

GRAND HOOVER BERHAD (10493-P)

WHISTLE BLOWING POLICY

1. INTRODUCTION

In line with good corporate governance practices and with the introduction of the Whistleblower Protection Act 2010, the Board and Management of Grand Hoover Berhad and its group of companies (“the Company”) encourage its employees and associates (“the reporting individual”) to report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Company.

2. OBJECTIVES

The objective of this policy and procedure is to provide and facilitate a mechanism for any reporting individual (“RI”) to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse.

3. POLICY & PROTECTION

(a) Anonymity

It is the policy of the Company to allow the RI to either identify themselves or if they prefer, to remain anonymous when reporting suspected and/or known instances of misconduct, wrongdoings, corruption, fraud, waste and/or abuse.

(b) Assurance against reprisal and/or retaliation

Where the RI has chosen to reveal his/her identity, it is the policy of the Company to provide assurance that the RI would be protected against reprisals and/or retaliation from his/her immediate superior or head of department / division.

In addition, the Company provides assurance that no disciplinary action can be taken against the RI as long as he/she does not provide false information in the report “purposely, knowingly or recklessly” i.e. the report is basically malicious in nature.

(c) Confidentiality

The Company shall treat all reports or disclosures as sensitive and will only reveal information on a “need to know” basis or if required by law, court or authority.

The identity and particulars of the RI shall also be kept private and confidential unless the RI chose to reveal his/her identity.

Where the RI has chosen to reveal his/her identity when making such a report, written permission from the RI would be obtained before the information is released.

(d) Immunity

All costs in relation to any legal liabilities or proceedings (whether criminal or civil) that may be brought against the RI shall be borne by the Company and the selection of the lawyer defending the legal action shall be made by the Company.

(e) Protection

The RI shall also be protected against:

- (i) action causing injury, loss or damage;
- (ii) intimidation or harassment;

- (iii) interference with the lawful employment or livelihood of the RI, including discrimination, discharge, demotion, suspension, disadvantage, termination or adverse treatment in relation to the RI's employment, career, profession, trade or business or the taking of disciplinary action; and a threat to take any of the actions referred to in paragraphs (i) to (iii) above.
- (iv) Where necessary, any person related or associated with the RI (e.g., immediate family members) shall be accorded with similar protection mentioned in this paragraph (e).

(f) Relocation

The RI may request for a relocation of his/her place of employment at the discretion of the Company.

The protection conferred above is:

- (i) not limited or affected in the event that the disclosure does not lead to any disciplinary action or prosecution of the person whom the disclosure of the improper conduct, wrongdoings, corruption, fraud, waste, and/or abuse has been made;
- (ii) however restricted to the RI reporting the suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste and/or abuse involving the Company's resources through the Company under this policy.

4. REVOCATION OF POLICY & PROTECTION

The protection stated in section (3) above shall be revoked by the Company if:

- (i) the RI himself has participated in the improper conduct, wrongdoings, corruption, fraud, waste, and/or abuse;
- (ii) the RI wilfully or maliciously made his disclosure, knowing or believing the information is false or untrue;
- (iii) the disclosure is frivolous or vexatious; or
- (iv) the disclosure is made with the intention or motive to avoid dismissal or other disciplinary action.

5. SCOPE & DEFINITION

(a) Improper Conduct

Any conduct which if proved, constitutes a disciplinary offence or a criminal offence.

(b) Fraud

Fraud is the act of making false representations of material facts whether by words or conduct, by concealing information, or by making misleading statements in order to obtain some benefit or payment that would otherwise not exist.

Fraud includes (but not limited to) any questionable accounting practices or irregularities in the Company's reported financial statements and non-compliance with the Company's internal financial controls.

These acts may be committed either for the RI's own benefit, or for the benefit of some other party. These acts must have been committed knowingly, wilfully and intentionally.

(c) Waste

Waste is spending money or using resources on goods or services in excess of actual need. Waste does not necessarily produce a benefit for the RI, but is an act of poor management of funds.

(d) Abuse

Abuse consists of practices that cause unnecessary costs to the Company. Abuse can be similar to fraud, except that it is not necessary to prove that abuse was performed knowingly, wilfully and intentionally

6. PROCEDURE FOR REPORTING IMPROPER CONDUCT, WRONGDOINGS, CORRUPTION, FRAUD, WASTE AND/OR ABUSE

- (a) If a RI suspects that improper conduct, wrongdoings, corruption, fraud, waste, or abuse has occurred, the RI is encouraged to contact the Audit Committee Chairman or the Internal Auditor.

This can be done in writing, by telephone, fax or e-mail. The disclosure should be addressed to any one of the following persons -

Mr. Yap Chi Keong
Audit Committee Chairman
Grand Hoover Berhad
63-G, Jalan Anggerik Vanilla T31/T,
Kota Kemuning, Section 31,
40460 Shah Alam, Selangor
Tel: 03-51222968
Fax: 03-51222663
Email: corporate@hoover.com.my

Ms. Sam Yap Pong
Internal Auditor
M/s. Sam & Co.
No. 29-2, Plaza Sinar,
Jalan 6/38D, Taman Sri Sinar,
51200 Segambut
Kuala Lumpur
Tel: 03-62779140
Fax: 03-62779125
Email: chua@samco.com.my

E-mails to the above address will also be forwarded to the Independent Non-Executive Chairman (Tuan Hj Basar bin Juraimi) and the Managing Director (Mr. Sim Cheng Young).

- (b) If the RI is unsure of the type of evidence needed for the Internal Auditor to begin an investigation, the RI is encouraged to make use the "Report of Improper Conduct, Wrongdoings, Corruption, Fraud, Waste &/or Abuse" form provided in Appendix 1.

The RI may wish to send this form via local postal service if you wish to remain anonymous. This form will aid you in providing adequate information to the Internal Auditor so that they can begin investigations.

Note: Reporting directly helps us to gather the evidence necessary to validate your disclosure and to identify the nature of improper conduct, wrongdoings, corruption, fraud, waste, and/or abuse. Reporting directly also helps us to recommend measures to prevent it from reoccurring and to improve the situation.

7. PROCEDURE FOR HANDLING REPORTS OF FRAUD, WASTE AND/OR ABUSE

- (a) The Internal Auditor will maintain a record of the complaints and will track their receipt, investigation and resolution.
- (b) The Internal Auditor will seriously consider each disclosure and pursue it to the extent that the information received allows, and based on the evidence that is available.
- (c) Once your disclosure is received, the Internal Auditor will begin preliminary investigations to establish whether the disclosure has merit and can be substantiated.
- (d) Following the internal auditing standard of professional practice, the Internal Auditor will review the disclosure and determine if there is enough evidence to confirm that disclosure.
- (e) With this information, the Internal Auditor will do her best to draw an unbiased conclusion from facts given to her by the RI, or any other information gathered during the course investigation.
- (f) If the case necessitates further action on the part of the Human Resource (HR) department, a copy of a summary report will be provided to HR.
- (g) The Internal Auditor shall prepare a summary report and present it to the Company's Audit Committee on a quarterly basis. The report will maintain confidentiality to protect the RI's identity.