



K.K.I.P. SDN BHD (199301026828 (281566-D))

A wholly owned Company of the State Government of Sabah

Whistle Blowing Policy & Procedures

Table of Content

1. Introduction
 - 1.1 Background and Purpose
 - 1.2 Policy Statement
 - 1.3 Policy Objective
 - 1.4 Policy Scope
2. Reporting Procedures
 - 2.1 Who can disclose
 - 2.2 What to disclose
 - 2.3 When to disclose
 - 2.4 How to make report
3. Investigation
4. Protection Under this Policy
5. Confidentiality
6. Review of Policy

1. INTRODUCTION

1.1 BACKGROUND AND PURPOSE OF WHISTLEBLOWING POLICY

K.K.I.P. Sdn Bhd (“KKIPSB”) is committed to the values of transparency, integrity, impartiality, and accountability in the conduct of its business and affairs, and in its workplace.

For this purpose, KKIPSB has developed procedures or mechanisms to facilitate: -

- (a) reports by Whistleblowers of any suspected or actual Wrongdoings on a confidential basis;
- (b) investigation of such reports by the Prescribed Officer; and
- (c) protection against reprisal to Whistleblower who reported in good faith.

This Policy does not replace or affect the Company’s Code of Conduct or other policies and procedures established or to be established by the Company from time to time.

In this Policy, “Group” means KKIPSB and its subsidiaries and “Group Company” means any company within the Group; “Prescribed Officer” means the person authorised to receive reports on Whistleblowing matters; “Chairman” means the Chairman of KKIPSB; “Board of Directors” means the board of directors of KKIPSB; “Policy” means this Whistleblowing policy, as may be revised and amended from time to time.

1.2 POLICY STATEMENT

K.K.I.P. SDN BHD is committed to the highest standards of professionalism, honesty, integrity, accountability and ethical behavior in the conduct of its business and operations. We aspire to conduct our affairs in an ethical, responsible and transparent manner. With this in mind, we provide a mechanism for our employees and third parties employed and engaged to report instances of wrongdoing, unethical behavior, improper conduct, actual or suspected fraud and/or abuse within KKIP.

1.3 POLICY OBJECTIVE

This policy makes clear that we take any form of wrongdoing very seriously and that we are committed to identify, deal with and rectify any improper conduct that can potential harm the Company including its reputation. We want to embed a culture across the Company where wrong doing is not tolerated and when reported, will be quickly and efficaciously addressed. We also commit to provide protection for those who makes such disclosures.

This Policy is to provide an avenue for all employees of KKIP, third parties employed or engaged by KKIP, employees of third parties employed or engaged by KKIP and members of the public to disclose any improper conduct or unethical behavior, actual or suspected fraud and/or abuse in accordance with the procedures as provided for under this Policy and to provide protection for those who report such allegations.

This Policy aims to develop a culture of openness, accountability and total integrity. It is to enable the Top Management to be informed at an early stage to take corrective action and mitigate any potential damages; financially or reputation of KKIP

It aims to reassure employees and directors that they would be fully protected from harassment or victimization for whistle blowing in good faith.

1.4 POLICY SCOPE

This Policy covers, though it is not limited to, the following instances of improper conduct (i.e. misconduct or criminal offense):

- i. any form of financial crime, including fraud.
- ii. bribery and corruption.
- iii. abuse of power for personal gain.
- iv. conflict of interest.
- v. theft or embezzlement.
- vi. misuse of Company's property and information.
- vii. non-compliance with the Company's policies and procedures; and
- viii. situations of regulatory breach or non-compliance

This policy does not apply to personal grievances concerning an individual's terms and conditions of employment, or any other aspects of working relationship with the Company. Such matters shall be dealt with under KKIP Human Resource policies and procedures.

2. REPORTING PROCEDURES

2.1 Who can disclose

Any of the following persons ("Whistleblower") can make a report to the KKIPSB of any suspected or actual Wrongdoing committed:

- a. the Group's employees, including employees on contract, temporary or short-term employees and employees on secondment.
- b. the Group's third-party service providers, independent contractors, vendors and suppliers; and
- c. members of the public.

