

WHISTLEBLOWING POLICY

1. Introduction

Rex Industry Berhad (“**Rex**” or the “**Company**”) and its subsidiaries (the “**Group**”) is committed in maintaining high standard of corporate governance and integrity in the conduct of its business activities. In line with this, the Board of Directors (the “**Board**”) and the management of the Company, must maintain a workplace that practices good governance in all its operational activities and business dealings. Whistleblowing is a platform to empower the employees and stakeholders to report any genuine concerns about the wrongdoing that they may have observed within the Group.

2. Objectives

The Policy is designed to uphold the Group’s efforts and commitment in doing business with honesty and integrity, henceforth providing a transparent and confidential process in handling the whistle-blowing reports. The Company expects the highest standards of integrity from all its employees, Management, Directors and stakeholders, such as shareholders, customers, suppliers, contractors and consultants. Hence, the Whistleblowing Policy is structured to facilitate its employees and stakeholders to report instances of misconduct, wrong-doing, corruption, fraud, waste of the Company resources or abuse of rules and regulations within the Company without fear of retaliation.

3. Types of Misconduct or Wrongdoing

Parties can make a whistleblowing complaint if they are aware of any misconduct or wrongdoing, including but not limited to:-

- Fraud, theft, bribery, corruption, forgery, cheating or malpractice;
- Involvement in conflict of interest situations;
- Misappropriation or unauthorised use of the Group’s funds or assets;
- Sexual harassment;
- Sale of proprietary information and/or collusion with competitors;
- Giving false information and/or acts or omissions which may cause loss to the Group;
- Non-compliance with the Company’s procedures or breach of internal control;
- Failure to comply with legal or regulatory requirements; or
- Any attempt to conceal or suppress information relating to the above or other wrongdoings.

4. Whistleblowing Channels

For employees, any concerns should be raised to immediate superior or head of department.

If for any reason, it is inappropriate or impossible to do so, then the concerns should be reported directly to:

- (i) Chairman of the Company;
- (ii) Group Managing Director; or
- (iii) Chief Financial Officer.

REX INDUSTRY BERHAD
[Registration No. 199301027926 (282664-K)]
(Incorporated in Malaysia)

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The Group Managing Director must maintain a record of reports and the outcome will be reported, as necessary, to the Audit Committee. The report has to be in a form which does not endanger employee's confidentiality. If the complainant refuses to give supporting documents or evidence, then an investigation cannot proceed and the complaint could be considered false or an act of revenge. The employee complained against should be questioned, and if there is no further evidence then the employee concerned should not be unjustly punished over a false complaint. This is also a check and balance for both whistle-blower and the person complained against.

Where appropriate, the matters raised may:-

- make reference to the police;
- make reference to the external auditor;
- form domestic inquiry by the Company's Human Resource; or
- be investigated by the Internal Audit or the Group Managing Director and/or the related person so authorised.

In case reporting to the management is a concern, then, the concerns should be reported directly to the Chairman of Audit Committee.

The whistleblower should disclose the following information:-

- Name of whistleblower
- Contact details
- Details of person(s) involved
- Nature of allegation, time and venue of the incident took place
- Provide evidence, if any together with the report

All reports received will be analysed by the Head of Human Resources and further discussed with the Group Managing Director to decide on the next appropriate course of action.

In consequence of the investigation, the outcome will be tabled in the Audit Committee Meeting. The Audit Committee or the Group Managing Director shall then report to the Board of Directors on reports and findings that require their attention and approval.

5. Protection from retaliation

The Whistleblowing Policy provides an assurance to the whistleblower that he/she would be protected against any unfair practice not limited to retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or any direct or indirect use of authority to obstruct the whistleblower from continuing making his/her disclosure.

The identity of the whistleblower shall not be revealed to anyone, inside and outside the organisation, except to the court upon involvement of any legal proceeding or required by the law.

(Whistleblowing Policy - cont'd)

6. Acting in Good Faith

Only genuine concerns should be reported under whistleblowing procedures. The report should be made in good faith with a reasonable belief that the information and any allegations are substantially true, and the report is not made for personal gain. Malicious and false allegations will be viewed seriously and if proven may lead to appropriate disciplinary action, up to and including legal action, where appropriate.

7. Confidentiality

All reports submitted will be treated in confidence and reports will be maintained strict confidentiality of the employees, directors or any stakeholders' identity consistent with the needs to conduct an adequate investigation. The information obtained and will only be revealed on a "need to know" basis or if required by law, court or authority.

8. Effective Date

This Policy is effective on 18 October 2018.