

# **PARAGON UNION BERHAD**

## **WHISTLEBLOWING POLICY AND GUIDELINES**

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# WHISTLEBLOWING POLICY

## 1 Introduction

The Whistleblower Policy is intended to directly support the Company's Core Values, Code of Ethics & Conduct and Corporate Governance requirement. The Board and Management of Paragon Union Berhad and its group of companies (“PUB” or “the Group”) encourage its Employees, Directors, Shareholders, Vendors or any parties with a business relationship (“Reporting Party”) to raise concerns regarding any illegal activity or improper conduct (“wrongdoings”) that may adversely impact the Group.

## 2 Definitions

For the purpose of this Guideline, the following shall constitute Wrongdoings under this Policy:

- Incidents of fraud, corruption or bribery;
- Conduct or activity which breaches any law or regulatory obligation;
- Breach of the Company's policies, practices, procedures or other rules of conduct;
- Criminal offence;
- Misuse or abuse of PUB' s funds or assets;
- Serious financial irregularity or impropriety within PUB;

The above list is not exhaustive and there will be instances where RP would need to exercise judgement. (Refer to Appendix 1 for further details.)

## 3 Policy

- a) The Group believes that employees will usually be the first to know when an wrongdoings is being or has been committed. As such, the employees are encouraged to make any disclosures openly; and in good faith, in accordance to the procedures established in this Whistleblowing Policy.
- b) All disclosures made under this Policy will be dealt with in a confidential manner. Disclosures received under anonymity will not be entertained.
- c) Any whistleblowing which is not made in good faith and is found to be deliberately falsified with malicious intent will be subjected to Disciplinary Action by PUB in accordance to the Human Resource Guidelines and Procedures.

PUB's Whistleblowing Policy will:

- Establish a mechanism for responding to any reports from employees regarding such wrongdoings;
- Prohibit retaliation against employees raising such potential wrongdoings; and
- Establish procedures for the retention of records of reports.

All employees must follow this Whistleblowing Policy and cooperate with any review and investigation initiated pursuant to this Whistleblowing Policy.

#### **4 Reporting**

The Board of Audit Committee ("AC") of PUB shall have overall responsibility for the implementation of this Whistleblowing Policy. The administration of the policy is to be carried out by the Executive Directors ('ED') and/or Head of Human Resources. AC shall exercise the oversight function over the administration of the policy.

AC shall have the authority to determine the legitimacy of the disclosure; direct further action; and determine who should conduct the investigation. (Refer to Appendix 2 for details Roles & Responsibilities.)

a) Disclosure of information should initially and promptly be made to ED or one or more of the following persons in AC:

- Mr Chan Weng Fui (Independent Non-Executive Director);
- Mr Tan Vei Teck (Independent Non-Executive Director);
- Ms Tong Suit Moi (Independent Non-Executive Director)

b) Reports or disclosure under this Policy can be made through telephone, e-mail or mail (using the attached form as per Appendix 3) addressed to the above persons.

#### **5 Evidence Needed Before Investigation**

a) RP should be able to provide in the disclosure whether in writing or telephone, information regarding the type of wrongdoings, identity of the person(s) suspected as being involved, when it occurred and who was affected.

b) RP must have first-hand knowledge or information of the facts, i.e. information obtained from third party or 'hearsay' will not be entertained. However, RP should not be discouraged from making a report because they are unsure whether there is sufficient evidence to support their allegations.

#### **6 When to Blow the Whistle on Wrongdoings**

RP should immediately come forward with any information, in good faith, reasonably believes discloses a wrongdoings is likely to happen, is being committed or has been committed.

RP is not expected to first obtain substantial evidence of proof beyond reasonable doubt when making a disclosure. If he or she knows as a matter of fact that there are serious risks that a wrongdoings is going to take place, such bona fide concerns should be raised immediately.

#### **7 Procedures in Handling Whistleblowing of Wrongdoings**

When RP is of the opinion that a specific concerns falls within the scope of this Guideline and cannot be solved through existing procedures, he or she can choose to make a report orally or in writing and submit it to ED and/or Head of Human Resources.

RP can also directly contact AC when he or she has a reasonable belief that there is serious malpractice relating to any of the wrongdoings specified in paragraph 2 and it would not be properly dealt with by reporting to the ED and/or Head of Human Resources.

RP is required to disclose his or her particulars including, name, current address and contact numbers.

RP should inform all details of his or her concerns as reasonably possible, including:

- Nature of wrongdoings;
- The date of incidence;
- Time and place of its occurrence;
- The identity of the alleged wrongdoer;
- Particulars of witnesses, if any;
- Particulars or production of documentary evidence, if any;

and other details deemed to be useful to facilitate screening and action to be carried out.

## **8 Screening**

Head of Human Resources will screen and assess the RP's disclosure to determine whether it is related to a wrongdoings as stated in paragraph 2 and will prepare general recommendations to ED and AC, where deemed necessary.

If RP's disclosure involves Head of Human Resources, ED, members of the AC or Board of Directors, the alleged wrongdoer or any other implicated persons will be excluded from performing the activities of screening, action, investigation and recommendation described in this Guideline.

