) SDN BHD

WHISTLEBLOWING POLICY

POLICY & PROCEDURE FOR REPORTING IMPROPER CONDUCT, WRONGDOINGS, CORRUPTION, FRAUD, WASTE AND/OR ABUSE INVOLVING COMPANY'S RESOURCES

cofreth (M) SDN BHD
Achieving Greater Life at Workplace

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1. INTRODUCTION

In line with good corporate governance practices and with the introduction of the Whistleblower Protection Act 2010, the Board and Management of Cofreth (M) Sdn Bhd and its group of companies ("the Company") encourage its employees and associates ("the reporting individual") to report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Company.

2. OBJECTIVES

The objective of this policy and procedure is to provide and facilitate a mechanism for any reporting individual ("RI") to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse.

3. POLICY & PROTECTION

a. Anonymity

It is the policy of the Company to allow the RI to either identify themselves or if they prefer, to remain anonymous when reporting suspected and/or known instances of misconduct, wrongdoings, corruption, fraud, waste and/or abuse.

b. Assurance against reprisal and/or retaliation

Where the RI has chosen to reveal his/her identity, it is the policy of the Company to provide assurance that the RI would be protected against reprisals and/or retaliation from his/her immediate superior or head of department / division.

In addition, the Company provides assurance that no disciplinary action can be taken against the RI as long as he/she does not provide false information in the report "*purposely, knowingly or recklessly*" i.e. the report is basically *malicious* in nature.

c. Confidentiality

The Company shall treat all reports or disclosures as sensitive and will only reveal information on a "need to know" basis or if required by law, court or authority.

The identity and particulars of the RI shall also be kept private and confidential unless the RI chose to reveal his/her identity.

Where the RI has chosen to reveal his/her identity when making such a report, written permission from the RI would be obtained before the information is released.

d. Immunity

All costs in relation to any legal liabilities or proceedings (whether criminal or civil) that may be brought against the RI shall be borne by the Company and the selection of the lawyer defending the legal action shall be made by the Company.

e. Protection

The RI shall also be protected against:

I. action causing injury, loss or damage;
II. intimidation or harassment;
III. interference with the lawful employment or livelihood of the RI, including discrimination, discharge, demotion, suspension, disadvantage, termination or adverse treatment in relation to the RI's employment, career, profession, trade or business or the taking of disciplinary action; and
IV. a threat to take any of the actions referred to in paragraphs (i) to (iii) above.

Where necessary, any person related or associated with the RI (e.g., immediate family members) shall be accorded with similar protection mentioned in this paragraph (e).

f. Relocation

The RI may request for a relocation of his/her place of employment at the discretion of the Company.

The protection conferred above is:

I. not limited or affected in the event that the disclosure does not lead to any disciplinary action or prosecution of the person whom the disclosure of the improper conduct, wrongdoings, corruption, fraud, waste, and/or abuse has been made;

II. however, restricted to the RI reporting the suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste and/or abuse involving the Company's resources through the Company under this policy.

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4. REVOCATION OF POLICY & PROTECTION

The protection stated in section (3) above shall be revoked by the Company if:

i. the RI himself has participated in the improper conduct, wrongdoings, corruption, fraud, waste, and/or abuse;

ii. the RI wilfully or maliciously made his disclosure, knowing or believing the information is false or untrue;

iii. the disclosure is frivolous or vexatious; or

iv. the disclosure is made with the intention or motive to avoid dismissal or other disciplinary action.

SCOPE & DEFINITION

a. ***Improper Conduct***

Any conduct which if proved, constitutes a disciplinary offence or a criminal offence.

b. ***Fraud***

Fraud is the act of making false representations of material facts whether by words or conduct, by concealing information, or by making misleading statements in order to obtain some benefit or payment that would otherwise not exist.

Fraud includes (but not limited to) any questionable accounting practices or irregularities in the Company's reported financial statements and non-compliance with the Company's internal financial controls.

These acts may be committed either for the RI's own benefit, or for the benefit of some other party. These acts must have been committed knowingly, wilfully and intentionally.

c. ***Waste***

Waste is spending money or using resources on goods or services in excess of actual need. Waste does not necessarily produce a benefit for the RI, but is an act of poor management of funds.

d. ***Abuse***

Abuse consists of practices that cause unnecessary costs to the Company. Abuse can be similar to fraud, except that it is not necessary to prove that abuse was performed knowingly, wilfully and intentionally.

5. PROCEDURE FOR REPORTING IMPROPER CONDUCT, WRONGDOINGS, CORRUPTION, FRAUD, WASTE AND OR ABUSE

a. If a RI suspects that improper conduct, wrongdoings, corruption, fraud, waste, or abuse has occurred, the RI is encouraged to contact the Group Internal Audit Department.

