



WHISTLEBLOWING POLICY

(Revised: 17 November 2023)

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1. OBJECTIVES

- 1.1 This Whistleblowing Policy addresses the commitment of Pekat Group Berhad (**Pekat**) to integrity and in promoting a culture of honesty, ethical behaviour and good corporate governance, where employees are able to raise concerns regarding suspected fraud, corruption, illegal conduct, wrongdoing or any form of malpractice without being subject to victimization, harassment or discriminatory treatment, and to have such concerns properly investigated.
- 1.2 This Whistleblowing Policy (**Policy**) sets out the mechanism and framework by which employees and any member of the public can confidently, and anonymously if they so wish, voice concerns or complaints in a responsible manner without fear of discriminatory treatment.
- 1.3 Pekat encourages its employees to make disclosures openly and honestly and at an early stage without the person requiring actual evidence of such activity. All disclosures made under this Whistleblowing Policy will be dealt with in a confidential manner irrespective of the whistle blower's desire for anonymity.

2. SCOPE

- 2.1 This Policy applies to Pekat and all its subsidiary companies (**Pekat Group or the Group**). All employees (whether full-time, probationary, part-time, contract or casual) and members of the public are encouraged to disclose any wrongdoing by an employee that may adversely impact the Group.
- 2.2 In the context of this Policy, 'Company' shall mean any company within the Group, and words importing the masculine gender only shall include the female gender.

3. REPORTABLE ACTIVITY

The following shall constitute 'Reportable Activity' under this Policy:

- i) Suspected or actual incidents of fraud or corruption;
- ii) A suspected or actual breach of the Company's policies, practices, procedures or other rules of conduct;
- iii) Suspected or actual misleading or deceptive conduct of any kind, including conduct or representations which amount to improper or misleading accounting or financial reporting practices;
- iv) Situations within the Company's control which pose severe danger to the health and safety of any person or significant damage to the environment;
- v) Auditing matters, including non-disclosure or any subversion of the internal or external audit process; and
- vi) Breach of confidentiality obligations.

Further details of improper conduct are provided in Appendix 1 annexed hereto.

4. DISCLOSURE OF REPORTABLE ACTIVITY

- 4.1 Disclosure of information regarding a Reportable Activity should initially and promptly be made by the whistle blower to the following persons:
- i) Chairman or any member of the Audit and Risk Management Committee of Pekat (**ARMC**) at whistleblower@pekatgroup.com
- 4.2 Reports under this Policy can be made verbally or in writing via email.
- 4.3 To assist whistle blowers in submitting a comprehensive Report, a Whistleblowing Form is provided in Appendix 2 annexed hereto. This form can also be downloaded from Pekat's website at <https://www.pekat.com.my/>.

5. EVIDENCE NEEDED BEFORE INVESTIGATION

- 5.1 Pursuant to the terms of this Policy, a whistle blower is required to have reasonable grounds for suspecting the Reportable Activity.
- 5.2 The whistle blower should, at the minimum, be required to provide in the Report, in writing, information regarding the type of activity or conduct constituting the Reportable Activity, identify the person(s) suspected as being involved, when it has occurred and who was affected.
- 5.3 The whistle blower must have first-hand knowledge of the facts disclosed in the Report, and hence, information obtained from a third party or 'hearsay' is not sufficient.
- 5.4 Where the condition 5.3 is fulfilled but there are insufficient evidence, the whistle blowers are still encouraged to report the matter.

6. PROTECTION UNDER THIS POLICY

- 6.1 Employees of the Group or any member of the public who submits a Report in good faith and in accordance with this Policy are protected from victimisation by reason of the Report itself.
- 6.2 Victimization could include intimidation, harassment, threats, action causing injury, loss or damage, discrimination, disadvantage, adverse treatment in relation to a person's employment, career, profession, trade or business. Pekat will regard any such victimisation very seriously and will take appropriate action, which may include in the case of employees, disciplinary action and dismissal.
- 6.3 Making a Report under this Policy does not shield the person from the consequences of being involved in any improper conduct or unlawful activity alleged in a complaint under this Policy. In some limited circumstances, however, a full and frank admission may be a mitigating consideration in respect of any disciplinary or other action.

