

MCE HOLDINGS BERHAD

(Company No.1158341-K)
(Incorporated in MALAYSIA)

Whistle-Blowing Policy

MCE HOLDINGS BERHAD (“the Company” or “MCE”)’s Whistle Blowing Policy (‘WBP’) set out hereunder the protocols, procedures and protection for whistle blowers in support of the Company’s values and ethics.

Introduction

All employees are encouraged to raise genuine concerns about possible improprieties or violations in matters of financial reporting, compliance and other malpractices at the earliest opportunity, and in an appropriate way.

This MCE is designed to:

- (a) Support the company’s values and ethics set out in the Board’s Policy on Code of Business Conduct & Ethics;
- (b) Ensure employees have an avenue to raise concerns without fear of reprisals and safeguard such person’s confidentiality;
- (c) Protect a whistle-blower from reprisal arising from making a disclosure;
- (d) Provide a transparent and confidential process for dealing with concerns. This policy not only covers possible improprieties in matters of financial reporting, but also:
 - Fraud;
 - Corruption, bribery or blackmail;
 - Criminal offences;
 - Failure to comply with a legal or regulatory obligation;
 - Miscarriage of justice;
 - Endangerment of an individual’s health and safety;
 - Discrimination & Harassment; and
 - Concealment of any, or a combination, of the above.

Principles

The principles underpinning this Policy are as follows:

- (a) internal procedures to facilitate necessary whistle-blowing, in a timely and responsible manner, are in place and made known to all employees of the company;
- (b) all disclosures will be treated fairly and properly, and addressed in an appropriate and timely manner;
- (c) the company will not tolerate harassment or victimisation of anyone raising a genuine concern;
- (d) the identity and personal information of the whistle-blower will be protected and kept confidential, unless the individual agrees otherwise or unless otherwise required by law;
- (e) the whistleblower and the alleged wrongdoer will be treated fairly. The wrongdoer will be informed of the status of his disclosure and the alleged wrongdoer will be given an opportunity to respond to all allegations at an appropriate time (not necessarily at the start, or during, the investigation);

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- (f) personal information, including the identity, of the whistle-blower and the alleged wrongdoer shall only be revealed on a 'need-to-know' basis; and
- (g) the company will ensure no one will be at risk of suffering some form of reprisal as a result of raising a concern even if the individual is mistaken. The company, however, does not extend this assurance to someone who maliciously raises a matter which he knows is untrue.

Covered Concerns

A disclosure relating to, but not limited to, either of the following concerns or wrongdoings by any person in the conduct of the business shall be reported:

- (a) corruption, bribery and fraud;
- (b) criminal offence or any breach of the laws of Malaysia;
- (c) acceptance of gifts/ favour what would be deemed reasonable or such threshold fixed by Management;
- (d) misuse and/or misappropriation of the company's funds or assets
- (e) impropriety (including financial and operational, etc.) within the company;
- (f) gross mismanagement within the company (including serious potential breach to the interest of society and environment);
- (g) breach of code of ethics of the company, including discrimination and harassment, sexual, physical or other abuse of human rights; and
- (h) act or omission jeopardising the health and safety of the company's employees or the public.

Reporting Procedure

If any employee believes reasonably and in good faith that malpractices exist in the work place, the employee should report this immediately to the line manager. However, if for any reason the employee is reluctant to do so, then the employee should report the concerns to either:

1. Dr Goh Kar Chun, Group Managing Director (gohkc@multicode.com.my)
2. Goh Anne, Group Executive Director (anne@multicode.com.my)

Employees concerned about speaking to another member of staff can speak, in confidence, to an Executive Director. The employee will be provided counselling advice. These concerns will be reported to the Management without revealing the identity of the whistle-blower.

If these channels have been followed and if employees still have unresolved concerns or if employees feel the matter is grave in nature that it cannot be discussed with any of the appointed persons above, they should contact the Senior Independent Director at lamshintai@yahoo.com, being the director identified in the company's annual report as one to whom concerns may be conveyed.

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Employees who have raised concerns internally will be informed of who is handling the matter, how they can make contact with them and if there is any further assistance required.

Employees' identities will not be disclosed without prior consent. Where concerns cannot be resolved without revealing the identity of the employee raising the concern (i.e. if the evidence is required in court), a dialogue will be carried out with the employee concerned as to whether and how the matter can progress further.

Consequences of Wrongdoing or Wrongful Disclosure

If the Person (i.e. the whistle-blower) has, or is found to have:

- committed a wrongdoing;
- taken serious risks which would likely cause a wrongdoing to be committed;
- made a disclosure not in accordance with the requirements of this policy (for instance, dishonest, mischievous, frivolous, vexatious or malicious complaints); or
- participated or assisted in any process pursuant to this policy otherwise than in good faith, the corrective actions to be taken against that Person will be determined by the Executive Directors or, if so delegated by the Executive Directors, the Senior Management, which may include, disciplinary measures, formal warning or reprimand, demotion, suspension or termination of employment or services or monetary or other forms of punishment.

Protection

The identity and personal information of the whistle-blower will be protected and kept confidential, unless the whistle-blower agrees otherwise or unless otherwise required by law.

The whistle-blower will be protected from reprisal, including any form of harassment and victimisation, as a consequence of his disclosure.

If a whistle-blower reasonably believes that he is being subjected to reprisal, including harassment and victimisation, as a consequence of whistle-blowing, he may consult or report to the Appointed Persons:

Mr Tai Lam Shin, Senior Independent Director (lamshintai@yahoo.com)