HARTALEGA HOLDINGS BERHAD
(741883-X)

WHISTLEBLOWING POLICY AND PROCEDURE

1.0 PURPOSE

1.1. Hartalega Holdings Berhad, Hartalega Research Sdn Bhd, Hartalega Sdn Bhd and Hartalega NGC Sdn Bhd ("the Companies") are committed to maintain high standards of corporate governance and integrity.

1.2. This policy is in place to encourage a culture of transparency, accountability and integrity as well as to promote good corporate governance within the Companies.

1.3. This policy provides for an avenue to employees, vendors, customers and other applicable stakeholders ("whistleblower") to report on genuine concerns with regard to unethical behaviour, malpractice, regulatory or legal violations or similar.

1.4. All genuine concerns reported shall be treated as strictly confidential and without any risk of reprisal to provide protection to the whistleblower.

2.0 GENERAL PRINCIPLES

2.1. This Policy enables employees, associates and stakeholders in the Companies to whistle blow in good faith without fear of adverse consequences.

2.2. The scope for reporting includes but is not limited to the following:
- Abuse of power
- Bribery / Corruption
- Conflict of Interest
- Theft
- Fraud and Dishonesty
- Misappropriation of Assets
- Insider trading
- Non-compliance to Policy
- Health / Safety / Environment

2.3. All cases will be treated fairly and properly.
- The confidentiality and anonymity of the whistleblower will be kept throughout the process.
- Bona fide whistleblowers will be protected against any unfair treatment or risk of reprisal resulting from their reporting.
- The person being reported will be considered innocent and not unduly penalized while investigation is ongoing.

2.4. Mischievous or malicious reports are considered as abuse of this whistleblowing mechanism and will be dealt severely, subject to the procedures and restrictions in force at the Companies.

2.5. The Companies are committed to conducting its business ethically and in compliance with all applicable laws and regulations, including but not limited to Malaysian Anti-Corruption Commission Act 2009 and its amendments, Malaysian Penal Code (revised 1977) and its amendments, the Companies Act 2016 (Malaysia) and Whistleblower Protection Act 2010 (Malaysia). In cases of conflict between mandatory law and the principles contained in this Policy the law shall prevail.

3.0 CONFIDENTIALITY AND SAFEGUARDS

3.1. The identity of the whistleblower will be kept confidential. If there is a need to disclose a whistleblower's identity for any reason (e.g. to facilitate investigation or required by relevant authorities like the police), the whistleblower's consent may be sought.

3.2. The Companies will protect a whistleblower who reports in good faith against discrimination, retaliation or any other negative treatment. If a whistleblower believes he/ she is facing such negative treatment, he/ she should immediately report those incidences to the independent 3rd party outsourced service provider as indicated in clause 4.1 below.

3.3. If a whistleblower is an employee of the Companies, he/ she shall be accorded protection in accordance with the Companies Act 2016 and Whistleblower Protection Act 2010. This means the whistleblower shall be protected against internal disciplinary actions, harassment or victimization from any of his/ her superiors throughout employment, providing the report was made in good faith and not for personal gain.

4.0 REPORTING AND INVESTIGATION PROCEDURES

4.1. The whistleblower can lodge a report to an independent 3rd party outsourced service provider ("Deloitte Halo") via two channels, (i) email and (ii) website, which are available in the following languages: English, Bahasa Malaysia, Burmese, Bengali, Nepali.

4.2. For reporting via email, the whistleblower can send the case to the following email address:

hartalega@tipoffs.com.my

The following information shall be shared through email for subsequent case management and investigation:

- Names of people involved;
- Names of any witnesses;
- Date, time and location of incident(s);
- Details of any proof;
- Money or assets involved;
- How often the incident has happened.

4.3. For reporting via website, the whistleblower may report case via website:

https://secure.deloitte-halo.com/hartalegaspeakup

Deloitte Halo is designed to guide the whistleblower step by step on how to lodge the report.

4.4. All reports received will be strictly confidential. Every effort will be made to ensure that confidentiality and protection of the whistleblower is maintained throughout the process. The whistleblower may choose to stay anonymous or allow the whistleblowing provider to share their identity to the Companies by indicating in the email report/ website.

4.5. After the report is lodged, the case management process will be initiated where the whistleblowing provider informs the Companies' Authorized Whistleblowing Representative (AWR), the Internal Audit Department of the Companies.

4.6. The whistleblowing report are reported to the Senior Independent Director (SID), Audit Committee Chairman (AC) and Managing Director (MD). Thereafter, the AWR performs preliminary investigation on the reported case and outcome of preliminary investigation are reported to the SID, AC and MD for guidance and subsequent investigation with support of internal resources or engagement of a third party independent forensic service.

4.7. The results of investigation are reported to SID, AC and MD, being concluded as follows:

- Case closed with no further action, i.e. non-factual based complaints, allegation that not supported by evidence etc.;
- Case confirmed which involve an internal misconduct that comes with internal disciplinary action, i.e. immediate dismissal or the response deemed appropriate; or
- Case confirmed and the allegation has broken laws and/ or regulations, where reports be made to the legal enforcers and relevant authorities.

Depending on the nature of concern, person(s) concerned may be informed of the allegations and be provided with an opportunity to defend against such allegations.

All cases are reported to the Audit Committee on a quarterly basis, including case status and summary of conclusion derived from the case management.

