

# WhistleBlowing Policy

## Policy Statement

- a. **SAUDEE GROUP BERHAD ("SAUDEE")** is committed to achieve and maintain the highest standards of integrity, openness, probity and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner.
- b. Whistleblowing is a specific means by which an individual, whether employee or otherwise (hereinafter referred to as the Reporting Individual), can report or disclose through established channels, concerns about unethical behavior, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place / has taken place / may take place in the future.
- c. To provide an avenues for employees to raise concerns and define a way to handle these concerns
- d. The term 'whistleblowing' refers to a situation where the Reporting Individual decides to report serious concerns about any malpractice which he/she has become aware or genuinely suspects that **SAUDEE** has been or may become involved in. This policy is designed to encourage the Reporting Individual to raise serious concerns internally, fully investigate such report and disclosures, and provide protection for employees and members of the public who report such allegations.
- e. SAUDEE assures that all report is treated strictly and confidentially.
- f. The policy is applicable to Saudee Group Berhad and all its subsidiary companies ("SAUDEE Group")

## The Scope of the Policy

1. SAUDEE has designed a strong internal control and operating procedures to detect and prevent improper activities. Nevertheless, even best internal control system also cannot absolutely deter those fraud or improper activities.
2. Therefore, SAUDEE has set up policies to facilitate employees and members of the public to disclose any improper conduct (misconduct or criminal offence) through internal channel.
3. This Policy is designed to offer protection to those who made an allegation, to the extent reasonably practicable, provided the allegation is made in good faith.
4. A disclosure of improper conduct may be made based on a person's reasonable belief that any person has engaged, is engaging or is preparing to engage in improper conduct. Examples of improper conduct include but not limited to the following:-

- a) any fraud, bribery, abuse of power, conflict of interest, theft or embezzlement, misuse of property of SAUDEE Group or any breach or non-compliance of policies or procedures of or discipline in SAUDEE Group; and
- b) any conduct which if proved, constitutes a criminal offence.

5. A disclosure of improper conduct may also be made:-

- a. although the person making the disclosure is not able to identify a particular person to which the disclosure relates;
- b. although the improper conduct has occurred before the effective date of this Policy;
- c. in respect of information acquired by him while he was an officer or employee of SAUDEE Group or a body dealing with SAUDEE Group; or
- d. of any improper conduct of a person while that person was an officer or employee of SAUDEE Group or a body dealing with SAUDEE Group.

6. Any person who has made a disclosure of improper conduct (“whistleblower”) shall, upon receipt of the disclosure of improper conduct by the Chairman of the Audit Committee, be conferred with whistleblower protection under this Policy, which includes:-

- a. protection of “confidential information” which includes:-
  - i. information about the identity, occupation, residential address, work address or whereabouts of-
    - (A) a whistleblower; and
    - (B) a person against whom a whistleblower has made a disclosure of improper conduct;
  - ii. information disclosed by a whistleblower; and
  - iii. information that, if disclosed, may cause detriment to any person.)
- b. protection against “detrimental action” (which includes:-
  - i. action causing injury, loss or damage;
  - ii. intimidation or harassment;
  - iii. interference with the business relationship with SAUDEE Group or the lawful employment or livelihood of any person, including discrimination, discharge, demotion, suspension, disadvantage, termination or adverse treatment in relation to a person’s employment, career, profession, trade or business or the taking of disciplinary action; and
  - iv. a threat to take any of the actions referred to in paragraphs (i) to (iii).

7. SAUDEE, however, does not extend this assurance to an individual who maliciously raises a matter he/she knows is untrue. If an individual makes malicious allegations, disciplinary action may be taken against the individual.

The Chairman of the Audit Committee shall revoke the whistleblower protection conferred under this Policy if he is of the opinion, based on the investigation conducted or in the course of the investigation that—

- a) the whistleblower wilfully made in his disclosure of improper conduct a material statement which he knew or believed to be false or did not believe to be true; or
- b) the disclosure of improper conduct is frivolous or vexatious; or
- c) the disclosure of improper conduct is made solely or substantially with the motive of avoiding dismissal or other disciplinary action.

If the whistleblower protection has been revoked, a written notice to that effect shall be given to the whistleblower.

## **Confidentiality**

1. SAUDEE wishes to assure the safety and confidentiality of the whistleblower, and therefore undertakes to treat all allegations in a confidential and sensitive manner. A recipient of a disclosure of improper conduct or any confidential information in the course of investigation into such disclosure shall not disclose such report of the allegation or the confidential information or any part thereof except:-
  - a) to those individuals who have a need to know in order to properly carry out an investigation of the allegation;
  - b) to SAUDEE's professional legal advisers for the purpose of obtaining a legal advice; or
  - c) to the extent required to be disclosed by law or any court of competent jurisdiction, any governmental official or regulatory authority or any binding judgment, order or requirement of any other competent authority in Malaysia.
2. All concerns raised will be treated fairly, properly and confidentially.

