

## 1.0 Purpose

Avaland Berhad (“the Company”) is committed to the highest standard of business integrity, openness and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner.

This Whistleblowing Policy (“Policy”) is to provide an avenue for all employees of the Company and members of the public to disclose any improper conduct within the Company 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.

In conjunction with this, a Third-Party Service Provider has been engaged to set up and administer the Company’s whistleblower facilities.

## 2.0 Introduction

All parties are encouraged to raise genuine concerns about possible impropriety in matters of financial reporting and compliance or other malpractice at the earliest opportunity, and in an appropriate way.

This Policy is designed to:

- Support the Company's values;
- Ensure all parties can raise concerns without fear of reprisals; and
- Provide a transparent and confidential process for dealing with concerns.

## 3.0 Principles

The principles underpinning this Policy are as follows:

- All concerns raised will be treated fairly and properly;
- The Company will not tolerate harassment or victimisation of anyone raising a genuine concern;
- Any individual making a disclosure will retain anonymity as far as practical and only on a need to know basis;
- The Company will ensure that any individual raising a concern is aware of who is handling the matter; and
- The Company will ensure no one will be at risk of suffering some form of reprisal, as a result of raising a genuine concern, in the interest of the Company. However, if an individual makes malicious or vexatious allegations, disciplinary action may be taken against that individual.

#### 4.0 Definition

In this Policy the following expressions shall have meanings shown below:

TPSP	Third-Party Service Provider
ARMC	Audit and Risk Management Committee
WBCo	Whistleblowing Committee consisting of: <ul style="list-style-type: none"><li>• The Head of Human Resources (Chairperson)</li><li>• The Head of Legal</li><li>• The Head of Internal Audit</li></ul>
WBSM	Whistleblowing Senior Management consisting of: <ul style="list-style-type: none"><li>• The Chief Executive Officer</li><li>• The Executive Director</li><li>• The Chief Financial Officer</li></ul>
WBCh	Whistleblowing Champions (representing the WBCo, the WBSM and the ARMC collectively)

#### 5.0 Scope

This Policy is designed to enable concerned parties to report any perceived act of malpractice/improper conduct. Such reports should not be based on mere speculation, rumors and gossip, but on knowledge of facts. Reportable malpractice/improper conduct covered under this Policy include, but are not limited to:

- All forms of financial malpractice or impropriety such as fraud against the company, fraud by the company, corruption, bribery, theft, embezzlement or blackmail;
- Financial reporting irregularities;
- Failure to comply with legal and regulatory obligations;
- Breach of contractual obligations to clients/suppliers;
- Any form of criminal activity;
- Misuse of Company property;
- Abuse of power;
- Acts of injustice;
- Non-disclosure/conflict of interest;
- Discriminatory practices in relation to age, disability, national origin, race/colour, religion, etc.;
- Actions detrimental to Health and Safety or the Environment; and
- Attempts to conceal any of the above listed acts.

In reporting malpractice/improper conduct, the concerned parties should exercise sound discretion. Matters that can be resolved through normal escalation channels by, for example, carrying out internal discussions, reporting to the Head of Human Resources, Head of Finance, or any other/respective department heads, etc., should be addressed in these manners in the first instance. The whistleblowing mechanism should only be used as a channel to report matters that either cannot be escalated

through the normal channels or where such escalation has failed to yield appropriate and adequate action. Notwithstanding, where the concerned parties are in doubt, they should proceed to report through the whistleblowing channel.

## 6.0 Roles and responsibilities

Party	Roles and Responsibilities
Whistleblower	Any parties who have valid reportable concerns, i.e. Whistleblowers, are expected to act in good faith and should not make false accusations when reporting their concern(s).
TPSP	TPSP will review and handle the concerns confidentially and promptly, and shall report concerns to the WBCo twice monthly (or immediately when required).
WBCo	The WBCo are the drivers of any further investigative work. They will receive whistleblower logs from TPSP twice a month and review them, and perform further internal investigative work.
WBSM	WBSM to receive whistleblower logs and investigation reports from WBCo once a month and review them. The WBSM will carry out the necessary actions based on the investigation report submitted by the WBCo.
ARMC	ARMC to oversee the integrity, independence and effectiveness of whistleblowing processes. The ARMC will review the summary of complaints submitted by the WBCo on a quarterly basis.

