

Whistle-Blowing procedure of Khind

KHIND HOLDINGS BERHAD
WHISTLE-BLOWING PROCEDURE

Contents

Introduction	2
1. Principles	3
Aim Of The Procedure	3
Scope Of The Procedure	3
Reporter	4
2. Raising A Concern	4
First Step	4
Next Step	4
Handling Of Reported Cases	5
How To Report And The Response	6
3. Safeguarding The Position Of The Reporter	6
Confidentiality And Anonymity	6
Prevention Of Punishment Or Unfair Treatment	7
Misuse Of The Whistle-Blowing Procedure	7
Reporting To An Outside Party	7
4. Safeguarding The Position Of The Person(s)	8
Subject Of The Reported Case	8
Informing Person(s)	8
5. Privacy	8
6. Implementation	9
Annex: Format Whistle-Blowing Report	10

Introduction

Khind's Code of Conduct contains corporate values, principles and guideline for the way in which Khind aims to conduct itself in relation to its consumers, customers, shareholders, employees, business partners and the communities in which it operates.

Khind is committed to high standards of openness and integrity in its work. To maintain these standards, Khind encourages its employees who have concerns about a (suspected) contravention of Khind's Code of Conduct, to come forward and express these concerns without fear of punishment or unfair treatment.

To give guidance on how to raise these kinds of concerns, a whistle-blowing procedure is introduced.

This whistle-blowing procedure is intended to be used as an ultimate remedy, if no other means are available to address the matter. If you wish to raise a specific concern you are encouraged to try to solve the matter through existing procedures and discuss the matter first with your line superior(s) before using the whistle-blowing procedure. The whistle-blowing procedure is especially developed to deal with a (reasonable suspicion of) contravention of the Code of Conduct

Board of Director

1. Principles

Aim of the procedure

The aim of the procedure is:

- To provide avenues for employees to raise concerns and define a way to handle these concerns in case it is not possible or appropriate to solve the issue in any other way and a discussion with your immediate superior is not possible or inappropriate;
- To enable management to be informed at an early stage about possible contraventions;
- To reassure employees that they will be protected from punishment or unfair treatment for disclosing concerns in good faith;
- To support the culture of openness, accountability and integrity.

Scope of the procedure

The scope of the procedure is:

- All concerns for behaviour conflicting with the principles set out in the Khind's Code of Conduct, such as:
 - Non compliance to laws, regulations;
 - Financial malpractice;
 - Integrity;
 - Discrimination;
 - Danger to public or employee health and safety;
 - Concealment of any malpractice.

It will not always be clear whether a particular action falls under the principles of the Code and you will need to use your own judgement. However, in such cases, Khind would prefer that you report your concerns in good faith, rather than keep them to yourself. In the event of doubt whether a particular action is contrary to the principles of the Code, you are encouraged to first discuss this on a 'no name' basis with the Chairman of the Board of Directors, or the Chairman of the Audit Committee.

Any reports made in good faith will be valued and appreciated.

- The whistle-blowing procedure should not be used for imprudent imputations or personal grievances. The procedure does not replace existing procedures for handling (individual) grievances.

Reporter

Everyone employed by Khind irrespective of the duration of the employment, may report a (reasonable suspicion of) contravention of the Code of Conduct

2. Raising a Concern

First step

When an employee is of the opinion that a specific concern falls within the scope of this whistle blowing procedure and cannot be solved through existing procedures, he or she is encouraged to discuss the matter first with his/her immediate Superior. This is the fastest way to clear up any misunderstanding and also the best way to ensure a good and open working environment throughout the organization.

Next step

If notifying your immediate Superior is not reasonably possible or inappropriate for whatever reason, or if you are of the opinion the response you received is not in the best interest of Khind or its stakeholders, you can choose to contact

- (i) Senior Independent Director of the Company
- (ii) The Chairman (Independent) of the Audit Committee

A reporter will not be expected to prove truth of an allegation but he or she should be able to demonstrate that there are sufficient grounds to have a reasonable belief that something is wrong.

