



# **PARAGON UNION BERHAD**

Registration No. 199401000779 (286457-V)  
(Incorporated in Malaysia)

## **WHISTLEBLOWING POLICY AND GUIDELINES**

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# WHISTLEBLOWING POLICY

## 1 Introduction

The Whistleblower Policy (“Policy”) is intended to directly support the Company's Core Values, Code of Ethics & Conduct and Corporate Governance requirements. 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” or “RP”) to raise concerns regarding any illegal activity or improper conduct (“wrongdoings”) that may adversely impact the Group.

The Policy includes the following:

- 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.

## 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;
- Endangerment of an individual’s health and safety;
- Discrimination and Harassment;

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 wrongdoings are being or have been committed. As such, the employees are encouraged to make any disclosures openly and in good faith, in accordance with the procedures established in this Whistleblowing Policy.
- b) All disclosures made under this Policy will be dealt with confidentially.
- 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 (as in Section 15)

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

#### **4 Reporting**

The Board of Audit Committee ("AC") of PUB shall have overall responsibility for the implementation of this Policy. The administration of the Policy is to be carried out by the Executive Directors ("ED") and supported by Human Resource Department ("HRD"). 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 of Roles & Responsibilities.)

- a) An individual may raise a concern with their manager, the human resources department, or the senior management of the Group. If an individual is uncomfortable doing so, they could make the disclosure or report the concern to the ED as in Section 16
- 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 by telephone, information regarding the type of wrongdoings, the 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. At the discretion of the AC and/or ED, unsubstantiated information obtained from a third party or 'hearsay' may 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 wrongdoing 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 wrongdoing 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 concern 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.

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 Section 2 and it would not be properly dealt with by reporting to the ED.

RP is encouraged to disclose his or her particulars including, name, current address and contact numbers (anonymously as in section 14).

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**

The ED and/or the person assigned will screen and assess the RP's disclosure to determine whether it is related to wrongdoings as stated in Section 2 and will prepare general recommendations AC, where deemed necessary.

If RP's disclosure involves 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 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 for 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 the 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.

If the RP reasonably believes that he is being subjected to reprisal, including harassment and victimisation, as a consequence of whistle-blowing, he may consult or report to the appointed persons as in Section 16:

## **13 Review of this Policy**

The Board of Directors 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 regulations and /or accommodate organizational changes within the Group.

## **14. Anonymity & Confidentiality**

The Group recognizes that the provision of anonymity to any RP or employee who willingly comes forward to report a suspicion of fraud is key to encouraging such reporting.

However, to prevent false malicious reporting, poison letters and abuse of the reporting channel, all RP must identify themselves and provide contact information in their reports which will be useful for the following purposes:

- i. To enable the independent investigation panel to verify each report and to obtain further information, if required;
- ii. To facilitate any further investigations by auditors or the authorities where the identity of the informer is required by law; and
- iii. To facilitate the communication of the results of the investigation to the whistleblower.

The RP can request to be kept anonymous but this makes it harder for the Group to provide feedback about the complaint. It may also make it harder for the employee to claim protection from dismissal, should the need arise.

## 15. The whistleblowing in bad faith

If the RP or the employee did not have a reasonable belief in respect of the wrongdoing, further action may be taken. If, following an investigation, an employer decides the whistleblowing was deliberately false or made in bad faith (e.g., out of spite or for personal gain) they could decide to take disciplinary action against the employee.

Depending on the nature and extent of the erroneous claim, other affected parties could also bring a civil claim against the individual.

## 16. Whistleblowing hotlines

The following personnel and channels will be the point of contact for reporting any concerns.

Mr Wong Ee_Cohn	Managing Director	Tel no. 03-90861132 Email: md@paragon.my
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Ms Koh Huey Min	Independent Non-Executive Director	whistleblowing@paragon.my
Ms Tong Suit Moi	Independent Non-Executive Director	whistleblowing@paragon.my

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

The list of wrongdoings includes, but is not limited to:

- Corruption or bribery
- Breaching of a 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 shipments to customers
- Misappropriation of Group-owned computer hardware, software, data, etc
- Acceptance of fictitious quotations from suppliers, vendors or contractors in favouring of 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

Role	Responsibilities
<b>Audit Committee (AC)</b>	<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>
<b>ED and Head of Human Resources</b>	<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, 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 of 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 disclosing this policy.</li> </ul>

### Appendix 3: Whistleblowing Form

WHISTLE BLOWER REPORT		
To _____ :		
Incident Date & Time	Date:	Time:
Incident Location		
Name of the alleged person		
Description of the alleged incident(Please use an attachment if necessary)		

Signature	:
Name	:
Department/Co	:
Telephone No	:
Date	:

Address to:

Audit Committee and/or Managing Director  
Paragon Union Berhad

Lot 14, Jalan CJ 1/1,  
Kawasan Perindustrian Cheras Jaya,  
Batu 11, Cheras,  
43000 Selangor