This can be done in writing, by telephone, fax or e-mail. The disclosure should be addressed to:

Ms Nor Niza Md Ajib
Chief Audit Executive
No. 39, Jalan USJ Sentral 3, Persiaran Subang 1
47600 Subang Jaya, Selangor Darul Ehsan

Phone (Direct Line): 603-8023 8878
Fax: +603-8025 1252
E-mail: nor-niza.md-ajib@cofreth.com.my

The disclosure may be made orally provided that the authorised officer, upon receiving the disclosure made orally shall as soon as it is practicable, reduce it into writing.

In the event there is a need to contact someone other than the Chief Audit Executive, a RI may report directly to the CEO and Managing Director (Ir Ong Ching Loon) at _______________ , or the Company Secretary (Ms Patricia Foo Siew Choo) at _______________________.

b. If the RI is unsure of the type of evidence needed for the Group Internal Audit Department to begin an investigation, the RI is encouraged to make use *the "Report of Improper Conduct, Wrongdoings, Corruption, Fraud, Waste &/or Abuse"* form provided in Appendix 1.

Note:

Reporting directly helps us to gather the evidence necessary to validate your disclosure and to identify the nature of improper conduct, wrongdoings, corruption, fraud, waste, and/or abuse.

Reporting directly also helps us to recommend measures to prevent it from reoccurring and to improve the situation.

c. If the RI prefers to remain anonymous, the RI may call the Chief Audit Executive ***(Ms Nor Niza) at 03-8023 8878 Ext 700*** approximately fourteen days after the initial report. This enables the Chief Audit Executive to ask any follow-up questions that have arisen since the beginning of the investigation.

6. PROCEDURE FOR HANDLING REPORTS OF FRAUD, WASTE AND OR ABUSE

a. The Chief Audit Executive will maintain a record of the complaints and will track their receipt, investigation and resolution.

b. The Chief Audit Executive will seriously consider each disclosure and pursue it to the extent that the information received allows, and based on the evidence that is available.

c. Once your disclosure is received, the Chief Audit Executive will begin preliminary investigations to establish whether the disclosure has merit and can be substantiated.

d. Following the internal auditing standard of professional practice, the Chief Audit Executive will review the disclosure and determine if there is enough evidence to confirm that disclosure.

e. With this information, the Chief Audit Executive will do his best to draw an unbiased conclusion from facts given to him by the RI, or any other information gathered during the course investigation.

f. If the case necessitates further action on the part of the Human Resource (HR) department, a copy of a summary report will be provided to HR.

g. The Chief Audit Executive shall prepare a summary report and present it to the Company's Audit Committee on a quarterly basis. The report will maintain confidentiality to protect the RI's identity.

APPENDIX 1

REPORT OF IMPROPER CONDUCT, WRONGDOINGS, CORRUPTION, FRAUD, WASTE &/OR ABUSE

Type or complete in ink and return this form to:

Ms Nor Niza Md Ajib
Chief Audit Executive
No. 39, Jalan USJ Sentral 3, Persiaran Subang 1
47600 Subang Jaya, Selangor Darul Ehsan

Tel (Direct Line): 603-8023 8878
Fax: +603-8025 1252
E-mail: nor-niza.md-ajib@cofreth.com.my

1. Name of the person(s) you are reporting ___________________________

2. Name of the division/department in which that person works.
____

3. Please provide a summary of the alleged improper conduct, wrongdoings, corruption, fraud, waste &/or abuse that you are reporting.
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4. Please attach a separate narrative if necessary, as well as documentation to support your claim.

5. Provide information on relevant witnesses, if any, including email, telephone and/or the best way to get in touch with them.

   Witness #1

   Name:______________________________
   Email:______________________________
   Phone No:___________________________

   Witness #2

   Name:______________________________
   Email:______________________________
   Phone No:___________________________

   Any additional information concerning these witnesses:

   ____

   ____

   ____

6. If possible, please provide dates (month, day, year) that the alleged activity occurred.

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7. Please explain why you believe the person you are reporting has committed these acts knowingly, willingly and intentionally.

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8. We would like to know how the alleged activities came to y our attention (if you have not already done so in the summary); however, this is optional for you to report this.

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9. Please provide any other information you may find relevant.
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10. We will not document information concerning your name if you wish to remain anonymous; however, if you do not want to be anonymous please provide your name, phone number and email

Your Name: _____________________________
Your Phone No: __________________________
Your Email: _____________________________

*If you decide to remain anonymous, please contact us within two weeks of your report, because we may need additional information concerning the alleged activities reported by you.

Thank you.