2.2 What to disclose

A report can be made if it relates to any conduct which if proved, constitutes a disciplinary offence or a criminal offence by any employee or director within any Group company ("Wrongdoing"). Wrongdoing includes, but is not limited to: -

- a. taking or giving favors, kickbacks, bribes and privileges
- b. corruption or fraud
- c. misappropriation of funds
- d. misuse of funds or assets
- e. theft or embezzlement
- f. gross mismanagement
- g. abuse of power by any director or officer of any Group Company
- h. serious financial irregularity or impropriety
- i. serious breach of Company's Code of Conduct

- act, omission, misrepresentation, or concealment of information which lead to, cause or create a substantial or specific danger to the lives, health, or safety of the Group's employees, the public or the environment.
 - failure to comply with provisions of laws, regulations, and directives where the wrongdoer knowingly or intentionally disregards compliance with such provisions.
- j. disciplinary offence or criminal offence
- k. knowingly directing or advising a person to commit any of the above Wrongdoing.

Wrongdoing excludes matters which are :-

- trivial or frivolous in nature; and
- motivated by malice.

If an employee is unsure whether a particular act or omission constitutes a Wrongdoing under this Policy, that employee is encouraged to seek advice or guidance from his or her immediate superior or head of department or supervising director.

2.3 When to disclose

As soon as a Whistleblower becomes aware and reasonably believes in good faith that a Wrongdoing is likely to happen, is being committed or has been committed, the Whistleblower is encouraged to make a report of the Wrongdoing.

The Whistleblower needs to demonstrate that the Whistleblower has reasonable grounds for the concerns. However, the Whistleblower is not expected to first obtain substantial evidence of proof beyond reasonable doubt when making a disclosure. If the Whistleblower knows as a matter of fact that there are reasonable grounds of suspicion that a Wrongdoing is going to take place, such genuine concerns is encouraged to be raised at an early stage.

2.4 How to make a report

Disclosure can be made through the following channels:

- a) By email: **whistleblowing@kkip.com.my**
- b) By post/letter: Integrity Committee, KKIP Sdn Bhd, No 9. Lot 11B, Amenity Centre, Jalan 1A KKIP Selatan, Industrial Zone 1, Kota Kinabalu Industrial Park, 88460 Kota Kinabalu, Sabah, Malaysia

If the Wrongdoing involves the Chairman, the Secretariat shall forward the report to any of the serving director.

For the Company to investigate the Wrongdoing reported, the Whistleblower is to provide the following particulars in the report: -

- a. Particulars of Whistleblower i.e. name, NRIC No., designation (if the Whistleblower is an employee of any Group Company) and contact particulars (email, telephone or mobile number and/or address);

- b. Details and description of the Wrongdoing, including, its nature, the date, time, and place of its occurrence and the identity of the alleged person(s) involved. A disclosure may be made even if Whistleblower is not able to identify the identity of the person(s) involved.
- c. Particulars of witnesses, if any; and
- d. Particulars or production of documentary evidence, if any.

The personal details provided by the Whistleblower will be kept confidential. The Whistleblower may be asked to provide further clarification and information from time to time, during investigation.

3. INVESTIGATION

- 3.1 The Prescribed Officer who receives the report will assess the report to determine whether it is related to a Wrongdoing or excluded from the scope of this Policy and shall make general recommendations to the Chairman. The Chairman may designate any person, from the Group or external party, to conduct any investigation or to carry out any other process pursuant to this Policy (for instance, any meeting or an internal audit).
- 3.2 The Chairman has the authority to make the final decisions including, but not limited to, any of the following:
 - a. rejection of the report.
 - b. directing the concerns or any part thereof for consideration under other internal procedures or disciplinary procedures, if appropriate and applicable.
 - c. resolution without recourse to an investigation.
 - d. directing investigations on the report and any persons involved or implicated.
 - e. suspending the alleged wrongdoer or any other implicated person from work to facilitate any fact finding or to avoid any employee's exposure to threat or harm.
 - f. obtaining any other assistance (for instance, external auditors or legal advice).
 - g. referral to the police or any other appropriate enforcement authority.
- 3.3 If the Wrongdoing involves the Chairman, the report shall be made to another director of KKIPSB who shall refer this to the Board of Directors. The Board of Directors shall then authorize director to be responsible for the investigation and recommendation to the Board of Directors. The Board of Directors shall have the authority to make the final decisions regarding the disclosure of Wrongdoing.
- 3.4 It is intended that the disclosures by the Whistleblower will be acted upon in a timely manner.
- 3.5 The Whistleblower and the alleged wrongdoer are expected to give their full cooperation in any investigation, or any other process carried out pursuant to this Policy. They may be asked to attend a meeting to discuss the allegations and must take all reasonable steps to attend the meeting. The alleged wrongdoer will be given an opportunity to answer the allegations at the meeting.
- 3.6 The Whistleblower will be informed of the result of any investigation or action or decision taken by the Company as soon as practicable.
- 3.7 If the Whistleblower is implicated or discovered to be or have been involved in any wrongdoing, the Whistleblower may also be investigated to complete the fact-finding

