



WHISTLEBLOWER PROTECTION POLICY MANUAL

[Revision 2, March 2020]

[PASDEC's Whistleblowing Policy was first introduced in March 2013. In this 2020 revised version; the manual is renamed **Whistleblower Protection Policy Manual [Revision 2]**. In this updated version, reference is made to Malaysia Whistleblower Protection Act 2010. An e-mail channel lapor@pasdec.com.my and whistleblowing form are introduced for improvement in whistleblowing reporting]

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1.0 OVERVIEW

1.1 INTRODUCTION

PASDEC Holdings Berhad and its subsidiaries (PASDEC) are committed to highest standard of integrity, openness and accountabilities in conduct of its business and operation. PASDEC aspires to conduct its affair in an ethical, responsible and transparent manner.

In embracing good corporate governance practices, PASDEC has put in place a **Whistleblower Protection Policy** to promote high standards of ethical conduct and open communication whilst ensuring protection to the Whistleblowers.

PASDEC's Whistleblowing Policy was first introduced in March 2013. This is an updated version and renamed Whistleblower Protection Policy, Revision 2.

1.2 OBJECTIVES

The Policy aims to create a work environment where directors, employees, vendors, contractors, consultants, subcontractors, agent, service providers, customers and other stakeholders are able to raise concerns on misconduct, irregularities or malpractices, without fear of harassment and/or victimization and with an assurance that their concerns will be taken seriously and investigated.

It is intended to encourage staff and other relevant stakeholders to report unethical or illegal conduct. Policy objectives are to:

- 1.2.1. Encourage timely reporting of alleged malpractices or misconduct;
- 1.2.2. Provide a confidential channel for escalation of concerns without fear of reprisal;
- 1.2.3. Ensure consistent and timely response to reported improprieties and awareness by whistle blowers of their options or rights;
- 1.2.4. Ensure appropriate oversight by the Board of Directors;
- 1.2.5. Serve as a means of preventing and deterring misconduct that may be contemplated;
- 1.2.6. Protect the rights of PASDEC; and
- 1.2.7. Promote a culture of openness, accountability and integrity.

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1.3 SCOPE

This policy is applicable to PASDEC, its controlled organisations, business associates acting on PASDEC's behalf, the Board of Directors, all PASDEC personnel and external parties that are members of the public or those who are impacted by various organisational or business activities of PASDEC.

Joint-venture companies or associated companies which PASDEC is non-controlling are encouraged to adopt these or similar principles. External Providers are also expected to comply with this policy in relation to all work conducted with PASDEC, and/or on PASDEC's behalf.

Reportable incidents for whistle blowing include, but limited to:

- 1.3.1 All forms of financial or non-financial malpractices or impropriety such as fraud, corruption, bribery, blackmail, sabotage or theft.
- 1.3.2 Harassment and abuse and misrepresentation of power and authority;
- 1.3.3 Criminal Offences
- 1.3.4 Failure to comply with laws and regulations;
- 1.3.5 Actions detrimental to health and safety or the environment;
- 1.3.6 Discrimination on the basis of gender, race, disabilities;
- 1.3.7 Miscarriage of Justice
- 1.3.8 Serious conflict of interest without disclosure;
- 1.3.9 Breach of PASDEC's policies or Code of Business Conduct and Work Ethics; and
- 1.3.10 Concealing information about any or combination of the above malpractice or misconduct

1.4 REFERENCES

- 1.4.1 The Whistleblower Protection Act 2010
- 1.4.2 Anti-Bribery & Corruption Policy Manual
- 1.4.3 Pasdec's Authority Limit
- 1.4.4 Pasdec's Code of Business Conduct and Work Ethics
- 1.4.5 Pasdec's Employees Handbook Manual
- 1.4.6 Gifts, Donation & Sponsorship Policy

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1.5 DEFINITION

“**Audit and Risk Management Committee**” means the Audit and Risk Management Committee (ARMC) of the Board of Directors of PASDEC;

“**Business Associate**” means an external party with whom PASDEC has, or plans to establish, some form of business relationship. This may include clients, customers, joint ventures, partners, consortium, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.

