



# Hap Seng Consolidated Berhad

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## Whistleblowing Policy ("Policy")

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## **1. Whistleblower Protection Act 2010 (“Act”)**

- 1.1 The Act came into force on 15 December 2010 with the purpose to:
- a) combat corruption and other wrongdoings by encouraging and facilitating disclosures of improper conduct in the public and private sectors;
  - b) to protect persons making those disclosures from detrimental action;
  - c) to provide for the matters disclosed to be investigated and dealt with; and
  - d) to provide for other matters connected therewith.
- 1.2 The Act was designed to protect persons making disclosures or improper conduct in the public and private sectors from civil and/or criminal actions. The Act allows for proper investigation to be carried out by an enforcement agency set up by the federal, state or local government (“Enforcement Agency”).
- 1.3 ‘Whistleblowing’ is defined as the deliberate, voluntary disclosure or reporting of individual or organisational malpractice by a person (“Whistleblower”) based on his or her reasonable belief who has or had privileged access to data, events, or information about an actual, suspected or anticipated Improper Conduct (defined below) within the organisation or by an organisation that is within its ability to control.

## **2. Commitment**

- 2.1 Both the board of directors and management (“Hap Seng Board and Management”) of Hap Seng Consolidated Berhad (“Company”) and its subsidiaries (“Hap Seng Group”) strive to practise the highest level of integrity and ethics as part of the Hap Seng Group’s commitment towards effective risk management and high standards of governance and accountability.
- 2.2 After taking into account the provisions of the whistleblowing legislations in all the countries where the Hap Seng Group is operating from, this Whistleblowing Policy (“Policy”) aims to provide a formal and confidential channel to enable serious concerns of any Improper Conduct and/or wrongdoing to be reported without fear of reprisals or victimisation. Accordingly, the Hap Seng Group has established the Integrity Management Committee (“Committee”) which shall be responsible for the management of the Policy as set out in the terms of reference of the Committee, annexed hereto as ‘Appendix II’ subject to the oversight by the senior independent director (“SID”) in consultation with the nominating committee of the Hap Seng Board and Management. The Committee has been formed to oversee implementation of this Policy by establishing a transparent and confidential process in dealing with genuine concerns in relation to possible improprieties with a view to promote good corporate governance practices in the workplace.
- 2.3 Whilst the Company respects the rights of the Employee (defined below) to directly make reports of Improper Conduct (defined below) to an Enforcement Agency, the Company advises and urges the Employee to report the case of an Improper Conduct to the Company



first to enable the Company to remedy the wrongdoing/malpractice and where necessary, employ the appropriate controls to prevent any serious damage to the Hap Seng Group.

### **3. Objectives**

3.1 Through proactive and effective implementation of this Policy, the Group seeks to protect and enhance its ethics, transparency, integrity, impartiality, and accountability.

3.2 This Policy is designed to:

- a) promote and maintain high transparency and accountability at the workplace;
- b) manage reports of Improper Conduct in an objective and timely manner;
- c) provide protection to the Whistleblower from unfair dismissal, victimisation, demotion, suspension, intimidation or harassment, discrimination, any action causing injury, loss or damage or any other retaliatory actions (“Detrimental Action”);
- d) provide a transparent and confidential process in dealing with any such whistleblowing of Improper Conduct;
- e) protect the reputation of the Hap Seng Group; and
- f) improve and maintain a healthy and productive culture.

### **4. Scope**

4.1 This Policy applies to:

- a) Hap Seng Board and Management as well as all employees of the Hap Seng Group irrespective of their job grade, job description or length of service (“Employees”/“Employee” as the case may be); and
- b) any third party including, but not limited to vendors, contractors, sub-contractors, consultants, agents, representatives and other intermediaries who is performing work or services for and behalf of the Hap Seng Group and members of the public (“Third Parties”/“Third Party” as the case may be).

4.2 This Policy covers all reports made against Employees or Third Parties who have committed an Improper Conduct.

4.3 A report of Improper Conduct may be made by:

- a) any Employee who has knowledge of an Improper Conduct committed by another Employee or Third Party; or
- b) any external party that has knowledge of an Improper Conduct committed by an Employee or Third Party.

4.4 The Policy does not apply to grievances concerning an Employee’s terms of employment vis-à-vis the working hours, salary, increment, bonus and the like which shall be dealt in accordance with the group Human Resource’s guidelines and policies. Should it be determined during the preliminary investigation that the matter disclosed falls outside the



ambit of this Policy, such matter will be re-assigned and dealt by the appropriate personnel of the relevant department for the appropriate actions to be taken.

- 4.5 No Employee shall use their position or influence to prevent other Employees from exercising their rights under this Policy.

