

WHISTLE BLOWING POLICY

1. Introduction

The Board and Management of Kobay Technology Bhd. acknowledged the importance of good corporate governance practices and with the introduction of the Whistleblower Protection Act 2010 by the regulatory bodies, the Group encourage its employees (inclusive associates, herein refers to as “the reporting party”) to report suspicious or alleged misconduct, wrongdoings, corruption, fraud, waste, sexual harassment, discrimination and/or abuse in utilizing the resources of the Company/Group.

2. Objective

The objective of this policy and procedures is to provide and facilitate a mechanism on how the reporting party (“RP”) dealt with suspicious or alleged misconduct, wrongdoings, corruption, fraud, waste, sexual harassment, discrimination and/or abuse.

3. Policies and Procedures

3.1 General

The Policy allows the RP to either, identify themselves or prefer to be remain anonymous, when reporting a suspected or alleged instances or event of misconduct, wrongdoings, corruption, fraud, waste, sexual harassment, discrimination and/or abuse.

The Group Human Resource Policy and Procedures has governed the reporting channel for any internal affairs/report (therein termed as “grievances”). The ultimate channel to report to for any internal event is the Executive Committee, the Board’s Committee.

3.2 Scope and Definition

3.2.1 Misconduct and wrongdoings

The Group Human Resource Policy and Procedures has clearly ruled out in its Chapter 7 on all potential misconduct and wrongdoings as well as the disciplinary action procedures to be taken against the employee.

3.2.2 Corruption, Gift or Questionable Payments

It is the Group’s Code of Business Conduct that employees are involve in accepting any gift or gratuities or corruption either by accepting or making questionable payments will be subject to disciplinary action or in a serious scenario will be subject to civil or criminal offenses imposed by the related law and regulations.

3.2.3. Fraud

Fraud is an act of making false and misleading representations of material facts, whether by words or conduct, for personal benefits.

Fraud includes (but not limited to) any questionable accounting practices or irregularities in the Company's report or financial statements and non-compliance to the Company's Internal Control Policy.

RP may or may not be the interested party however if the act is committed knowingly, wilfully and intentionally, it is deemed to be fraud.

3.2.4 Waste

Waste is using resources whether is of monetary, goods or services in excess of the actual need. It does not necessary benefit the RP but may be an act of poor management or mismanagement of the Company's resources.

3.2.5 Abuse

Abuse is of a practice where caused the Company to incur unnecessary cost utilizing the Company's time, information or resources for own use or benefits.

3.3 Procedures

- 3.3.1 Save for any internal affairs which governed under the Group Human Resource Policy and Procedures, if the RP suspects of any misconduct, wrongdoings, corruption, fraud, waste, sexual harassment, discrimination and/or abuse, he/she shall contact the Group Internal Auditor (and copy for internal affairs, if needed).

Mr. Ong Gim Hoe
Internal Audit Manager
Wisma Kobay,
No. 42-B, Jalan Rangoon,
10400 Georgetown,
Penang.
Tel.: 04-6411888
Email : ghong@kobaytech.com

In the event if there is a need to contact other than the Internal Audit Manager, the RP may report the matter to the Company Secretaries, Ms Wong Mee Choon (Tel.: 04-2280020) or Ms Chan Mun Shee (Tel.: 04-3711338 ext 302) at cosec@kobaytech.com .

- 3.3.2 If the RP wish not to disclose himself/herself, he/she may download the form from Kobay website under the Whistleblower Policy and direct the duly completed form and submit via online by clicking the relevant person addressed to (either the Group Human Resource Department or Group Internal Audit Manager or both) for investigation.
- 3.3.3 The RP may follow up the matter to the person either via email or by call after seven (7) working days.
- 3.3.4 Save as the internal affair (Grievances) for which was governed under the Group Human Resource Policy and Procedure, upon receipt of the compliant, the Group Internal Audit Manager shall commence on a preliminary investigation to establish whether the complaint is of genuine and substantiated prior to evidence collection.

