

# **LOTUS KFM BERHAD**

**198401007083 (119598-P)**

## **WHISTLEBLOWING POLICY**

### **A. OBJECTIVE**

Lotus KFM Berhad (Lotus) is committed to ensure its business and operations are conducted in an ethical, honesty and integrity manner. The objective of this policy is to provide an avenue for employees and other stakeholders to report genuine concerns in relation to breach of a legal obligation, miscarriage of justice, danger to health and safety or to the environment and the cover-up of any of these in the workplace, without the risk of reprisal, separation, demotion, suspension or loss of benefits because of the report.

### **B. SCOPE OF THIS POLICY**

This Policy governs the disclosures, reporting and investigation of misconduct within the Group as well as the protection offered to the persons making those disclosures from detrimental action.

The scope of the policy applies to ALL employees of Lotus and its subsidiaries, Board members, external parties, and other stakeholders, where relevant.

Misconduct include:

- Accounting or audit irregularities, fraud
- Bribery, Corruption
- Conflicts of interest
- Falsification of company records
- Abuse of power
- Sexual harassment or discrimination
- Theft of cash, goods, services or time
- Non-compliance with procedure

### **C. GENERAL PRINCIPLES**

The general principles governing this whistle blowing are as follows:

- All reports or complaints shall be treated in strict confidence without any risk of reprisal;
- The whistle blower may identify himself or herself or remain anonymous when reporting suspected and/or known misconduct and wrongdoings. However, whistle blower shall note that the Board and the Audit Committee could only accord the necessary protection to him or her, if the whistle blower identities are known. The Board reserves its right to or not to investigate into any allegation communicated by anonymous whistle blower.

## **C. GENERAL PRINCIPLES (CONT'D)**

The general principles governing this whistle blowing are as follows (cont'd):

- The identity of the whistle blower and all concerns raised would be treated as private and confidential in order to protect the whistle blower from victimisation or harassment arises from the reporting. However, the whistle blower may be required to come forward as a witness in accordance with any applicable laws and regulations.
- The whistle blower will be informed of the investigators handling the matter and its status;
- Whistle blower and any persons related or associated with the whistle blower are protected against any detrimental action in reprisal for whistle blowing improper conducts. However, this protection would not be extended to someone who maliciously raises matter he/she knows is untrue; and
- Any employee reporting on any concern must make it in good faith with reasonable belief that it is true, without malicious or false allegation and not for personal gain. Any employee found to make false and malicious allegation shall be subjected to disciplinary actions by the Company and/or legal action by the Company.

## **D. WHISTLE BLOWING CHANNEL**

Whistle blower who believes reasonable and in good faith that violations and malpractice exists should report the wrong doing to the Board Chairman or the Audit Committee Chairman by emailing to [kfm.whistleblower@kfmb.com.my](mailto:kfm.whistleblower@kfmb.com.my) or post to [P. O. Box 387, 25740 Kuantan or Kawasan Lembaga Pelabuhan Kuantan, KM25 Jalan Kuantan/Kemaman, Tanjung Gelang, 26080 Kuantan].

## **E. INVESTIGATION**

All complaints will be investigated. The Internal Auditors shall review each claim and pursue it to the extent that the information and evidence received allows. The Internal Auditors shall begin preliminary investigations to establish whether the claim has merit and can be substantiated and report to the Chairman of the Audit Committee for further action.

The Board Chairman or the Audit Committee Chairman may seek assistance from other resources within the outside the Group when conducting its investigation at the cost of the Group.

Upon completion of investigation, the Board Chairman or the Audit Committee Chairman shall decide the appropriate actions for:

1. Informing the whistle blower the status of the findings;
2. Initiating disciplinary action against any persons who has committed improper conducts;
3. Making a police report where the improper conduct constitutes a criminal offence; and
4. Recommending steps be implemented to prevent similar situation from repeating in the future.

**E. INVESTIGATION (CONT'D)**

The Internal Auditors shall maintain a record of the complaints received and on quarterly basis, prepare a summary report of complaints received, if any, and present it to the Audit Committee.

**F. REVIEW OF THE POLICY**

This Policy will be reviewed at least once every three (3) years to ensure its effectiveness and consistency with the governing legislation and regulatory requirements, or more frequently should there be material changes to the said legislation and regulations or circumstance of the business, if any.