## **Detrimental Action**

1. No person shall take detrimental action against a whistleblower or any person related to or associated with the whistleblower in reprisal for a disclosure of improper conduct.
2. A whistleblower may make a complaint to the Chairman of the Audit Committee of any detrimental action committed by any person against the whistleblower or any person related to or associated with the whistleblower.

3. A person is deemed to take detrimental action against a whistleblower or any person related to or associated with the whistleblower if—
  - a) the person takes or threatens to take the detrimental action because—
    - i. a whistleblower has made a disclosure of improper conduct; or
    - ii. the person believes that a whistleblower has made or intends to make a disclosure of improper conduct; or
  - b) the person incites or permits another person to take or threaten to take the detrimental action for any reason under subparagraph (a)(i) or (ii).
4. Where the Chairman of the Audit Committee receives a complaint of detrimental action, members of the Audit Committee shall commence investigation into the complaint of detrimental action. If the investigation reveals that—
  - a) the complaint is not substantiated, the Audit Committee shall inform the whistleblower;
  - b) the complaint constitutes an improper conduct, the Audit Committee shall initiate disciplinary proceedings and/or take such steps as it deems appropriate (including but not limited to making police report) against the person who had taken the detrimental action against the whistleblower.
5. No person, whether acting for his own or acting or purporting to act on behalf of anybody shall--
  - a) terminate a contract;
  - b) withhold a payment that is due and payable under a contract; or
  - c) refuse to enter into a subsequent contract,

Solely for the reason that a party to the contract or an employee or employer of a party to the contract has made a disclosure of improper conduct under this Policy.

## Procedure in making disclosure

### Reporting Channel

- a) The channel will be directed to Chairman of Audit Committee as follows:

Name : Mr Sim Yee Fuan  
Email : saudeewhistle@saudee.com  
Address : Saudee Group Berhad  
Plot 331, Taman Perindustrian Sungai Petani Phase III, 08000 Sungai  
Petani Kedah Darul Aman

- b) For reporting of case, the following information must be available:
- Background of the individual initiating the allegation
  - Date(s), details and reasons why the individual is concerned about the conduct
- c) Any anonymous disclosure will not be entertained. However, SAUDEE reserves its right to investigate into any anonymous disclosure.
- d) Where relevant, the individual may be requested to submit evidences and documents. Any meetings arranged will be conducted discreetly and if necessary, off-site or out of the office premises.

## Investigation procedures

There have various methods of investigation carry out in SAUDEE when the matters raised are included:

- a) Investigation internally  
b) Seeks advise from police, Internal Auditor or External Auditor  
c) Refer to the public cases  
d) Form the subject of an independent inquiry  
e) The methods of investigation included (a) to (d) will subject to case by case basis.

The Chairman of the Audit Committee or the person designated to investigate the complaint (Investigation Team appointed when is necessary) will write to the reporting individual wherever reasonably practicable of the concern being received, for the purposes of acknowledging that concern has been received; advising whether or not the matter is to be investigated further and if so what the nature of the investigation will be; giving an expected time of the investigation will take to provide the final response.

The conduct complained constitutes an improper conduct, the Audit Committee shall initiate disciplinary proceedings and/or take such steps as it deems appropriate (including but not limited to making a police report) against the person who had committed the improper conduct.

The Investigation Team will ensure investigations are carried out using appropriate channels, resources and expertise. The Investigation Team will report to the Audit Committee on a periodic basis about the reports received and actions taken; The Audit Committee Members shall meet to discuss about the action / investigation on the reports received from whistleblowers. The Audit Committee may also exclude from its meetings any persons it deems appropriate, depending on the nature of the complaint.

## **Acknowledgment and Notification**

**SAUDEE** places great value upon creating an environment where employees would maintain the highest standard of ethics, honesty, openness and accountability. **SAUDEE** recognizes that it requires courage and personal quality such as righteousness, loyalty and impeccable integrity for an employee to step out and blow the whistle. These personal qualities and positive behaviours demonstrated by the whistleblowers are well acknowledged by **SAUDEE** and will be taken into consideration, among others, for the employee's career opportunities and advancement.

For whistleblowers who are non-employees, **SAUDEE** also records its sincere appreciation for taking the effort to raise the concern so that the management may take actions as appropriate.