process. An investigation in this instance is not and shall not be treated as a reprisal against the Whistleblower, but to facilitate decision making.

4. PROTECTION UNDER THIS POLICY

4.1 Upon making a disclosure in good faith, based on reasonable grounds and in accordance with the procedure pursuant to this Policy:

(i) the Whistleblower shall be protected from Detrimental Action within the Group as a direct consequence of the Whistleblower's disclosure.

"Detrimental Action" means: -

- action causing injury, loss or damage;
- intimidation or harassment;
- interference with 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
- a threat to take any of the above actions.

(ii) the Whistleblower's identity shall be protected, i.e. kept confidential unless otherwise required by law or for the purpose of any proceedings by or against any Group Company.

4.2 If Whistleblower (being an employee), in good faith, reasonably believes he/she is being subjected to Detrimental Action from any person within the Group as a direct consequence of having made a disclosure under this Policy, he/she may consult the Prescribed Officer in confidence. The Company does not permit Detrimental Action of any kind against the Whistleblower for complaints submitted hereunder that are made in good faith. Any such Detrimental Action shall be considered a serious breach of this Policy. A Detrimental Action by any person against the Whistleblower may result in disciplinary action against that person, including issuance of formal warning or reprimand, suspension or termination of employment or service with the Group Company.

4.3 The Company reserves the right to revoke the Whistleblower protection accorded under this Policy if the Whistleblower has, or is found to have:

- a. participated in the Wrongdoing; and
- b. made a disclosure not in accordance with the requirements of this Policy (for instance, false, dishonest, mischievous or malicious complaints).

The Company shall give written notice to the Whistleblower of the revocation of protection. In addition, the Company reserves the right to take such legal or other actions or disciplinary measures against the Whistleblower (if the Whistleblower is an employee), including issuance of formal warning or reprimand, suspension or termination of employment or services with the Group Company.

5. CONFIDENTIALITY

5.1 Reasonable steps will be taken to maintain the confidentiality of the Whistleblower and report made by the Whistleblower, unless: -

- a. the Whistleblower expressly agrees otherwise, and provides his agreement in writing; or
- b. otherwise required by law.

5.2 The Whistleblower or any person who is involved in the investigation process, shall not disseminate to third party's information regarding the Wrongdoing or any part thereof, including the status or outcome of an investigation into it, except:

- a. to those who are authorized under this Policy.
- b. by lodging a report with an enforcement agency in accordance with the Whistleblower Protection Act 2010 or any other prevailing law;
- c. if required by law; and
- d. on a strictly confidential basis to a professionally qualified lawyer for the purpose of obtaining legal advice.

5.3 The Whistleblower shall not:

- a. contact the suspected individual to determine facts or demand restitution; and,
- b. discuss the case, facts, suspicions, or allegations with anyone except to assist in the investigations.

6. REVIEW OF POLICY

KKIP reserves the right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the whistleblowers unless the same is notified to the whistleblowers in writing.

This Policy may be reviewed and amended, at the Board of Director's discretion from time to time, as and when necessary, to ensure its relevance and effectiveness in keeping with the Group's changing business environment, administrative or operational needs as well as changes to legislations. Changes to the Policy, if any, shall only be made with the Board of Directors' approval in writing.