



## **WHISTLEBLOWING POLICY**

### **1. OBJECTIVE**

Karyon Industries Berhad (“the Company”) and its subsidiaries (“the Group”) are committed to the values of the transparency, integrity, impartiality and accountability in the conduct of its business and affairs. This policy is developed to provide a structured reporting channel and guidance to all employees of the Group and members of the public to disclose any Improper Conduct in accordance with the procedures as provided for under this policy and to provide protection for employees and members of the public who report such allegations without fear of victimization, harassment or discriminatory treatment.

This Policy is to be read together with the Company’s Code of Conduct or the rules and regulation set out in any handbooks, policies and procedures statements or in other documentations of the Group.

### **2. DEFINITIONS**

2.1 “**Whistleblowing**” is the disclosure of Improper Conduct based on one’s reasonable belief that any person has engaged, is engaging or preparing to engage in Improper Conduct.

2.2 “**Whistleblower**” is a person who discloses information of Improper Conduct in accordance with this policy.

2.3 “**Improper Conduct**” means a breach of discipline or violation of the Code of Conduct or the rules and regulation set out in any handbooks, policies and procedures statements or in other documentations of the Group. Improper Conduct includes, but are not limited to, the following:

- (a) Fraud;
- (b) Corruption, bribery or blackmail;
- (c) Criminal offences;
- (d) Failure to comply with a legal or regulatory obligation;
- (e) Miscarriage of justice;
- (f) Endangerment of an individual’s health and safety; and
- (g) Concealment of any or a combination of the above.

2.4 “**Third Party**” refers to the Company’s service providers, independent contractors, vendors, suppliers, shareholders and/or other stakeholder.

### **3. SCOPE**

3.1 This policy applies to all employees of the Group as well as any other stakeholders or persons providing services to the Group, including consultants, vendors, contractors, and/or any other party with a business relationship with the Group, who have become aware of or genuinely suspects on a reasonable ground to believe that an employee of the Company has engaged in, is engaged or is preparing to engage in any Improper Conduct.

3.2 This policy does not apply to grievances concerning an individual’s term of employment as such matters shall be dealt with in accordance with the Group Human Resource guidelines and policies. Should it be determined during the preliminary investigation that the matter disclosed does not fall within the scope of this policy, such matters will be transferred and dealt with by the appropriate personnel of the relevant department for appropriate actions to be taken.



#### **4. REQUIREMENT OF GOOD FAITH**

- 4.1 The Whistleblower must have reasonable grounds for believing in its existence before reporting and must undertake such reporting in good faith, for the best interest of the Group and not for personal gains.
- 4.2 The element of good faith shall be deemed lacking in the following situations:
- a) The person does not have personal knowledge or a factual basis for the report of Improper Conduct;
  - b) Where the person knew or reasonably should have known that the reports are false; and/or
  - c) Where the report has been made with malicious intent, ulterior motive or for personal gain.

#### **5. REPORTING PROCEDURES**

- 5.1 The Whistleblower should immediately come forward with any information that he/she, in good faith and reasonably believes that an Improper Conduct was committed, is being committed or will be committed.
- 5.2 Any concerns should initially be reported to the immediate superior or manager. However, if for any reason the Whistleblower is reluctant to do so, then the Whistleblower shall report the concerns to the following:

BOARD CHAIRMAN (“BC”)	
Name	MR LOH CHEN YOOK
Email	chairman.kib@yahoo.com

- 5.3 All reports shall be communicated in writing made through email (using the attached form “Appendix A”). The report must provide full details of the Improper Conduct and where possible, with the supporting evidence. Anonymous complaints will not be entertained.

#### **6. INVESTIGATION AND TIMEFRAME**

##### **6.1 Initial Investigation**

- 6.1.1 Upon receipt of the report from whistleblower, the BC will decide on the next course of action and to appoint authorised person(s) to carry out the investigation.
- 6.1.2 Upon the instruction from the BC, the authorised person(s) will conduct an initial investigation to determine on the merits of a full investigation and report to the Board of Directors of the Group (“BOD”).
- 6.1.3 The BOD will make the decision on the Whistleblower’s disclosure, including but not limited to the following:



- a) Rejection of the Whistleblower's disclosure if the preliminary findings indicate no basis for further investigation;
- b) Commencing a full investigation in the event that the preliminary findings clearly indicate a basis for further investigation; and
- c) Determine any other course of action which the BOD deems fit.

## 6.2 Full Investigation

6.2.1 The full investigation process aims to achieve the following objectives:

- a) To gather relevant information in the most appropriate manner and to protect the information/document from sabotage/compromise;
- b) To ensure that the proper procedures are carried out in the process of the investigation; and
- c) To arrive at a fair judgment and recommendation on the allegation.

6.2.2 Only the BC, authorised person(s) and specific personnel directed by the above mentioned parties have the right to carry out the investigation.

6.2.3 The investigation of the alleged Improper Conduct would be carried out strictly in a confidential manner. The Whistleblower and the alleged wrongdoer are expected to give his/her full cooperation in any investigation or any other process carried out pursuant to this policy.

6.2.4 All information, documents, records and reports relating to the investigation of the alleged Improper Conduct shall be kept securely to ensure its confidentiality.

## 6.3 Timeframe

6.3.1 Investigations in respect of disclosures made are to be concluded on a timely manner but shall not exceed ninety (90) days from the date the disclosure was made. Notwithstanding the above, where an investigation cannot be reasonably completed within ninety (90) days, the BC may extend the time for its completion subject to any extension of time that may be granted by the Board of Directors.

## 7. REPORTING OF OUTCOME

7.1 The BC will notify the Board of Directors on the outcome of the investigation.

7.2 Subject to legal constraints, the Whistleblower and the alleged wrongdoer will be notified of the outcome of the investigation, if appropriate.

7.3 If the alleged wrongdoer is found to have committed the Improper Conduct, the BOD will recommend the disciplinary action to be taken against him/her. A final report with BC's recommendation will be tabled to the Board of Directors who will review the report and decide on the disciplinary action to be taken. This may amongst others, include a formal warning, reprimand, suspension or termination of employment with the Group.



**8. CIRCULATION AND REVIEW**

- 8.1 This policy will be circulated to all existing and new employees of the Company and its Group of Companies and published on the Company's website at [www.karyongroup.com.my](http://www.karyongroup.com.my).
- 8.2 This policy will be reviewed regularly and approved by the BOD. Any revisions, amendments to this policy will be communicated to all employees of the Group.

*Reviewed and approved by the Board on 8 July 2022.*



**Appendix A**

**WHISTLEBLOWING FORM**

Please provide the following details for any suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the Company. Please note that you may be called upon to assist in the investigation, if required.

Note: Please follow the guidelines as laid out in the Whistleblowing Policy

To :		
<b>REPORTER'S CONTACT DETAILS:</b>		
NAME		
EMAIL ADDRESS		
CONTACT NO.		
ADDRESS		
<b>COMPLAINT:</b> Briefly describe the misconduct / improper activity and how you know about it. Specify what, who, when, where and how and attach with supporting. If there is more than one allegation, number each allegation and use as many pages as necessary.		
INCIDENT DATE & TIME	DATE :	TIME :
LOCATION		
NAME OF ALLEGED PERSON & DEPT		
DESCRIPTION / CIRCUMSTANCES OF ALLEGED INCIDENT  <i>(PLEASE USE ATTACHMENT IF NECESSARY)</i>		
SIGNATURE		
DATE		