5.0 CONSEQUENCES OF MALICIOUS ACTIONS

5.1. The Companies do not have the power to offer immunity against prosecution in the criminal jurisdiction. This applies for both whistleblower and the accused. For example, someone accused of giving or receiving bribes or kickbacks will need prove his/ her innocence in the court of law, not to the Companies. If he/ she is found guilty by the court, a maximum fine of 10 times the sum of gratification involved, or RM1 million, whichever is higher, a maximum jail term of 20 years or both penalties of the fine and jail term.

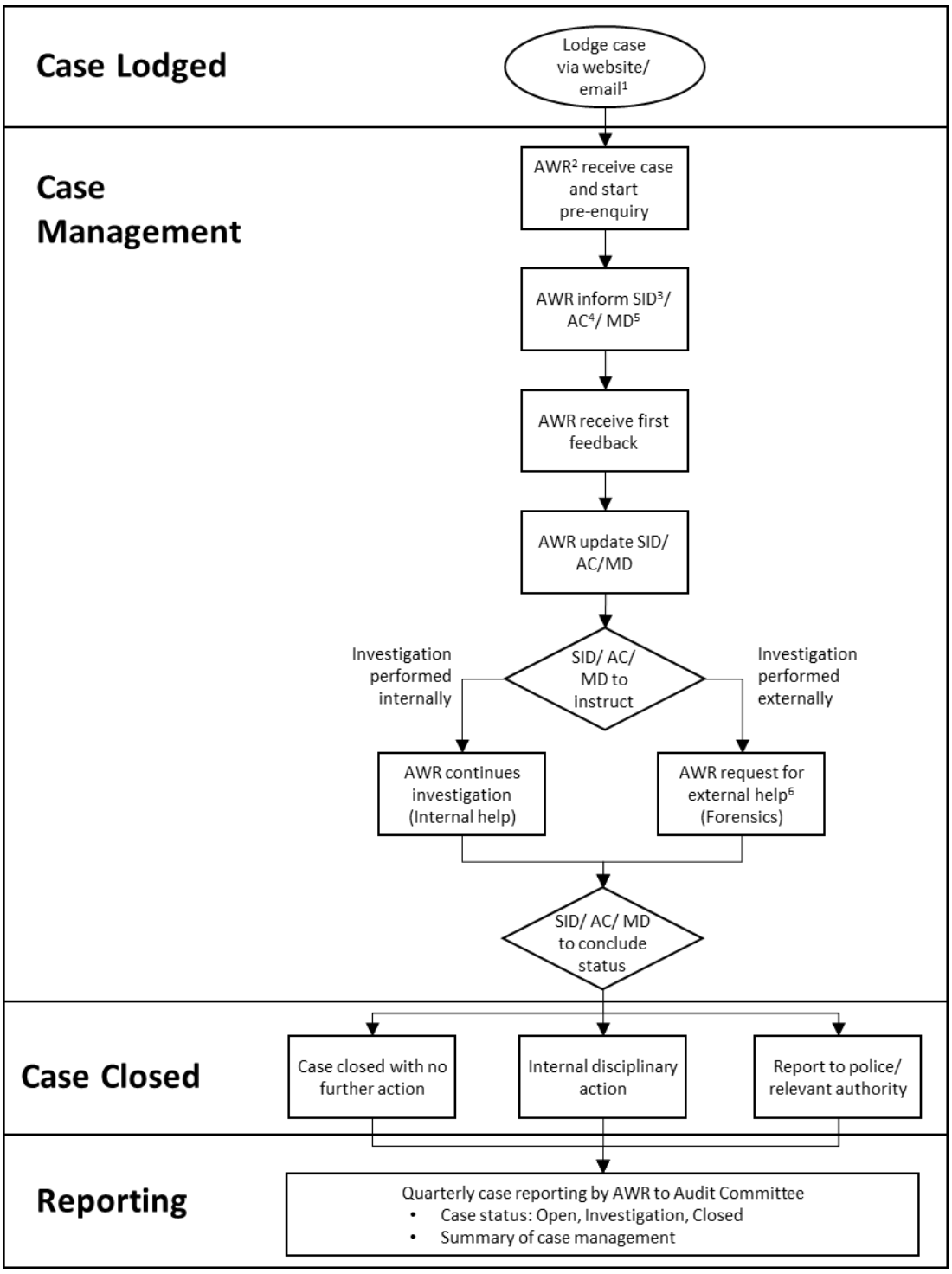
5.2. Mischievous or malicious reports are considered as abuse of this whistleblowing mechanism. The Companies may not offer the same protection indicated in this policy to individuals who abuse this whistleblowing mechanism.

5.3. If investigation reveals that the whistleblower may have acted maliciously or for personal gain, appropriate action may be taken against the whistleblower, including legal action or reporting the matter to relevant authorities like the police. If the whistleblower abusing this mechanism is a Hartalega employee, he/ she may also face disciplinary action up to dismissal from employment.

6.0 REVIEW

The Companies reserves the right to update and amend this policy from time to time.

Appendix: Whistleblowing Process



Notes:

1. To be provided by 3rd party independent service provider.
2. Authorized Whistleblowing Representative (Internal Audit Department)
3. Senior Independent Director
4. Audit Committee Chairman
5. Managing Director
6. When the reported case is complicated or if there is a lack of expertise, AWR may request to SID/ AC/ MD for outsourced forensic services.