## 7.0 Grievances Procedures

If any Whistleblower believes reasonably and in good faith that he/she has a reportable malpractice in the work place, the Whistleblower should report it via the whistle-blow hotline channel of either one of the following methods:

- Telephone hotline: **03- 2616 7005** (from 9:00 a.m. to 6:00 p.m. from Monday to Friday, excluding public holidays).
- Email hotline: [whistleblow-avaland@bdo.my](mailto:whistleblow-avaland@bdo.my)
- Online portal: [Avaland Ethics Line](#)

The Whistleblower would need to provide sufficient information for concerns to be investigated, failing which, the WBCo may recommend to close the case, and not take further action.

Refer section 13.0 for further details.

## 8.0 Concerns involving WBCo / WBSM / ARMC

In order to maintain the independence and integrity of the whistleblowing process, the following procedures will be adopted:

- Where concerns raised involve the WBCo, TPSP shall escalate those concerns to the WBSM directly, without involving any of the WBCo.
- Where concerns received involve the WBSM, TPSP shall escalate concerns to the ARMC directly, without involving either the WBCo or WBSM.
- Where concerns received involve any Member of the ARMC, TPSP shall exercise its professional judgement in seeking out appropriate other Members of the ARMC to ensure the appropriate reporting and follow up to the concerns raised. No detail of the concerns or the identity of the Whistleblower will be given to the ARMC Member in question.

## 9.0 Protection to Whistleblowers

The identity of Whistleblowers will be kept confidential to a reasonably practical extent (refer also to Section 11.0 below). All Whistleblowers who have acted in good faith will be protected from unfair treatment or practices including, but not limited to:

- Retaliation;
- Threat or intimidation of termination/suspension of service;
- Disciplinary action;
- Transfer;
- Demotion;
- Withholding of promotion; and
- Any direct or indirect use of authority to obstruct the employee's right to continue to perform his/her duties/functions, including making further disclosures.

Such protection will continue to apply even if investigation later reveals that the Whistleblower has been mistaken on facts, and the relevant rules and procedures involved. However, if an employee raises a concern frivolously, maliciously or for personal gain, these protections will no longer apply, and disciplinary action may be taken against the employee.

## 10.0 Confidentiality

Notwithstanding the use by TPSP and the WBCO/WBSM/ARMC ("Whistleblower Champions" or "WBCh"), all reported concerns will be treated in confidentiality and are to be kept protected against any unauthorised use and access, except where applicable laws require their disclosure or where prior adequate notification has been given to the Whistleblower and the WBCh.

## 11.0 Anonymity of Whistleblower

Whistleblowers may choose not to disclose their identity when reporting their concerns. However, in the course of any resultant investigation (and/or legal proceedings where necessary), the Whistleblower may be requested to disclose his/her identity. It should be noted that there will be situations in which further action (including investigation, disciplinary action and/or legal proceedings against the subjects of a complaint) may not be possible without knowing the identity of the whistleblower.

## 12.0 Actions by the Whistleblower Champions

Once the WBCo has received the complaints and their categorisation from TPSP on a twice monthly basis or, in cases where immediate escalation has been made by TPSP, the WBCo will carry out its investigation. Once the investigation is completed, the WBCo shall submit its investigation report (“IR”) to the following parties for purposes as stipulated below:

Parties reported to	Roles
HR Department	To hold domestic inquiry and take disciplinary action against the wrongdoer.
HOD / Process Owner	Identify corrective measures to address weaknesses highlighted in the IR, which gave rise to the violation.

The WBCo is to update the status of any Whistleblower Complaints and IR into the Summary of Complaints, which will be provided to the following parties on the specified timeframe:

Parties reported to	Frequency
WBSM	Monthly
ARMC	Quarterly

The Internal Audit Department shall monitor any implementation plan in respect of the corrective measures identified above on a quarterly basis.

Where the WBCo and WBSM have decided that they cannot perform the necessary investigation, due to technical limitations, independence issues or otherwise, management shall engage an independent professional party to carry out the investigation.

