

HR POLICY - WHISTLE-BLOWING

Introduction

LHN Logistics Limited and its subsidiaries (the “Group”) are committed to a high standard of compliance with accounting, financial reporting, internal controls, corporate governance, auditing requirements, and any legislation relating hereto. In addition, the Company also emphasises the enforcement of employees’ health and safety in the workplace.

In line with this commitment, the Whistle-blowing Policy (the “Policy”) aims to provide an avenue for employees to raise concerns and offer reassurance that they will be protected from reprisals or victimisation for whistle-blowing in good faith.

Objectives

The main objectives of this Policy are:

- Deter wrongdoing and to strengthen corporate governance processes and practices.
- Provision of proper avenues for employees to raise concerns about actual or suspected improprieties in matters of financial reporting or other matters and receive feedback on any actions taken.
- Give employees the assurance that they will be protected from reprisals or victimisation for whistle-blowing in good faith.

What to Report

The Group shall have zero tolerance for fraud. Employees are encouraged to report fraud, misappropriations and other irregularities, or such suspected acts that come to their knowledge.

Some examples of fraud, misappropriations and irregularities covered by this Policy may include the following:

- Any dishonest or fraudulent act.
- Misappropriation of funds, supplies, or other assets.
- Impropriety in the handling or reporting of money or financial transactions.
- Profiteering as a result of insider knowledge of the company activities.
- Disclosing confidential and proprietary information to outside parties.
- Accepting or seeking any reward from contractors, vendors, or persons providing services/materials to the company in connection with influencing the outcome of contracts.
- Unauthorised destruction, removal, or inappropriate use of records, furniture, fixtures and equipment.

Besides addition to the above, other reportable incidents include (this list is not exhaustive):

- Concerns about the Group's accounting, internal controls or auditing matters.
- Breach of failure to implement or comply with the Group's policies or code of conduct.
- Conduct which is an offence or breach of law.
- Abuse of power or authority
- Serious conflict of interest without disclosure.
- Intentional provision of incorrect information to public bodies.
- Any other serious improper matters which cause financial or non-financial loss to the company, or damage to the company's reputation.
- Fraud against investors, or the making of fraudulent statements to the Singapore Exchange Securities Trading Limited, members of the investing public and government or state authorities.
- Acts to mislead, deceive, manipulate, coerce or fraudulently influence the Management, any internal or external accountant or auditor in connection with the preparation, examination, audit or review of any financial statements or records of the Group.
- Concealing information about any malpractice or misconduct.
- Endangering health and safety.
- Sexual or physical abuse of employee.
- Discrimination towards employee on grounds of sex, race or disability.

The above list is intended to give an indication of the kind of conduct which might be considered as "wrong-doing".

Protection against Reprisals

If an employee raises a genuine concern under this Policy, he or she will not be at risk of losing his or her job or suffering from retribution or harassment as a result. Provided that the employee is acting in good faith, it does not matter if he or she is mistaken.

However, the Group does not condone frivolous, mischievous or malicious allegations. Employee(s) making such allegations will face disciplinary action in accordance with the Group's Discipline and Inadequate Performance Procedures (DIPP).

Confidentiality

The Audit and Risk Committee ("ARC") Chairman encourages the whistle-blower to identify himself or herself when raising a concern or providing information. All concerns will be treated with strict confidentiality.

Exceptional circumstances under which information provided by the whistle-blower could or would not be treated with strictest confidentiality include:

- Where the Group is under a legal obligation to disclose the information provided.
- Where the information is already in the public domain.
- Where the information is given on a strictly confidential basis to legal or auditing professionals for the purpose of obtaining professional advice.
- Where the information is given to the Police or other authorities for criminal investigation.

In the event the ARC Chairman is faced with a circumstance not covered by the above, and where the whistle-blower's identity is to be revealed, the ARC Chairman will endeavor to discuss this with the whistle-blower first.

Concern and Information provided Anonymously

Concerns expressed anonymously are much less persuasive and may hinder investigation work as it is more difficult to look into the matter or to protect the whistle-blower's position. Accordingly, the ARC Chairman will investigate anonymous reports on the basis of their merits.

Channels to Raise Concerns or Provide Information

Should employees come to have knowledge of any reportable incidents / concerns, employees should report such matter through email at jimmylimkt@gmail.com for the attention of Mr Jimmy Lim, who is the ARC Chairman, using the prescribed form provided in Appendix 1.

In case of reports sent through e-mail, it is recommended to mark the subject as 'Whistleblower' for ease of identification.

Although the whistleblower is not expected to prove the truth of an allegation, he/she needs to demonstrate to the ARC Chairman or any of its members contacted that there are sufficient grounds for concern.

Response from Company

The ARC assures all the employees that any concern raised or information provided will be investigated, but consideration will be given to these factors:

- Severity of the issues raised, having regard to the person(s) involved, financial impact, reputational impact and extent of fraud proliferation within the company.
- Credibility of the concern or information.
- Likelihood of confirming the concern or information from attributable sources.

An acknowledgement will be sent to the whistle-blower within 10 working days of receipt of the information.

The ARC may direct an Investigation Panel to be set up. Depending on the type of concern/issue, the Investigation Panel may comprise one or more of the following persons or entities:

- The Audit and Risk Committee
- The External or Internal Auditor
- Forensic Professional

The amount of contact between the whistle-blower and the Investigation Panel investigating the concern raised and information provided will be determined by the nature and clarity of the matter reported. Further information may be sought from the whistle-blower during the course of the investigation.

The Investigation Panel will communicate the findings of the investigation(s) to the ARC for their necessary actions.

The cost of all investigations shall be borne by the Company.

Conclusion

The Whistle-blowing Policy is therefore fundamental to the Group's professional integrity. In addition, it provides a platform of properly addressing bona fide concerns/issues that individuals within the Group might have, while also offering whistleblowers protection from victimisation, harassment or disciplinary proceedings.

This policy will take effect from 1 November 2022.

For any clarifications, please contact the ARC.

Prepared by:
Khaw Shee Kai
Financial Controller

Cleared and Approved by:
Board of Directors

Appendix 1

WHISTLEBLOWER REPORT FORM

Please provide the following details for any suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the Company and submit directly to Mr Jimmy Lim, Chairman of the ARC through email at jimmylimkt@gmail.com Please note that you may be called upon to assist in the investigation, if required.

<i>Note: Please follow the guidelines as laid out in the Whistleblowing Policy</i> REPORTER'S CONTACT INFORMATION (This section may be left blank if the reporter wants to be anonymous)	
NAME / ID NO.	
DESIGNATION	
DEPARTMENT / OPERATION	
CONTACT NUMBERS	
E-MAIL ADDRESS	
SUSPECT'S INFORMATION	
NAME / ID NO.	
DESIGNATION	
DEPARTMENT / OPERATION	
CONTACT NUMBERS	
E-MAIL ADDRESS	
WITNESS(ES) INFORMATION <i>(if any)</i>	
NAME	NAME
DESIGNATION	DESIGNATION
DEPARTMENT	DEPARTMENT
CONTACT NUMBERS	CONTACT NUMBERS
E-MAIL ADDRESS	E-MAIL ADDRESS