- 3.3.5 The Group Internal Audit Manager may contact the RP for further fact and disclosure during the investigation.
- 3.3.6 If the case is covered under the Group Human Resource Policy and Procedures, the Group Internal Audit Manager shall forward such case to the Group Human Resource Manager for his/her further action.
- 3.3.7 Otherwise, upon the compilation of sufficient evidence on the disclosure, the Group Internal Audit Manager, will maintain a record of complaint with record on the date of receipt, the investigation and the solution, if any and disclose to the Audit and Risk Management Committee on the quarterly basis.
- 3.3.8 If there is no solution to the complaint, the Group Internal Audit Manager shall notify the Senior Independent Non-executive Chairman of the Audit and Risk Management Committee for his advice on the next course of action.

3.4 Assurance and Confidentiality to RP

Where the RP chosen not to reveal his/her identity, it is the Company's policy to kept his/her identity as private and confidential and whereas if the RP chosen to reveal his/her identity, it is the Company's policy to provide assurance that the RP identity shall be will be protected against any reprisals from his/her immediate superior and without the RP's prior written permission, shall not reveal his/her identity to any party.

The Company shall also assures that no disciplinary action will be taken against the RP as long as he/she does not provide any false information in reporting the instances or event which is basically malicious in nature.

The Company shall treat the report as highly confidential and sensitive and will only reveal the information on a "need to know" basis or if required by the law, court or authority.

3.5 Protection

The RP shall be protected against the following :-

- (i) action causing injury, loss or damage;
- (ii) intimidation or harassment;
- (iii) interference with the lawful employment or livelihood of the RP, including discrimination, demotion, suspension, termination or adverse treatment in relation to the RP's employment, career, profession, trade or business; and
- (iv) a threat of any action to be taken against the RP under the abovementioned situation.

Where necessary, any person related or association with the RP, including the immediate family members, shall accorded with the similar protection mentioned herein.

The Company reserves the right to relocate the RP's place of employment if there is a need to do so in protecting the RP.

However, the protection stated above will be revoked should the Company found that :-

- (i) the RP is personally participated in the improper conduct, wrongdoings, corruption, fraud, waste and/or abuse;
- (ii) the RP wilfully or maliciously made his disclosure, knowingly and believing that the information is false or untrue;
- (iii) the disclosure is of frivolous or vexatious; or
- (iv) the disclosure is made with the intention or motive to avoid dismissal or other disciplinary action to be taken against him/her.

4. Administration of the Code

The Group Internal Audit Manager is assigned by the Audit and Risk Management Committee to review the Policy regularly to ensure that it continues to remain relevant and appropriate.

REPORT OF MISCONDUCT, WRONGDOINGS, CORRUPTION, FRAUD, WASTE &/OR ABUSE

Kindly complete the form and submit to :-

- Group Human Resource Manager (hr@kobaytech.com)
- Group Internal Audit Manager (ghong@kobaytech.com)

* tick whichever is applicable

1. Name of the person/(s) you are reporting.

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2. Name of the division/department in which the person/(s) works.

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3. Please provide a summary of the alleged misconduct, wrongdoings, corruption, fraud, waste &/or abuse that you are reporting. (inclusive the day, month and year of each event occurs and how you come to know the alleged activities)

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4. Please attach a separate narrative report, if necessary, as well as the documents to support your claim.

5. Please provide the information of relevant witnesses, if any, including email, telephone and/or the best way to get in touch with them.

Witness No. 1

Name :

Phone contact :

Email Address :

Witness No. 2

Name :

Phone contact :

Email Address :

Any additional information concerning these witnesses :-

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6. Please explain why you are of view that the person you are reporting has allegedly commit these acts knowingly, wilfully and intentionally.

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7. Please provide any other information for which you may find relevant on the investigation.

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8. If you decide to remain as anonymous, please ignore this section.

Your Name :

Your Phone Contact :

Your Email Address :