

HAILY GROUP BERHAD

Registration No. 202001006412 (1362732-T)
(Incorporated in Malaysia)

WHISTLE-BLOWING POLICY

1. INTRODUCTION

The board of directors (“Board”) and management of HAILY GROUP BERHAD (“HGB” or “the Company”) and its subsidiaries (collectively referred to as “the Group”) are committed to the highest standards of integrity, honesty and ethical behaviour in the conduct of its business and operations.

All employees, customers, suppliers and any third parties having any dealings with the Group (collectively referred to as “Stakeholders”) are encouraged to raise genuine concerns and/or wrongdoings within the Group in matters of financial reporting, compliance and other malpractices at the earliest opportunity within a specific manner without the fear of harassment, victimisation or discrimination.

This policy is in line with the Whistle-blower Protection Act 2010 and Section 587 of the Companies Act 2016.

This policy is designed to:

- a) Support the Group’s values;
- b) Ensure Stakeholders can raise concerns without fear of reprisals and safeguard such person’s confidentiality;
- c) Protect a whistle-blower from reprisal as a consequence of making a disclosure;
- d) Provide a transparent and confidential process for dealing with concerns. This policy covers possible improprieties in matters of financial reporting, and amongst others, the following:
 - Fraud;
 - Corruption, bribery, kickback or blackmail;
 - Criminal offences;
 - Failure to comply with a legal or regulatory obligation;
 - Miscarriage of justice;
 - Spreading malicious rumours about the Group;
 - Unauthorized disclosure of the Group’s confidential information without prior approval;
 - Endangerment of an individual’s health and safety; and
 - Concealment of any, or a combination, of the above.

2. PRINCIPLES

The principles underpinning this policy are as follows:

- a) internal procedures to facilitate necessary whistle-blowing, in a timely and responsible manner, are in place and made known to all employees of the Group;

- b) all disclosures will be treated fairly and properly, and addressed in an appropriate and timely manner;
- c) the Group will not tolerate harassment or victimisation of anyone raising a genuine concern;
- d) the identity and personal information of the whistle-blower will be protected and kept confidential, unless the individual agrees otherwise or unless otherwise required by law, court or regulatory authority;
- e) the whistle-blower and the alleged wrongdoer will be treated fairly. The wrongdoer will be informed of the status of his/her disclosure and the alleged wrongdoer will be given an opportunity to respond to all allegations at an appropriate time (not necessarily at the start, or during, the investigation);
- f) personal information, including the identity, of the whistle-blower and the alleged wrongdoer shall only be revealed on a 'need-to-know' basis or if required by law, court or regulatory authority; and
- g) the Group will ensure no one will be at risk of suffering some form of reprisal as a result of raising a concern even if the individual is mistaken. The Group, however, does not extend this assurance to someone who maliciously raises a matter he/she knows is untrue.

3. COVERED CONCERNS

A disclosure relating to, but not limited to, either of the following concerns or wrongdoings by any person in the conduct of the business shall be reported:

- a) corruption, bribery, kickback and fraud;
- b) criminal offence or any breach of the laws of Malaysia;
- c) acceptance of gifts/favour beyond the threshold allowed by the Group;
- d) misuse and/or misappropriation of the Group's funds or assets;
- e) impropriety (including financial and operational, etc.) within the Group;
- f) gross mismanagement within the Group (including serious potential breach to the interest of society and environment);
- g) breach of code of ethics of the Group, including sexual, physical or other abuse of human rights; and/or
- h) act or omission jeopardising the health and safety of the Group's employees or the public.

4. ACTING IN GOOD FAITH

The Group expects all parties to act in good faith and have a reasonable belief that the information and any allegations in it, are sustainably true and not acting for personal gain. Any anonymous whistle-blower will not be entertained.

5. CONSEQUENCES OF WRONGDOING OR WRONGFUL DISCLOSURE

If the "Person" (i.e. the whistle-blower) has, or is found to have:

- committed wrongdoing;

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- participated in the improper conduct, wrongdoing, corruption, fraud and/or abuse;
- taken serious risks which would likely cause wrongdoing to be committed;
- involves frivolous and vexatious whistleblowing disclosures;
- wilfully or maliciously made the disclosure, knowing or believing the information was untrue or false;
- made a disclosure not in accordance with the requirements of this policy (for instance, dishonest, mischievous or malicious complaints); or
- participated or assisted in any process pursuant to this policy otherwise than in good faith,

the corrective actions to be taken against that Person will be determined by the Chairman of the Audit and Risk Management Committee (“ARMC Chairman”) and the Chief Executive Officer (“CEO”), which may include, disciplinary measures, formal warning or reprimand, demotion, suspension or termination of employment or services or monetary or other forms of punishment.

Any attempt to retaliate, victimize or intimidate against anyone (whistle-blower) making a report in good faith is a serious violation of this policy and shall be dealt with serious disciplinary actions and procedures.

6. PROTECTION

The identity and personal information of the whistle-blower will be protected and kept strictly confidential. The abovementioned identity and personal information will not be disclosed without prior consent unless, required by the law, court or regulatory authority. Further, in the event the whistle-blower is an employee of the Group, such whistle-blower will be protected against any adverse/detrimental actions.

Subject to Section 5, the whistle-blower will be protected from the following reprisals, as a consequence of his/her disclosure:

- a) action causing injury, loss or damage;
- b) intimidation, victimisation and harassment;
- c) interference with the whistle-blower’s lawful employment or livelihood (including, discrimination, demotion, termination of employment, disciplinary actions); and
- d) any threats in relation to the above.

If a whistle-blower reasonably believes that he/she is being subjected to reprisal, as a consequence of whistle-blowing, he/she may consult or report to the ARMC Chairman.

7. REVOCATION OF POLICY & PROTECTION

The protection stated in section 6 above shall be revoked by the Group if:

- i. The whistle-blower himself/herself has participated in the improper conduct, wrongdoings, corruption, fraud and/or abuse;
- ii. The whistle-blower made his/her disclosure without good faith;
- iii. The disclosure was frivolous or vexatious; or

- iv. The disclosure was made with the intention or motive to avoid dismissal or other disciplinary action against the whistle-blower himself/herself.

8. WHISTLE BLOWING CHANNEL

- a. If any Stakeholder believes reasonably and in good faith that malpractices exist in the Group, the Stakeholder should report this immediately to the CEO. The channel of reporting to the CEO is as follows:

Contact persons: Mr Yoong Woei Yeh

Email : yoongwy@haily.my

- b. If for any reason, it is believed that reporting to management is a concern or not possible or appropriate, then the concern should be reported to the Chairman of the Audit and Risk Management Committee (“ARMC Chairman”). The details are as follows:

Contact persons:

ARMC Chairman: Mr Ong Kheng Swee

Email :

ARMC Chairman has the right to decide whether to inform the management, the Board or relevant enforcement authority(ies)(if the ARMC Chairman concluded that such incidents to be reported, based on the facts gathered), depending on the seriousness of the reported incident(s) and on need-to-know basis, without revealing the identity of the whistle-blower. The ARMC Chairman, at the cost to be borne by the Group, shall have the right and authority(ies) to decide on the next course of actions with the advice of the external professionals or experts, if required.

9. REVIEW OF THE POLICY

The Board reserves the right to review this Policy periodically to assess their effectiveness, and in any event, at least once every three (3) years, to maintain the compliance with applicable laws and regulations or accommodate organization changes within the Group.

This Whistle-Blowing Policy was approved and adopted by the Board on 2 September 2020.