“**Controlled Organisation**” means an entity where PASDEC has the decision-making power over the organisation such that it has the right to appoint and remove the management. This would normally be where PASDEC has the controlling interest (>50% of the voting share ownership), but it could be where PASDEC has the right to appoint the management and decision making.

“**External Parties**” refer broadly to, but not limited to, members of the public or those who are impacted by various organisational or business activities of PASDEC.

“**Responsible Officer**” refers to the Head of the Internal Audit who is responsible for the investigation, handling and escalation of reportable concerns.

“**Whistle Blowing**” refers to a voluntary disclosure of individual or organisational malpractice by a person who has privileged access to data, events, or information about an actual, suspected, or anticipated wrongdoing or malpractice within or by PASDEC that is within its ability to control. There are two categories of whistle blowers namely:

“**Internal Whistle Blowers**” refers to Directors and Employees who are expected to report incidents of misconduct involving peer, supervisor/superior or top management staff to relevant reporting point.

“**External Whistle Blowers**” refers to business associates and external parties who report wrong doings to relevant reporting point.

“**GIA**” means Group Internal Audit and Risk Management Department of PASDEC.

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“PASDEC” or “Company” means Pasdec Holdings Berhad and its group of companies;

“Personnel” means directors and all individuals directly contracted to the Company on an employment basis, including permanent and temporary employees.

2.0 RECOGNITION OF LEGISLATION

The Whistleblower Protection Act 2010 is a law of Malaysia to combat corruption and other wrong doings by encouraging and facilitating disclosures of improper conduct in the public and private sector, to protect persons making those disclosures from detrimental action, to provide for the matter disclosed to be investigated and dealt with and to provide for the remedies connected therewith.

The Act was passed by Parliament in June 2010, and was brought into force on 15 December 2010. The objective of this act is to give protection to the whistleblower in the form of confidentiality of their information, immunity from civil and criminal action and protection from detrimental action being taken against them.

The Act covers any member of the public and private sectors who discloses wrongdoings. Among the disclosures that intended to be disclose are abuse of authority, violation of laws and ethical standards, danger to public health or safety, gross waste, illegality and mismanagement. The disclosure should be made in “good faith” based on “honest and reasonable grounds at the material time” without necessitating hard evidence from the whistleblower.

A whistleblower will not be subject to any civil action or criminal liability and no administrative process can be taken against the whistleblower for making disclosure of improper conduct. Under the Act also, no person shall take detrimental action against any whistleblower or person related to or associated with the whistleblower in reprisal for a disclosure of improper conduct.

Refer <http://www.bheuu.gov.my/pdf/Akta/Act%20711.pdf> for the copy of the Act.

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3.0 PASDEC'S WHISTLEBLOWER PROTECTION POLICY

3.1 WHISTLEBLOWER PROTECTION

The policy protects the whistleblower who lodged a report or complaint, provided the report is made in good faith. Under the law, anyone engaging in retaliatory conduct against the whistleblowing employee will be subjected to enforcement action under Section 10 (6) of the WPA2010.

10 (6) Any person who contravenes subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding one hundred thousand ringgit or to imprisonment for a term not exceeding fifteen years or to both.

(Source Section 10 (6) Whistleblower Protection Act 2010)

10. (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.

(Source Section 10 (1) Whistleblower Protection Act 2010)

Any person that has made report in good faith is protected against adverse employment actions which will affect his or her livelihood (e.g. discharge, demotion, suspension, harassment or other forms of discrimination) for reporting improper conduct.

He or she is protected even if the report made proved to be incorrect or unsubstantiated. The revocation of whistleblower protection can only be made in the event the conditions specified under Section 11 (1) of the WPA 2010 are met in the opinion of PASDEC namely:

- a) *The whistleblower himself has participated in the improper conduct disclosed.*
- b) *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*
- c) *The disclosure of improper conduct is frivolous or vexatious*
- d) *The disclosure of improper conduct principally involves questioning the merits of government policy, including policy of a public body*
- e) *The disclosure on improper conduct is made solely or substantially with the motive of avoiding dismissal or other disciplinary action*
- f) *The whistleblower, in the course of making the disclosure or providing further information, commits an offence under the WPA2010.*

(Source Section 11(1) Whistleblower Protection Act 2010)

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3.2 ASSURANCE OF CONFIDENTIALITY

All reports and identity of the whistleblower will be treated in a confidential and sensitive manner. A report will only be disclosed to those who are authorised to carry out investigation into matters relating to the report. The identity of the whistleblower shall always be withheld in these circumstances.