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- 6.4 Employee and industrial relations related issues and human resource related issues are excluded from the operation of this Policy, as there are other established mechanisms to raise such complaints.
- 6.5 Whistle blowers making a Report in bad faith or based on unfounded allegations or containing trivial, malicious, slanderous, and frivolous or vexatious claims may be subject to disciplinary and/or legal action by the Company.

7. INVESTIGATION PROCEDURES

- 7.1 It will be the task of the ARMC to assess and investigate all Reports, and to recommend a course of action in a prompt and fair manner.
- 7.2 Upon receipt of a Report, the ARMC should firstly seek the consent of the whistle blower, if he has identified himself, to disclose his identity of the whistle blower to the Group Managing Director (**MD**), and the Board of Directors (**Board**) of Pekat.
- 7.3 Subject to the whistle blower having identified himself in the Report or otherwise at the time of making the Report, the ARMC cannot disclose the Report and/or the identity of the whistle blower to any third party unless prior consent of the whistle blower is received. The identity of a whistle blower should be maintained in confidence to the extent possible given the legitimate need of the law and the investigation.
- 7.4 If the Group MD, the Group Chief Financial Officer or members of the Board are suspected of being involved in the Reportable Activity, the specific Report and the identity of the whistle blower should not be disclosed by the ARMC to such person(s).
- 7.5 The ARMC or any other investigators as assigned by the ARMC (**Assigned Investigator**) must take all reasonable steps to ensure that investigations regarding the Report are fair and unbiased, by ensuring that:
- i) Any person who may be affected by the investigation should have the opportunity to put their case forward and to be aware of the allegations and evidence against them;
 - ii) The Chairman of the ARMC will obtain specialist, independent advice on matters outside his knowledge or expertise. All employees of the Group are required to assist in the investigation to the maximum possible extent; and
 - iii) All Investigations will be carried out as prompt and as reasonably practicable and with a degree of confidentiality consistent with the seriousness of the allegations raised.
- 7.6 ARMC will keep detailed records of all the evidence gathered, interviews conducted and all records received which will affect the outcome of the investigation.

8. DISCLOSURE AND REPORTING OF INVESTIGATIONS

- 8.1 In view of the potential adverse effects of such investigations to the prospects and corporate image of the Group and to the reputation of the persons implicated in the Report, it will be inappropriate for the ARMC Chairman or Assigned Investigators to make reports regarding the progress of the investigation to anyone other than the ARMC and the Board.

8.2 The ARMC Chairman or Assigned Investigator may also choose to involve the whistle blower (if he has identified himself) in the investigation, either by seeking more information from the whistle blower or otherwise providing feedback to the whistle blower.

8.3 If the ARMC Chairman or Assigned Investigator may choose to exclude the whistle blower if they are of the opinion that the interest of a fair investigation or the protection of the whistle blower is better served without his involvement in the investigation.

9. REPORTING ON THE OUTCOME OF INVESTIGATIONS

9.1 At the end of the investigation, the Assigned Investigator must submit his investigation report together with all relevant findings and evidence to the ARMC which will then report to the Board for a decision.

9.2 The Company Secretary shall retain, for and on behalf of the ARMC, all records relating to any serious accounting allegation and to the investigation of any such accounting allegation for a period of seven (7) years.

10. ACTION TO BE TAKEN AFTER AN INVESTIGATION

10.1 If the Board is satisfied based on evidence presented in the investigation report that the disclosed conduct has occurred, it may instruct the Chief Operating Officer to proceed with the necessary disciplinary action to be taken on the person(s) who has committed the Reportable Activity whilst ensuring that the principles of natural justice will be followed.

10.2 The final investigation report will also contain recommendations that must be taken to prevent the conduct from continuing or occurring in the future. Actions to be taken may also be directed to remedy any harm or loss arising from the conduct.