Handling of Reported Cases

The Chairman (Independent) Board of Directors or Chairman of Audit Committee will assess each reported case whether

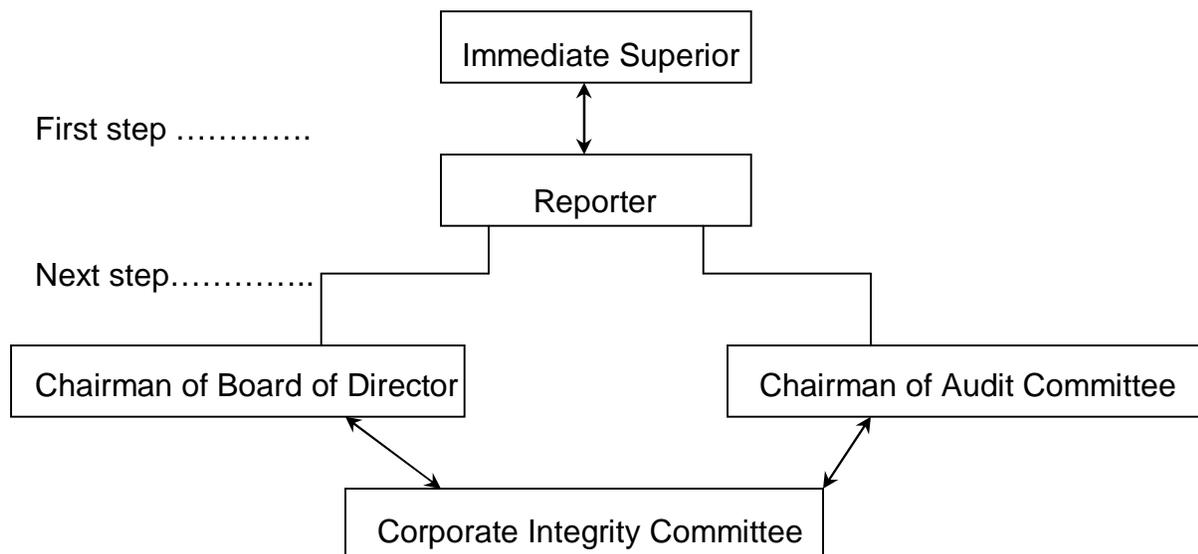
- it qualifies as a contravention of the principles of the Code of Conduct and
- possible stumbling blocks can be removed easily.

The Audit Committee (or Integrity Committee to be formed) will review the assessment of the above. Cases that qualify will be further investigated and handled by the Audit Committee or Integrity Committee. The Audit/ Integrity Committee investigates the issue, takes intermediate actions if necessary, passes judgement on the reported matter, provides the Board of Management or the Managing Director of the Company, at the discretion of the Committee, binding advice on measures to be taken and will monitor execution.

The Integrity Committee Consists of

- An Independent Director of the Board of Directors of Khind
- CEO or COO
- Human Resource Manager

In graphics, the structure of reporting can be represented as follows:



How to Report and the Response

Reporting a reasonable suspicion of a contravention to the Chairman of the Board of Directors or the Chairman of Audit Committee can be done in person, in writing, by telephone or by email,

Please provide as much detailed information as necessary to enable the recipient to assess the matter, such as background, history and reason for the concern, together with names, dates, places and other information.

Khind will always arrange for ways to report in the native language, if so desired.

The review and investigation of the reported contravention by the Corporate Integrity Committee will start immediately and be completed within 8 weeks from the date that a report was made. In the event that information about the status of the situation cannot be given within 8 weeks, a new date will be set for the expected notification of the status to the reporter.

3. Safeguarding the Position of the Reporter.

Confidentiality and Anonymity

Chairman of the Board or Chairman of Audit Committee are not allowed to disclose the identity of the reporter without permission of the reporter, except in the following cases:

- If required by law;
- If the report has been submitted maliciously;
- In the event of an important (public) interest.

If the fact, that the reporters' identity is not revealed, hinders or complicates investigations or may prevent appropriate actions from being taken, the reporter will be asked to agree to reveal his identity.

If the identity of the reporter will be revealed, information about the identity will only be disclosed to those persons having a need to know such information.

Prevention of Punishment or Unfair Treatment

Khind will not tolerate punishment or unfair treatment when concerns are raised in good faith. Any employee who reports a contravention will be given protection and shall in no way be put at a disadvantage as a result of his or her report. If the reporter is punished or treated unfairly by anyone, this will result in consequences for that person.

Misuse of the Whistle-blowing Procedure

If there are concerns, Khind assumes employees express concerns in good faith. If upon investigation some of the concerns cannot be confirmed or may not have substance, no action will be taken against employees raising concerns in good faith.

Khind cannot permit a situation in which an employee purposely makes a report that he or she knows, or has reason to know, is false. Making a false report will result in consequences for the employee (e.g. termination of the contract employment), and he or she may be held liable for damage suffered by anyone who has been affected by these false reports.