If a whistle blower believes that he or she is being subjected to discrimination, retaliation or harassment for having made a report under this Policy, he or she should immediately report those facts to PASDEC's Audit & Risk Management Committee (ARMC) Chairman. Reporting should be done promptly to facilitate investigation and the taking of appropriate action.

3.3 REPORTING PROCEDURE

3.3.1 Any person may report allegations of suspected misconduct or breach or suspected breach of law, rule or regulation under which the Company operates that may adversely affect the Company and its stakeholders.

3.3.2 Acts of misconduct or improper activities may be disclosed in writing, by e-mail, telephone or in person. However, all reports are encouraged to be made in writing so as to assure a clear understanding of the issues raised.

3.3.3 The whistleblower is encouraged to use the "PASDEC's Whistleblowing Form" attached in this policy manual (**Appendix 1**) and downloadable from www.pasdec.com.my

3.3.3 The report or complaint can be disclosed to one of the following channel:-

1. Email to lapor@pasdec.com.my

It is a whistleblowing e-mail channel created to receive any report on allegations of suspected misconduct or breach or suspected breach of law, rule or regulation under which the Company operates that may adversely affect the Company and its stakeholders.

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The e-mail is only assessable by Group Internal Audit of PASDEC.

2. PASDEC's Audit & Risk Management Committee Chairman

Name : Puan Sharina Bahrin
 Email : sharina.bahrin@gmail.com
 Telephone : 012-7692761
 Mail : Mark "**STRICTLY CONFIDENTIAL**"
 Pasdec's Holdings Berhad
 Level 21, Menara Zenith,
 Jalan Putra Square 6,
 Putra Square,
 25200, Kuantan. Pahang
 Attention: Chairman of Audit Committee & Risk
 Management Committee of Pasdec Holdings
 Berhad

3. PASDEC's Head of Internal Audit

Name : Mustapha Hussein
 E-mail : mustapha@pasdec.com.my
 Telephone : 016-3061015
 Mail : Mark "**STRICTLY CONFIDENTIAL**"
 Group Internal Audit & Risk Management Dept.
 Level 21, Menara Zenith,
 Jalan Putra Square 6,
 Putra Square,
 25200, Kuantan. Pahang

3.3.5 Although the Whistleblower is not expected to prove the truth of an allegation he or she needs to demonstrate to the person contacted that there are sufficient grounds for concern.

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3.3.6 Anonymous Report

Any anonymous disclosure will not be entertained. Any employee or member of the public who wishes to report improper conduct is required to disclose his identity to PASDEC in order for PASDEC to accord the necessary protection to him.

However, PASDEC reserves its right to investigate into any anonymous disclosure.

3.3.6 Good Faith vs. Mala Fide Report

Good faith is when a report is made without malice or consideration of personal benefit and the Whistleblower has a reasonable basis to believe that the report is true. A report need not be proven true for a report to be made in good faith. Good faith is absent when a report is made maliciously or falsely (mala-fide).

If, however, an employee makes a mala fide report, disciplinary action may be taken against such employee.

On the other hand, if a Business Associate or External Party lodges a mala fide report, PASDEC may consider lodging a police report and/or take other necessary actions deemed appropriate.

3.4 INVESTIGATION PROCESS

- 3.4.1 Group Internal Audit (GIA) is the Responsible Office authorised to investigate and address all whistleblowing cases reported to them.
- 3.4.2 If required, he can obtain assistance from other resources within the Group (e.g. Human Resources Department, Legal Department, Other Department etc).
- 3.4.3 The Head of Internal Audit will be responsible to monitor and report all cases investigated pursuant to this Whistleblower Protection Policy to Audit & Risk Management Committee (ARMC).

