

SCAN ASSOCIATES BERHAD (525669-P)

WHISTLEBLOWING POLICY

Introduction

SCAN Group of Companies recognises whistleblowing as an important mechanism in the prevention and detection of improper conduct, harrasment or corruption in the conduct of its businesses and operations.

Whistleblowing Policy is designed to encourage employees to disclose any malpractice or misconduct of which they become aware and importantly to provide protection for employees who report allegations of such malpractices or miscondacts.

Scope of Policy

The policy applies to all employees, suppliers, agents, contractors and customers of the Group. Any whistleblowing employee is protected and any member of public who participate or assist in an investigation will also be protected. Every effort will be made to protect the anonymity of the whistleblower, however there may be situations where it cannot be guaranteed.

The strategies incorporated in this policy aim to address such reporting, responsibility, confidentiality and effective investigation. The purpose is to improve the systems and procedures, changing the attitudes of employee and improving the overall integrity and performance of the Group.

Below are some examples of business misconduct:

- Bribery;
- Anti-trust;
- Money laundering;
- Criminal offence;
- Fraud;
- Failure to comply with any legal obligations and procedures;
- Danger to the health and safety of any individual;
- Corporate misconduct

Confidentiality

SCAN Group is committed to protect genuine whistleblower against detrimental action taken in reprisal for the disclosures. The Group will take all reasonable step to protect the identity of the whistleblower, in ensuring reprisals are not made against a whistleblower. In additional, an employee who whisteblovs internally shall be protected against any adverse employment actions (discharge, demotion, suspension, harassment, or other forms of discrimination) for raising allegations of business misconduct.

WHISTLEBLOWING POLICY (Con't)

Disclosure Methods

There are many methods by which whistleblowers may make a disclosure:

- from a phone call to report the suspect incidents or cases;
- written disclosure posted to the immediate superior. However, if it is believed that is not possible, then the concern should be reported to the Chief Executive Officer ("CEO").

Disclosure of suspected improper activity or detrimental action can be made through formal or informal channels:

1. Formal

- A personally written formal disclosure;
- A formal meeting with the superior or CEO;
- A phone call maintaining a sense of formality;
- A formal email

2. Informal

- An informal meeting with the superior and/or CEO;
- A casual phone call;
- Casual discussion;
- Casual email;
- Any other communication chosen by the person making the disclosure.

The disclosure report shall be made in good faith with a reasonable belief that the information and any allegation in it are substantially true, and are not made to seek for any personal gains or for malicious purposes.

Investigator

Upon receipt of the report, the investigation officer appointed by the CEO shall carry out the investigation immediately.

At the conclusion of the investigation, the investigator will submit a written report of his or her findings to the Audit Committee.

Actions

Subsequent to the findings of the investigation, the Audit Committee shall provide a written report to the Board of Directors and remedial steps shall be taken accordingly.

Where the investigation concludes that the disclosed conduct did not occur, the member of the Board of Director will report these findings to the whistleblower.

Review

This policy was approved by the Board on 24 April 2013 and will be reviewed annually to ensure they meet the objectives of the relevant legislation and remain effective for the Company and may be changed, whenever required at the discretion of the Board of Directors.