11. REVIEW OF THIS POLICY

11.1 This Policy will be reviewed by the ARMC and the Board once in every three (3) years or as and when the need arises, in consultation with the ARMC Chairman.

11.2 The review should address the overall effectiveness of this Policy by taking into account the number and the nature of Reports received during the preceding three (3) years, the manner in which the investigations were carried out, the associated costs of the investigations, the findings of the investigations, the actions taken, whether the whistle blowers had suffered any victimisation, and the overall practicality of this Policy.

APPENDIX 1

LIST OF COMPLAINTS UNDER THE WHISTLEBLOWING POLICY

A whistle blower complaint is information relating to improper conduct of any employee, consultant or contractor engaged by Pekat Group. Improper conduct includes:

- i) a criminal offence;
- ii) breach of a legal obligation;
- iii) behaviour that inflicts danger to the health or safety of any individual;
- iv) damage or potential damage to the environment;
- v) unlawful discrimination;
- vi) substance abuse;
- vii) harassment or bullying;
- viii) misuse of company information;
- ix) workers compensation fraud;
- x) corruption involving:
 - a) conflict of interest in purchasing or sales schemes;
 - b) bribery involving kickbacks or bid rigging;
 - c) illegal gratuities; or
 - d) blackmail;
- xi) asset misappropriation involving:
 - a) cash, such as:
 - theft of cash in hand or from deposits;
 - skimming of sales, receivables, refunds including write-off schemes or lapping schemes;
 - fraudulent disbursements including billing schemes, personal purchases, payroll schemes, ghost employees, commission schemes, falsified wages, expenses reimbursement including overstated and fictitious expenses, cheque tampering, false voids and refunds;
 - b) inventory and other asset theft, misuse, personal use, false transfers, false sales and shipping, false purchasing and receiving.
- xii) fraudulent statements, involving:
 - a) financial including over or under statement of assets or revenue, fictitious revenue, false time records, concealing liabilities, improper asset valuation; or
 - b) non-financial including employee credentials, internal or external documents, compliance statements; and
- xiii) any other detrimental wrongdoings.

APPENDIX 2

WHISTLEBLOWING REPORT FORM

Please provide the following details for any suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact Pekat Group, and submit directly to either the Chairman of the Audit and Risk Management Committee or the Head of Internal Audit of Pekat.

Please note that you may be called upon to assist in the investigation, if required.

WHISTLEBLOWER'S INFORMATION (This section may be left blank if the reporter wishes to remain anonymous)			
Name			
Designation			
Company Department			
Contact Numbers			
Email Address			
INFORMATION OF THE SUSPECT			
Name			
Designation			
Company/Department			
Contact Numbers (if known)			
Email Address (if known)			
INFORMATION OF WITNESSES (If any)			
Name		Name	
Designation		Designation	
Company/Department		Company/Department	
Contact Numbers		Contact Numbers	
Email Address		Email Address	
ALLEGATION NO.		ALLEGATION NO.	
COMPLAINT: i) Briefly describe the misconduct or improper activity, and how you came to know about it. ii) Specify what, who, when, where and how. iii) If there is more than one allegation, number each allegation and use as many pages as necessary.			
1. What misconduct or improper activity occurred?			

2. Who committed the misconduct or improper activity?	
3. When did it happen and when did you notice it?	
4. Where did it happen?	
5. Is there any evidence that you could provide us? *	
6. Are there any other parties involved other than the suspect stated above?	
7. Do you have any other details or information which could assist us in our investigation?	
8. Any other comments?	
Date:	Signature (Optional):

Note: * - You SHOULD NOT attempt to obtain evidence for which you do not have a right of access since whistle blowers are 'reporting parties' and NOT 'investigators'.

For Use by the Chairman of the Audit and Risk Management Committee or ARMC Chairman	Report No.
Received By :	Received On:
	Acknowledgement Sent On:
Investigation Required: (Yes or No) <i>(If no, please state the reason)</i>	
Investigation Undertaken By:	
Investigation Results:	
Action Taken or Conclusion:	
Reported To:	
Signed-Off By:	