Refer also to section 13.0

### 13.0 Whistleblowing Procedures

Process	Narration
<pre> graph TD     A[Raising of concerns by Whistleblowers:] --&gt; B((Phone))     A --&gt; C((Email))     B --&gt; D[Call Logs record]     C --&gt; E[Immediate issuance of receipt confirmation]     E --&gt; F[Email to be read by TPSP and initial response issued to sender within 1 working day]     D --&gt; G{Require immediate attention?}     F --&gt; G     G -- Yes --&gt; H[Immediately notify WBCo]     H --&gt; I((A))     I --&gt; J[Close-out &amp; categorisation of concerns within 7 working day]     G -- No --&gt; J     J --&gt; K[Whistleblower logs]                     </pre>	<p>Whistleblowers are to raise concerns via the reporting channels either by phone hotline or the email hotline.</p> <p>Their concerns should be clearly presented and contain the following details:</p> <ul style="list-style-type: none"> <li>• Background/Description of the incident</li> <li>• Time and date of the incident</li> <li>• Location of the incident</li> <li>• The person(s) involved</li> <li>• Reason for believing the reported incident to be an issue</li> <li>• Whistleblower's contact details (optional unless requested)</li> </ul> <p>TPSP shall, on receipt of the email, immediately issue a receipt confirmation email to indicate that the email has safely reached TPSP, and was not lost in transit, etc.</p> <p>TPSP shall, within 1 working day of the receipt of the email, read and issue an initial response to the sender.</p> <p>In the case of phone calls received, calls logs will be retained.</p> <p>Where the matter requires immediate attention, TPSP shall highlight to the WBCo for the next course of action.</p> <p>Investigation required.</p> <p>TPSP shall close out the concerns with the Whistleblower within 7 working days (subject to Whistleblower's availability and co-operation). Once the concern is finalised, TPSP shall categorise the concern according to <b>Appendix I</b>. This is done regardless of the status of completion of the investigation work.</p> <p>Whistleblower logs are to be submitted by TPSP to the WBCo bi-weekly. WBCo to provide WBSM and ARMC with a summary of complaints on a monthly basis and quarterly basis respectively.</p>

### 13.0 Whistleblowing Procedures (Cont'd)

Process	Narration
<pre> graph TD     A((A)) --&gt; B[Investigation Corrective Measures Monitoring]     B --&gt; C{Valid?}     C -- Yes --&gt; D[To take action against the wrongdoer.]     C -- No --&gt; E[End]     D --&gt; E           </pre> <p>The flowchart starts with a circle labeled 'A'. An arrow points down to a rectangular box containing the text 'Investigation', 'Corrective Measures', and 'Monitoring'. From the bottom of this box, an arrow points down to a diamond-shaped decision box labeled 'Valid?'. From the bottom of the 'Valid?' box, two arrows emerge: one labeled 'Yes' pointing down to a rectangular box labeled 'To take action against the wrongdoer.', and one labeled 'No' pointing down to a rounded rectangular box labeled 'End'. From the bottom of the 'To take action...' box, an arrow points down to the 'End' box.</p>	<p>Investigation required</p> <ul style="list-style-type: none"> <li>• WBCo will carry out the necessary investigation internally or externally, depending on factors such as technical capabilities, independence, confidentiality, etc.;</li> <li>• Internal Audit to identify weakness in controls post investigation;</li> <li>• Head in charge to put in corrective measures, and</li> <li>• Review of corrective measures to be carried out quarterly.</li> </ul> <ul style="list-style-type: none"> <li>• HR to hold domestic inquiry and take disciplinary action against the wrongdoer.</li> </ul>

These policies and procedures were approved by the Board of Directors on 28 November 2017.

APPENDIX I

Categories of Concerns

Category	Descriptions
Fraudulent Acts	<ul style="list-style-type: none"> <li>• Corrupt practices</li> <li>• Anti-Competitive Agreements</li> <li>• Embezzlement Schemes</li> <li>• Conflict of Interest</li> </ul>
Non-Compliance to Law and Regulations	<ul style="list-style-type: none"> <li>• Companies Act (including accounting irregularities)</li> <li>• Criminal Laws</li> <li>• Employment Act</li> <li>• Health, Safety and Environmental Regulations</li> <li>• Contractual Obligations to Clients/Suppliers</li> <li>• Relevant Accounting &amp; Tax Regulations</li> </ul>
Breach of Company's Policies	<ul style="list-style-type: none"> <li>• Human Resource &amp; Code of Conduct</li> <li>• Information Technologies Policies</li> <li>• Discriminating Practices</li> <li>• Staff Harassment</li> </ul>
Others	<ul style="list-style-type: none"> <li>• Concerns not falling into one of the above categories</li> </ul>

*Please note that the list of categories above are not exhaustive and a single complaint may fall under one or more categories.*