

WHISTLEBLOWING

S P Whistleblowing Policy

1. Policy Statement

- i. S P Setia Berhad and Group of Companies (“Group”) is committed to the highest standard of integrity and maintaining high standard of accountability in the conduct of its businesses and operations. The Group aspires to conduct its affairs in an ethical, responsible and transparent manner which is vital to the success of the Group.
- ii. As such, the Board of Directors of S P Setia has developed this Whistleblowing Policy (“Policy”) to provide a structured reporting channel and guidance to all employees and external parties referred to in section 5(i) below without fear of victimisation and/or subsequent discrimination.
- iii. Procedures that are incorporated in this Policy aim to address issues such as reporting, responsibility, confidentiality, investigation and resolution.
- iv. The Policy will:
 - o Govern the process through which employees and relevant stakeholders may report potential violations or concerns relating to relevant laws, rules, regulations, business ethics and conduct, including any violations or concerns relating to immoral, illegal, misappropriation and fraudulent activities;
 - o Establish a mechanism for responding to any reports from employees and relevant stakeholders regarding such potential violations or concerns;
 - o Prohibit retaliation against employees raising such potential violations or concerns; and
 - o Establish procedures for the retention of records of reports.
- v. Employees who whistleblow on improper conduct will be protected against victimisation or other adverse treatment provided that the whistleblowing is done in good faith. However, any whistleblowing which is not made in good faith and is found to be deliberately falsified with malicious intent will be subject to disciplinary action by the Group in accordance with the Group’s disciplinary policy.
- vi. The Chief Executive Officer (CEO) shall have overall responsibility for the implementation of this Policy. The administration of the Policy is to be carried out by the Chief Internal Auditor. The Audit Committee shall perform the oversight function over the administration of the Policy.

- vii. This Policy should be read in conjunction with the Group's Code of Conduct and Business Ethics and the Group's disciplinary policy.

2. Objective

- i. The objective of the Policy is to protect the values of transparency, integrity, impartiality and accountability where the Group conducts its business and affairs.
- ii. Through an effective implementation of this Policy, the Group aims to enhance its accountability in preserving its integrity and to withstand public scrutiny. This in turn enhances and builds the Group's credibility to all our stakeholders.
- iii. The Policy serves as an early warning system for the Group to remedy any wrongdoings before serious damage is caused.

3. Definition of Whistleblowing

- i. "Whistleblowing" is defined as the deliberate, voluntary disclosure or reporting of an individual or organizational malpractice by any person (who has privileged access to information) on an actual (past or present) or suspected improper conduct within the Group or organisation based on his or her reasonable belief.
- ii. The person who reports/alerts the serious concerns of improper conduct is referred to as "Whistleblower".
- iii. "Improper conduct" includes among others, the following:
 - o Fraud;
 - o Corruption, bribery or blackmail;
 - o Criminal offences;
 - o Failure to comply with legal or regulatory obligation;
 - o Endangerment of an individual's health and safety;
 - o Any other action that could cause significant harm to the Group or a person;
and
 - o Concealment of any or a combination of the above.
- iv. The above list is not exhaustive and includes other acts or omissions, which if proven is deemed as:

- an act of improper conduct or wrongdoing constituting a disciplinary offence under the S P Setia Code of Conduct and Business Ethics, any employment agreement or service contract; or
 - an offence under any relevant legislation in force.
- v. Whistleblowing procedures are different from grievance procedures. Typically whistleblowing does not affect the complainant personally. They are different from a normal grievance/complaint in which the complainant is personally affected.

4. Scope

- i. This Policy applies to all matters involving the Group's employees and any other stakeholders / persons providing services to the Group, including consultants, vendors, independent contractors, external agencies and/or any other party with a business relationship with the Group.
- ii. This Policy does not apply to grievances concerning an individual's terms of employment and such matters shall be dealt with in accordance with Group Human Resource guidelines and policies. Should it be determined during the preliminary investigation that the matter disclosed does not fall within the scope of this Policy, such matters will be transferred and dealt with by the appropriate personnel of the relevant department for appropriate procedures and actions to be taken.
- iii. No employee shall use his/her position to prevent other employees from exercising their rights or complying with their obligations as indicated in this Policy.

5. Who is a Whistleblower

- i. Under the Policy, any of the following persons can be a Whistleblower:
 - Employees of S P Setia Berhad and its Group of Companies. (This includes full-time, part-time, or temporary staff)
 - Any external party that has knowledge of an improper conduct committed by an employee, including joint venture partners and associates providing a business service to S P Setia Berhad and its subsidiaries, i.e. contractors and consultants.

- ii. The Whistleblower is not expected to prove the truth of the allegation but should, in making the report, have the reasonable belief that an improper conduct was committed, is being committed or will be committed.