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- 3.4.4 In the event a report has been made on any GIA officer, the complaint shall be handled by the ARMC Chairman or any person appointed by ARMC in order to prevent any conflicts of interest or biasness in the said investigation.
- 3.4.5 All information disclosed during the course of investigation will remain confidential, except as necessary or appropriate to conduct the investigation and to take any remedial action, in accordance with any applicable laws and regulations.
- 3.4.6 Depending on the nature of the complaint, the subject of the complaint may be informed of the allegations against him or her and be provided with an opportunity to reply to such allegations.
- 3.4.7 Employees who fail to cooperate in an investigation, or deliberately provide false information during an investigation, shall be subject to strict disciplinary action up to, and including, immediate dismissal.
- 3.4.8 Upon completion of investigation, appropriate course of action will be recommended to the ARMC for its deliberation. Decision taken by the ARMC will be implemented immediately. An investigation can be referred to the Board of Directors of the Company in the event the ARMC deems it necessary to do so.
- 3.4.9 PASDEC reserves the right to refer any concerns or complaints to appropriate external regulatory authorities.

Kindly refer to **Appendix 2** on the reporting & investigation process flowchart.

3.5 NOTIFICATION

- 3.5.1 Non-anonymous whistleblower has a privilege to know the outcome of the reported case at the conclusion of the investigation, without divulging confidential information.

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**SECTION 1: SUSPECT(S) / WITNESS(ES) INFORMATION****Suspect(s) Information**

	Suspect 1	Suspect 2
Name		
Designation		
Address		
E-mail		
Contact Number		

Witness(es) Information (If Any)

	Witness 1	Witness 2
Name		
Address		
E-mail		
Contact Number		

SECTION 2: DISCLOSURE REPORT

Briefly describe the misconduct / improper activity and how you know about it. Specify what, who, when, where and how*. If there is more than one allegation, number each allegation and use as many pages as necessary. You are encouraged to attach any evidences to support your disclosure.

You may use the following questions to assist your disclosure report.

- | | |
|---|---|
| 1. What misconduct / improper activity occurred? | 6. Are there any other parties involved other than the suspect stated above? |
| 2. Who did the misconduct / improper activity? | 7. Do you have any other details or information which would assist us in the investigation? |
| 3. When did it happen and when did you notice it? | 8. Any other comments? |
| 4. Where did it happen (function/location)? | |
| 5. Is there any evidence that you could provide us? | |

