



## **WHISTLEBLOWING POLICIES & PROCEDURES**

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08/2014	Version 1.0 adopted
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## CONTENTS

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1.0	Introduction.....	1
2.0	Objective.....	1
3.0	Scope.....	2
4.0	Types of Wrongdoing.....	2
5.0	Acting In Good Faith.....	3
6.0	Protection From Retaliation.....	3
7.0	Protection of Confidential Information.....	3
8.0	Whistleblowing Procedures.....	4
9.0	Time Limit for Investigation.....	7
10.0	Review of the Policy.....	8
	Appendix A.....	9



## **1.0 Introduction**

- 1.1. Kwantas Corporation Berhad and Group of Companies (“Kwantas” or “the Company” or “the Group”) is committed to promoting and achieving highest standard of transparency and work ethics in the conduct of its business functions. It is for this reason, the Board of Directors and the Management of Kwantas must maintain a workplace that practices good corporate governance and upholds integrity in all its operational activities and business dealings.
- 1.2. This Whistleblowing Policy and Procedures (“Policy”) is therefore a structured platform to help all employees and stakeholders of the Group to voluntary report genuine concerns about any wrongdoing that they may have observed in the Company.

## **2.0 Objective**

- 2.1. The Group expects the highest standards of integrity from all its employees, Management, Directors and stakeholders (i.e shareholders, analysts, customers, suppliers, contractors, consultants). Hence, the Policy is aimed to establish a mechanism for any reports made by Kwantas’ employees and stakeholders in response to any disclosures of misconduct, wrongdoing, bribery or corruption, unlawful activity, financial fraud, waste of Company resources or abuse of rules and regulations within the Company without fear of retaliation or victimisation.
- 2.2. The Policy may also act as an early warning system and enable the Group to remedy any wrongdoing before serious damage is caused.



### **3.0 Scope**

- 3.1. The Policy is applicable to all matters involving the Group's employees and any other stakeholders/persons and/or external parties who maintain a business relationship with the Group.
- 3.2. No employees shall use his/her position or power to prevent other employees from exercising their rights or complying with their obligations as indicated in this Policy.

### **4.0 Types of Wrongdoing**

- 4.1. The following is a non-exhaustive list of examples of wrongdoings or improper conducts under the Policy:-
- a) Fraud, bribery, corruption, forgery, cheating or malpractice;
  - b) Criminal breach of trust
  - c) Misappropriation of the Company's funds or assets;
  - d) Sexual harassment;
  - e) Giving false or misleading information (including suppression of any material facts or information);
  - f) Acts or omissions which may cause loss to the Company or otherwise detrimental to the interests of stakeholders;
  - g) Non-compliance with Kwantas' procedures or breach of internal control;
  - h) Failure to comply with legal or regulatory requirements;
  - i) Endangerment of employees or public health or safety; and
  - j) Any attempt to conceal or suppress information relating to the above or other wrongdoings
- 4.2. This Policy is meant for serious and sensitive concerns that could have an adverse impact on the operations and performance of the business.



## **5.0 Acting In Good Faith**

5.1. The Company expects only genuine concerns are reported under this Policy. Any person making the allegation of improper conduct/wrongdoing must have reasonable and probable grounds for believing in its existence and the report should be made in good faith, accurate, factual, no element of malicious intent and not made for personal gain. If allegations are proven to be false or malicious, the parties responsible may be warranted to appropriate disciplinary action, up to and including legal action, where appropriate.

## **6.0 Protection From Retaliation**

6.1. This 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.

## **7.0 Protection of Confidential Information**

7.1. The Company shall treat all reports or disclosures as sensitive and confidential, in particular the identity of the whistleblower and will only reveal information on a “need to know” basis or if required by law, court or authority.

7.2. In order to smoothen the investigation process, the whistleblower has an implied duty to maintain the confidentiality of the information, in particular the fact that a report has been lodged, the nature of the improper conduct/wrongdoing and the identity of the person(s) who have allegedly committed the improper conduct.



## **8.0 Whistleblowing Procedures**

8.1. The whistleblowing procedures involve steps that should be taken by the whistleblower in reporting improper conduct/wrongdoing and steps required for the investigation.

### **Step One**

Reporting of concern(s) by whistleblower:

- a) The whistleblower should report the suspected or known instances of wrongdoing directly to the Audit and Risk Management Committee (“ARMC”) Chairman of the Board through the Company Secretary of the Company.
- b) The whistleblower shall make a confidential report of the wrongdoing/improper conduct in writing using the prescribed form appended as Appendix A to this Policy. The following information should be included in the report:-
  1. Name of whistleblower
  2. Contact Details
  3. Details of alleged person(s) involved
  4. Nature of allegation, time and venue of the incident took place
  5. Provide evidence, where possible together with the report

Whistleblower may choose to make an anonymous reporting but the ARMC reserves its right to investigate or not to investigate the anonymous disclosure.