6. Requirement of Good Faith

- i. Since allegations of improper conduct may result in serious personal repercussions for the alleged perpetrator, any whistleblower who intends to lodge any report of improper conduct must ensure that the report is made in good faith.
- ii. The Whistleblower making the allegation of improper conduct must have reasonable grounds for believing in its existence before reporting such improper conduct and must undertake such reporting in good faith, for the best interest of the Group and not for personal gains.
- iii. The element of good faith shall be deemed lacking in the following situations:-
 - a. The person does not have personal knowledge or a factual basis for the report of improper conduct;
 - b. Where the person knew or reasonably should have known that the reports are false;
 - c. Where the report is frivolous or vexatious; or
 - d. Where there are any other circumstances that indicate that the report has been made with malicious intent, ulterior motive or for personal gain.
- iv. If a report is made with malicious intention and without reasonable grounds that the information in the report is accurate or reliable or for personal gains, the whistleblower may face disciplinary action.

7. Reporting Procedures

- i. The Whistleblower should immediately come forward with any information that he/she, in good faith and reasonably believes that an improper conduct was committed, is being committed or will be committed.

- ii. Any concerns should initially be reported to the immediate line manager or General Manager. However, if for any reason the Whistleblower is reluctant to do so, then the Whistleblower shall report the concerns in writing to the Audit Committee Chairman.
- iii. All reports shall be communicated in writing using the methods appended to this Policy as Appendix I i.e. hardcopy letter or e-form. The report must provide full details of the improper conduct and where possible, with the supporting evidence.
- iv. For hardcopy letters, the report must be made directly to the Audit Committee Chairman via a sealed envelope marked as “Confidential”.
- v. For e-form, the Whistleblower can access the Group’s corporate website and upload the information directly onto the e-form.

8. Information Required for Investigation

- i. In order to carry out an investigation, details and information on the concern made by the Whistleblower should be disclosed. The Whistleblower is required to disclose his/her personal details (which will be kept confidential).
 - o Name; and
 - o Contact telephone numbers – mobile or office.
- ii. Additional information required to facilitate the investigation that should be included are:
 - o Nature of improper conduct;
 - o The date and location of the incidence;
 - o The identity of the alleged wrongdoer;
 - o Particulars of witnesses, if any;
 - o Particulars or production of documentary evidence, if any; and
 - o Other details deemed to be useful to facilitate screening and action to be carried out.
- iii. Anonymous complaints will not be entertained and covered under the Policy.

9. Pre-Screening

- i. The Audit Committee Chairman will screen and assess the Whistleblower's disclosure to determine whether it constitutes an improper conduct or is excluded from the scope of this Policy. The Whistleblower may be required to provide additional information and clarifications if the need arises.
- ii. Based on the initial findings, the Audit Committee Chairman will instruct the Chief Internal Auditor on the next course of action.
- iii. The above process should not take more than one (1) month from the day the report is received.
- iv. In the event that the Whistleblower's disclosure involves the Chief Internal Auditor, CEO and/or members of the Audit Committee, the implicated person(s) shall be excluded from the activities of screening and subsequent follow-up actions such as investigation.

10. Initial Investigation

- i. Upon the instruction from the Audit Committee Chairman, the Chief Internal Auditor will conduct an initial investigation to determine on the merits of a full investigation and report to the Audit Committee Chairman.
- ii. The Audit Committee Chairman will make the decision on the Whistleblower's disclosure, including but not limited to the following:
 - a. Rejection of the Whistleblower's disclosure and instruct that the matter to be closed should the preliminary findings by the Chief Internal Auditor indicate no basis for further investigation;
 - b. Initiating the investigation process by the Chief Internal Auditor or any other relevant parties to commence a full investigation in the event that the preliminary findings by the Chief Internal Auditor clearly indicate a basis for further investigation;
 - c. Referral of the disclosure to the full Audit Committee to determine the next course of action in the event where the CEO or Chief Internal Auditor is involved. In this situation, the Audit Committee may appoint other personnel of suitable seniority or independent third party to investigate the allegations;

- d. In cases where the preliminary findings suggest a possible criminal offence, the Audit Committee Chairman may also refer the disclosure to the appropriate authorities such as the police force or the Malaysian Anti-Corruption Commission (“MACC”) for further action; or
 - e. Determine any other course of action which the Audit Committee Chairman deems fit, taking into consideration the circumstances of the matter reported.
- iii. Subject to legal constraints, the Whistleblower will be notified of the status of the disclosure based on the preliminary action taken by the Audit Committee.
 - iv. The alleged wrongdoer will also be informed of the Whistleblower’s disclosure (but not of the identity of the Whistleblower himself) and be given the opportunity to respond to the allegations at the impending investigation process as highlighted in section 11.

11. Full Investigation

- i. The full investigation process aims to achieve the following objectives:
 - o To gather relevant information in the most appropriate manner and to protect the information / document from sabotage/compromise;
 - o To ensure that the proper procedures are carried out in the process of the investigation; and
 - o To arrive at a fair judgment and recommendation on the allegation.
- ii. Only the Chief Internal Auditor, CEO, Audit Committee Chairman and specific personnel directed by the above mentioned parties have the right to carry out the investigation.
- iii. The investigation of the alleged improper conduct would be carried out strictly in a confidential manner. The Whistleblower and the alleged wrongdoer are expected to give his/her full cooperation in any investigation or any other process carried out pursuant to this policy and/or the disciplinary policy of the Group.
- iv. All information, documents, records and reports relating to the investigation of the alleged improper conduct shall be kept securely to ensure its confidentiality.
- v. During the course of investigation, the Whistleblower is advised not to contact the alleged wrongdoer in an effort to determine facts or demand restitution; and not to discuss the case, facts, suspicions, or allegations with anyone unless specifically

asked to do so by the investigator/auditor. This is to avoid jeopardising the investigation.