SECTION 3: AFFIRMATION

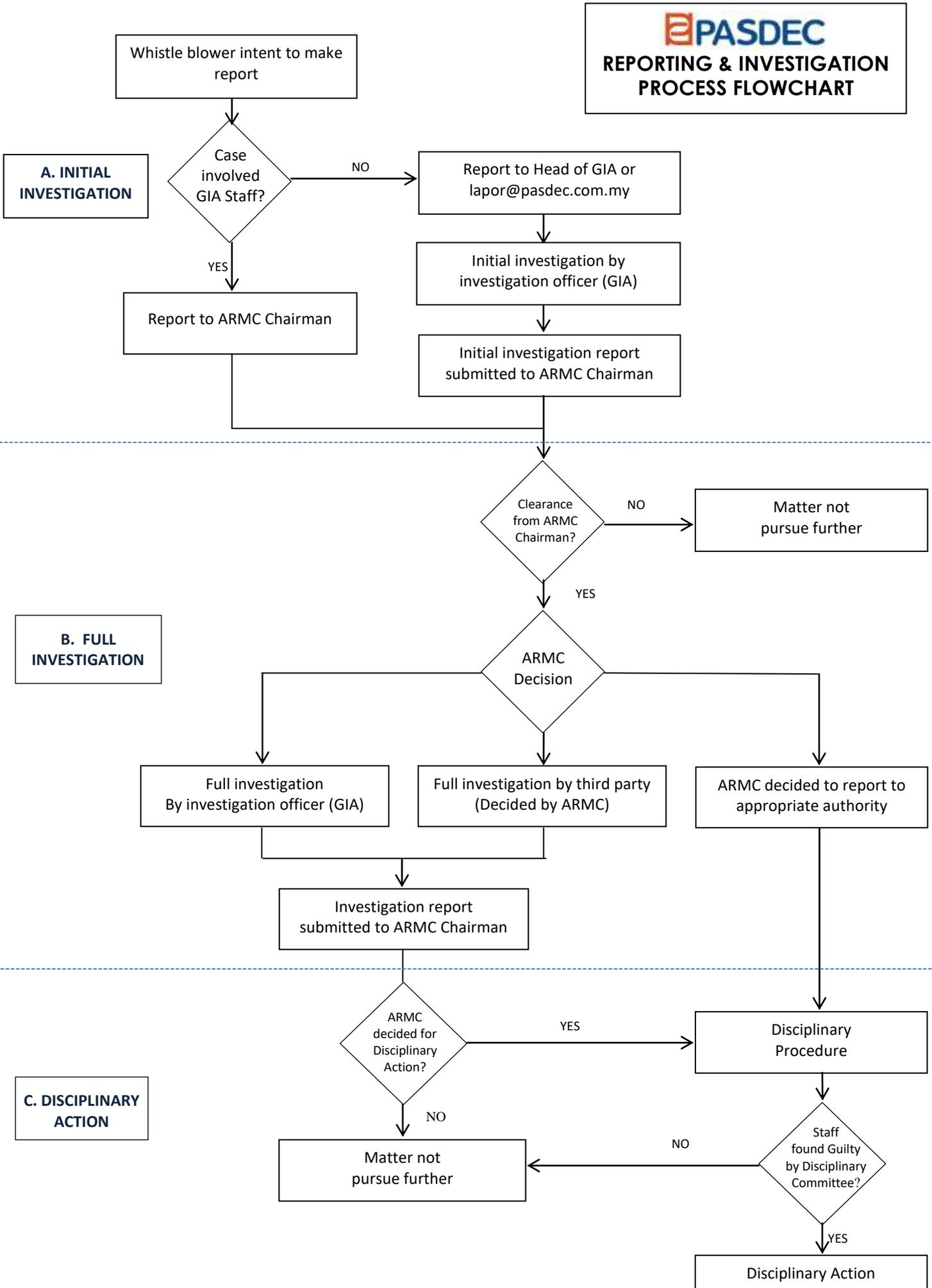
I affirm that the above disclosure is true to the best of my knowledge, information and belief.

Signature Date

Whistleblower's Contact Information (This section is compulsory to avoid anonymous)

Name	
My Kad	
Address	
E-mail	
Contact Number	

PASDEC
REPORTING & INVESTIGATION
PROCESS FLOWCHART



REPORTING AND INVESTIGATION PROCESS FLOW

(kindly read in line with flow-chart in previous page)

A. REPORTING & INITIAL INVESTIGATION

1. Whistle blower may make report to any of the channel as described in the Whistle blower Policy.
2. If the case involved GIA staff, the report should be made to ARMC Chairman.
3. If it does not involved GIA staff, the report can be made to lapor@pasdec.com.my , Head of GIA of ARMC Chairman as described in the Policy.
4. For any report made through lapor@pasdec.com.my , Head of GIA or to ARMC Chairman (which later channelled to Head of GIA), GIA is responsible to conduct initial investigation.
5. For report received by GIA, it will be recorded in the log book maintained by GIA in a computer.
6. The initial investigation report shall be submitted to ARMC Chairman for decision.

B. FULL INVESTIGATION

7. If there is no strong basis for further investigation ARMC Chairman shall decide not to pursue further.
8. Otherwise, depending on the case, ARMC Chairman solely or after due discussion with ARMC members or Board members may decide for the followings;
 - i. For GIA to conduct full investigation
 - ii. To appoint fraud investigator or private investigator for the case or
 - iii. To report direct to relevant authority.
9. Upon receiving the full investigation report, ARMC shall decide whether to proceed with Disciplinary Proceeding.

C. DISCIPLINARY ACTION

10. For cases reported to authority or decided by ARMC for disciplinary action, a disciplinary proceeding shall be taken to the staff concern according to HR Disciplinary Procedure.
11. Once the Disciplinary Proceeding completed, Disciplinary Action will be taken based on Disciplinary Committee decision.