- c) The report is submitted via post or email to [whistleblow@kwantas.com.my](mailto:whistleblow@kwantas.com.my). For hardcopy report sent by post, it must be properly sealed in an envelope and indicated “Strictly Confidential – To Be Opened By addressee Only” and addressed to:-

Company Secretary  
Kwantas Corporation Berhad  
K-63-3<sup>rd</sup> Floor, Signature Office, KK Times Square  
Off Coastal Highway  
88100 Kota Kinabalu, Sabah, Malaysia.  
Tel: 60-88-486555  
Fax: 60-88-486777

### **Step Two**

Investigation of concern(s) and update on progress of investigation:

- a) Upon receipt of the concern(s) lodged by the whistleblower, the ARMC Chairman will screen and assess the reporting made by the whistleblower to determine whether it constitutes an improper conduct/wrongdoing. Additional information and clarifications may be required from the whistleblower if the need arises.
- b) Based on the initial findings, the ARMC Chairman will instruct the Head of Internal Audit to conduct a preliminary investigation of every concern(s) raised by the whistleblower to determine whether there are merits to initiate a full investigation.
- c) The Head of Internal Audit shall refer the findings of preliminary investigation and recommendation to the ARMC Chairman for a decision whether to close the case or to proceed to a full investigation of the



allegation. The ARMC Chairman may consult the members of the ARMC before making his final decision.

- d) If the case is closed, the Head of Internal Audit will inform the whistleblower on the decision made by the ARMC Chairman.
- e) In the event a full investigation is to be initiated, the Head of Internal Audit will notify the whistleblower on the need to proceed to a full investigation and the whistleblower is expected to extend his/her full cooperation during the conduct of the investigation.

### **Step Three**

Report on full investigation and action:

- a) Before a full investigation is conducted, the ARMC will identify the Head of Internal Audit and/or senior internal audit team and/or any other persons to participate in the full investigation process. All employees of the Company shall give their full cooperation to the investigation conducted.
- b) Measures will be taken to secure the records of the investigation held and the alleged person may be considered for transferring to other department or asking to take leave during the full investigation. Also, if the alleged person involves any supplier or contractor, the work or the contract granted to the alleged person may be suspended until the full investigation is completed.
- c) The investigation of the alleged improper conduct would be carried out strictly in a confidential manner. During the course of full investigation, the whistleblower is advised not to contact the alleged





person in an effort to determine facts; and not to discuss the case, facts or allegations with anyone unless specifically asked to do so by the investigator.

- d) In the case where the alleged person involves the Group Chief Executive Officer (“Group CEO”) or Executive Director of the Group, or in the case where the identity of the alleged external party is highly sensitive, the ARMC shall appoint an external independent investigator to conduct or to assist in conducting the full investigation.
- e) The results of the full investigation in a report format are to be reported to the ARMC and the ARMC Chairman shall then present the final report to the Group CEO where the Group CEO is not the alleged wrongdoer.
- f) If the wrongdoer is found to have committed the improper conduct, the Group CEO will recommend the disciplinary action to be taken against him/her and the Group CEO’s recommendation will be tabled to the ARMC.
- g) The Head of Internal Audit will then inform the whistleblower that the investigation has been completed and the findings have been presented to the ARMC. However, the details of the findings will not be disclosed to the whistleblower for its confidentiality.

## **9.0 Time Limit for Investigation**

The Group will handle the investigations as promptly as possible. The time taken to investigate a matter or concern depends on the nature, seriousness and complexity of the allegation made and this may result in an extension of the investigation process.



## **10.0 Review of the Policy**

The Policy is subjected for review by the ARMC once every two years but nothing shall prejudice the right of the ARMC to review it more regularly should the need arise.



## Appendix A

### WHISTLEBLOWING FORM

To :		
Incident Date & Time	Date:	Time:
Incident Location		
Name of alleged person / Div/ Dept		
Description / Circumstances of alleged incident (Please use attachment if necessary)		
Signature of whistleblower : _____		
Name of whistleblower : _____		
Dept / Div / Co : _____		
Telephone No : _____		
Date : _____		

*Note: It is necessary to provide your name and contact number so that we can contact you for additional information of the reported concern.*