## **9 Preliminary Action**

AC, together with the general recommendations made by ED and/or Head of Human Resources, will make decisions including but not limited to any of the following:

- Rejection of RP's disclosure;
- Directing investigation by Internal Audit or any other outside party;
- Suspending the alleged wrongdoer or any other implicated persons from work in accordance with the Human Resource Guidelines and Procedures to facilitate any factfinding or to avoid any employee's exposure to a threat or harm; and
- Referral to the police or any other appropriate enforcement authority.

All decisions made and reasons of action thereof shall be minuted in the minutes of meetings of the AC.

## **10 Investigation**

The investigation would be carried out under the terms of strict confidentiality, by not informing the subject of RP's disclosure to any other party other than AC until it becomes necessary to do so.

The RP and the alleged wrongdoer are expected to give his or her full cooperation in any investigation or any other process carried out pursuant to this Guideline and/or the Disciplinary Action of the Human Resource Guidelines and Procedures.

The alleged wrongdoer will also be informed of the allegations and given an opportunity to answer the allegations at the upcoming investigation, where deemed appropriate by AC.

## **11 Reporting of Outcome**

Upon conclusion of the investigation, ED (or other assigned investigators) will present the outcome of the investigation to the AC.

If AC is satisfied with the outcome of the investigation, it will communicate to management to proceed with action based on established policy and procedures for the necessary disciplinary action to be taken immediately.

AC will have the final decision on whether to pursue any legal actions against alleged wrongdoer or any other implicated persons.

## **12 Confidentiality & Protection**

RP will be protected from any reprisal within the Group as a direct consequence of the disclosure. ('Reprisal' means disciplinary measures, demotion, suspension or termination of employment or service)

RP's identity shall be protected i.e. kept confidential unless otherwise required by law or for purposes of any proceedings by or against PUB;

If the complaint was made by RP otherwise than in good faith, he or she will automatically lose the protections.

Employee and industrial relations related issues and human resources related issues, are excluded from the operation of this Policy because there are other established mechanisms to raise such complaints.

## **13 Review of this Policy**

The Board of Director or AC can modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with laws or regulation and /or accommodate organizational changes within the Group.

## **Appendix 1: List of Wrongdoings under Whistleblower Policy**

The list of wrongdoings includes, but are not limited to:-

- Corruption or bribery
- Breaching of legal obligation
- Misuse of company information
- Any dishonest or fraudulent act
- Any act of conflict of interest with suppliers, vendors or contractors
- Forgery or alteration of any document or account belonging to the Group
- Forgery or alteration of a cheque, bank draft or any other financial document
- Misappropriation or theft of funds, supplies or other assets
- Accepting gifts of material value from customers, contractors, vendors or other persons doing or attempting to do business with the Group that are intended to influence a business decision or selection process.
- Destruction, removal or inappropriate use of the Group's records, furniture, fixtures and equipment
- Falsifying payroll records or overtime claims
- Falsifying travel and entertainment expenses and/or utilizing company funds to pay for personal expenses
- Fictitious reporting of receipts, delivery orders, etc from suppliers or shipment to customers
- Misappropriation of Group-owned computer hardware, software, data, etc
- Acceptance of fictitious quotations from suppliers, vendors or contractors in favouring for a particular entity.
- Inventory or asset theft
- Any other detrimental wrongdoing which nature of the wrongdoing is subject to the absolute discretion of the Committee.

**Appendix 2: Roles and Responsibilities**

<b>Role</b>	<b>Responsibilities</b>
<p><b>Audit Committee (AC)</b></p>	<ul style="list-style-type: none"> <li>• Review reports and any matters arising there from or in connection therewith, and establish whether there is sufficient ground for further action;</li> <li>• Recommend, if need be, procedures to be put in place to manage reports that require immediate or urgent action;</li> <li>• Initiate investigations when required; and</li> <li>• Review and report to the Board of Directors the results of the investigations and recommendations for corrective or remedial actions, or (as the case may be) administrative or disciplinary actions, to be taken.</li> </ul>
<p><b>ED and Head of Human Resources</b></p>	<ul style="list-style-type: none"> <li>• Administer, implement and oversee ongoing compliance with this policy;</li> <li>• Assist the AC, in administrative and, if directed by the AC, to investigative work;</li> <li>• Be accessible to persons who wish to discuss any matter raised in or in connection with a report;</li> <li>• Work with the relevant officers towards ensuring that all efforts are taken to protect RP in the investigation arising from a report from reprisal;</li> <li>• Ascertain that the relevant supervisors promptly execute the corrective and / or remedial actions recommended by AC;</li> <li>• Ensure that documents related to reports are retained in a safe, secure and proper manner; and attend, in confidence, to inquiries about this policy and provide informal advice to persons who are considering making a disclosure under this policy.</li> </ul>



**Appendix 3: Whistleblowing Form**

<b>WHISTLE BLOWER REPORT</b>		
To :		
Incident Date & Time	Date:	Time:
Incident Location		
Name of alleged person		
Description of alleged incident (Please use attachment if necessary)		
Signature : Name : Department/Co : Telephone No : Date :		