- vi. Upon the conclusion of the full investigation and where the CEO is not the alleged wrongdoer, the CEO shall review the investigation report. If the alleged wrongdoer is found to have committed the improper conduct, the CEO will recommend the disciplinary action to be taken against him/her, based on the Human Resource guidelines and procedures. This may amongst others, include a formal warning, reprimand, suspension or termination of employment with the Group.
- vii. A final report with the CEO's recommendation will be tabled to the Audit Committee who will review the report and decide on the disciplinary action to be taken.
- viii. In the case where the alleged wrongdoer is the CEO, the Audit Committee shall review the investigation report and determine whether the allegation can be substantiated. In the event the allegations are found to be true, the Audit Committee will recommend the disciplinary action to be taken, based on the Human Resource guidelines and procedures.
- ix. A final report with the Audit Committee's recommendation will be tabled to the Board of Directors who will review the report and decide on the disciplinary action to be taken.
- x. In all cases where possible, the management shall institute the appropriate control measures to prevent any further improper conduct or damage to the Group.

12. Reporting of Outcome

- i. Subject to legal constraints, the Whistleblower and the alleged wrongdoer will be notified of the outcome of the investigation. The notification letter will be signed off by the Audit Committee Chairman.
- ii. If the Whistleblower is dissatisfied with the outcome of the investigation, the whistleblower may submit another detailed report explaining why this is the case and the concern will be investigated again if there is good reason to do so.
- iii. The Chief Internal Auditor will furnish a half-yearly report to the Audit Committee on the number and natures of cases reported by Whistleblower(s). The Audit Committee will review the report and submit a summary report to the Board of Directors for their information and/or action, where applicable.

13. Timeframe

- i. Concerns will be investigated as quickly as possible. It should also be considered that it may be necessary to refer a matter to an external agency and this may result in an extension of the investigative process. It should also be kept in mind that the seriousness and complexity of any complaint may have an impact upon the time taken to investigate a matter.

14. External Reporting

- i. If the whistleblower is dissatisfied with the outcome of the investigation, he/she is at liberty to take the matter further by raising it with the relevant governmental, regulatory authorities and enforcement agencies in Malaysia or in the country concerned prescribed by the Whistleblower Protection Act 2010 ("**Relevant Authority**").
- ii. Whilst the Whistleblower is able to report issues externally to the Relevant Authority, it is urged that the Whistleblowers report any instances of improper conduct to the Group first in order that the Group may remedy any wrongdoings and where applicable, institute appropriate controls to prevent any damage or loss to the Group.
- iii. The Whistleblower should also note that any investigations and/or actions taken pursuant to the submission of an external report to the Relevant Authority would be executed in accordance with the relevant legislation empowering the Relevant Authority and are independent of the procedures described in this Policy.

15. Protection of Whistleblower

- i. Upon making a disclosure in good faith, based on the Whistleblower's reasonable belief, the Whistleblower's identity will be accorded with protection of strict confidentiality unless otherwise required by law or for purposes of any actions by or against the Group.
- ii. The Whistleblower will be protected from "detrimental treatment" within the Group as a consequence of his/her disclosure. The Group will not tolerate such detrimental treatment when concerns are raised in good faith. Such protection is accorded even if the investigation later reveals that the whistleblower is mistaken as to the facts.
- iii. It is to be noted that any person who has not acted in good faith shall not be entitled to any protection under this Policy. If allegations are proven to be malicious or

founded on bad faith, parties responsible may be subject to appropriate action, including but not limited to legal action, where applicable.

- iv. For purposes of this policy, “detrimental treatment” includes:
 - a. any action causing injury, loss or damage to the Whistleblower;
 - b. any action of intimidation and harassment against the Whistleblower;
 - c. the termination of the Whistleblower’s employment, the withholding of salary or any payment due and payable under his/her contract, refusal to enter into a subsequent contract, the taking of any disciplinary action or adverse treatment in relation to the Whistleblower’s career; or
 - d. a threat to take any of the actions stated above.

16. Safekeeping of Records

- i. All reports, its supporting evidence, findings of investigations and monitoring of corrective actions shall be centralized, logged and monitored by the Chief Internal Auditor. The Chief Internal Auditor may assign a designated personnel in Governance Advisory Department to manage the log.
- ii. Disclosure of reports to individuals who are not involved in the investigation will be viewed as a serious disciplinary offence which may result in disciplinary action, including termination of employment or dismissal.

17. Circulation and Review

- i. This Policy will be circulated to all existing and new employees of S P Setia Berhad and its Group of Companies.
- ii. This Policy will be reviewed regularly by the Audit Committee. Any revisions, amendments to this policy will be communicated to all employees of S P Setia Berhad and its Group of Companies accordingly.