Reporting to an Outside Party

If after evaluation and careful consideration the reported is of the opinion the procedure followed or decisions taken by the Corporate Integrity Committee are not in the best interest of Khind or its stakeholders, he or she may consider reporting to an outside party. External disclosure may further be made in case of an important and urgent public interest or required by law.

The instrument of external reporting should in reasonable opinion of the reporter be in balance with the relevant matter and there should not be a less potentially damaging option available.

The reporter should minimize the possible negative impact of his/her actions to Khind and its stakeholders and to the people involved. The external party one considers disclosing information to, should be able to effectively organize action against the alleged contravention.

Before blowing the whistle externally, the Chairman of the Board or the Chairman of Audit Committee or the Corporate Integrity Committee should be informed about the planned external whistle-blowing activity one is going to follow.

4. Safeguarding the Position of the Person(s) Subject of the Reported Cases

Informing person(s)

The persons(s) subject of the reported case will be informed by the Chairman of Board of Directors or Chairman of Audit Committee about the reported matter as soon as possible after it has been reported to the Corporate Integrity Committee, unless such would seriously hinder the investigation.

5. Privacy

Khind is committed to protect the privacy of the persons involved to the fullest extent possible and in accordance with applicable laws. Any personal data obtained, as part of the whistle-blowing procedure will only be used for the purposes explained in the whistle-blowing procedure and will only be provided to those persons who have a need to know these data for these purposes or to comply with the law or an important public interest.

6. Implementation

The CEO's office is responsible to implement the whistle-blowing procedure in the organization, to communicate it effectively to all employees and to organize the necessary conditions in order to create a situation that there is in reason no obstacle for any employee to report a (reasonable suspicion of) contravention of the Code of Conduct.

The CEO's office will at least take the following actions:

- Inform all employees about the existence of the procedure in the local language (including contents of procedure, relevant names and addresses, telephone numbers and e-mail addresses). Information on the whistle-blowing procedure will be available on the intranet, by personnel information, introduction programme etc;
- Appoint one or more Local Trusted Representative(s) in the organization;
- Provide the Local Trusted Representative(s) and management with proper instructions regarding the correct execution of the procedure;
- Organise support in disclosing a contravention to those who do not have easy access or are less (computer) literate, e.g. via the Local Trusted Representative or local works council representative.

The Corporate Integrity Committee is responsible for:

- The implementation of the whistle-blowing procedure.
- The proper administrative procedures for reporting contraventions.

In order to keep the procedures alive in the organization, communication will be repeated regularly and relevant contact address, phone numbers and names of Chairman of the Board of Directors and Chairman of Audit Committee will be available at all time.

All Correspondences should be addressed to the Senior Independent Non-Executive Director of Khind Holdings Berhad at : kamil@khindmistral.com .

Annex

Format whistle-blowing report

1. General

- 1. I have read the whistle-blowing procedure and agree to be bound thereto
- 2. Do you wish to remain anonymous within Kind yes no

2. Company Information

Name of your company
.....

Location
.....

City
.....

Country
.....

3. Personal Information

Your name
.....

Your preferred phone number
.....

Your preferred e-mail address
.....

Best time for communication with you
.....

Best way of communication with you
 Phone e-mail physical

Clarification

Please note that the recipient of this report will always be aware of your personal data.

Please fill in the full physical address

*Please fill in your full first name and last name
You may also fill in your private phone number and private e-mail address
private e-mail address*

4. Report of Contravention

What is the contravention of the Code of Conduct you want to report?

.....

Do you have a serious suspicion or are you sure?

Serious suspicion I am sure

When did it occur?

.....

Where did it occur?

.....

Who are, in your opinion, the persons involved?

 first name last name function

1.

.....

2.

.....

3.

.....

Unknown

What is, in your opinion, the potential damage (financially or otherwise) to the company or other interested parties?

.....

Do you think it will happen again?

no yes, when:

.....

5. Personal Action

How did you become aware of the situation?

.....

This should be a general description. You can provide more details under 6 below

Please fill in the location, document or transaction, as the case may be

Please fill in the full first and last names and functions to the fullest extent possible

Have you reported the situation to the immediate superior(s) first?

no, why not: yes, the outcome was:
.....

If you have informed colleagues, friends or relatives, please also mention their full names

Do you know of any other person(s) who are aware of the situation, not being personally involved?

no yes:
.....

Please describe the physical evidence such as documents

Do you have any physical evidence, which can be handed over?

no yes:
.....

Please provide any additional information you have

6. Additional Information

.....

Date: Date:
.....

[signature] [signature]
.....

[name of reporter]
.....