## **5. Improper Conduct**

5.1 Improper Conduct is generally described as any conduct which if proved, constitutes a criminal offence, wrongdoing, or malpractice, and may include but not limited to the following:

- a) corruption, bribery, and fraud;
- b) criminal offence or breach of any statutory requirements or legal obligations under the laws of Malaysia;
- c) non-compliance with the Anti-Bribery and Corruption Policy of the Hap Seng Group, relevant policies, standard operating procedures, and guidelines;
- d) financial irregularities;
- e) abuse, misuse and/or misappropriation of the Company's funds or assets;
- f) gross mismanagement within the Company (including serious potential breach to the interest of the society and environment);
- g) breach of code of ethics of the Company, including verbal, offensive, racist, sexual, physical, or other forms of acts, remarks, harm, violence and/or abuse of human rights;
- h) act or omission which jeopardises the health and safety of the Employees or members of the public;
- i) deliberate concealment of information on any of the above matters; and
- j) any other action that would cause significant harm to the Company or to any person(s).

5.2 Since an allegation of Improper Conduct may result in serious repercussions against the Employee that has allegedly committed an Improper Conduct, any person who intends to lodge any report of Improper Conduct shall ensure that the report is made in good faith.

5.3 The Whistleblower is not expected to prove the truth of the allegation but should, in making an allegation of Improper Conduct, have reasonable and probable ground before reporting such Improper Conduct and must undertake such reporting in good faith, for the best interest of the Company and not for personal gain or interest.

The element of good faith, may be determined by the Committee (on a case-to-case basis) to be lacking where:

- a) the Whistleblower does not have personal knowledge or a factual basis for the report of Improper Conduct; or
- b) where the Whistleblower knew or reasonably should have known that the report or any of its contents is false; or
- c) where the report is vexatious or frivolous; or



- d) there are any other circumstances that indicate that the report was made with malicious intent, ulterior motive or for personal gain; or
  - e) the Whistleblower has participated in the Improper Conduct reported; or
  - f) the report of Improper Conduct is made wholly or partly with the motive of avoiding dismissal or other disciplinary action; or
  - g) the Whistleblower breaches his/her obligations of confidentiality under this Policy.
- 5.4 Any person having knowledge of a report of Improper Conduct shall make all reasonable efforts to maintain the confidentiality of the following (“Confidential Information”):-
- a) information about the identity, rank, position, or other personal details of the Whistleblower;
  - b) a person against whom the Whistleblower has made a disclosure;
  - c) information disclosed by the Whistleblower; and
  - d) information that, if disclosed may cause detriment to any person.
- 5.5 The Whistleblower shall take all reasonable efforts to maintain the confidentiality of the Confidential Information, in particular the fact that a report has been filed, the nature of the Improper Conduct and the identity of the person(s) who have allegedly committed the Improper Conduct.
- 5.6 There may arise circumstances where during the investigation, it will be necessary to disclose the identity of the Whistleblower in which case, the Committee Chair or the SID involved in the investigations shall endeavour to inform the Whistleblower that his/her identity is likely to be disclosed and to seek his/her consent for the said disclosure.
- 5.7 All Whistleblowing reports received will be investigated to the extent possible. Whistleblowers are required to disclose some means to contact them for the relevant parties to be able to conduct follow-up, obtain further information if necessary and keep the whistleblowers informed. Anonymous report is not encouraged as any follow-up to ascertain the facts or to obtain further information for investigation would be difficult. The Company may, but is not obliged to investigate any anonymous allegations, after having considered the seriousness of the allegation and other corroborative evidence.
- 6. Detrimental Action**
- 6.1 Any report of Improper Conduct made in good faith, even if it is not subsequently confirmed correct or accurate by an investigation shall be eligible for protection under this Policy.
- 6.2 Any Whistleblower who makes a report of Improper Conduct in good faith shall not be subject to victimisation, demotion, suspension, intimidation, unfair dismissal, harassment, discrimination including but not limited to any action causing injury, loss or damage or any other retaliatory actions (“Detrimental Action”) within the Company.
- 6.3 Any Whistleblower who has been subjected to any form of Detrimental Action may lodge a complaint pursuant to this Policy to the Committee. The same procedures for investigation



in relation to reports of Improper Conduct shall apply to any complaints of Detrimental Action.

- 6.4 Any Employee who takes, imposes and/or carries out any form of Detrimental Action against the Whistleblower who has made a report of Improper Conduct in good faith shall be subjected to disciplinary action (which may include termination of employment).

## 7. Reporting Channels

7.1 Whistleblowing by Employees and Third Parties may be made through any of the designated reporting channels:

- a) Issues related to staff, to be addressed to the industrial relations or employee relations manager (Hap Seng Group IR Manager):-

(i) via email ([ghr.ir@hapseng.com](mailto:ghr.ir@hapseng.com)); or

(ii) via letter addressed to:-

Industrial Relations or Employee Relations Manager, Hap Seng Consolidated Berhad,  
3<sup>rd</sup> Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur

- b) Issues related to the Hap Seng Board and Management, to be addressed to the senior independent director (SID):-

(i) via email ([ghr.sid@hapseng.com](mailto:ghr.sid@hapseng.com)); or

(ii) via letter addressed to:-

Senior Independent Director, Hap Seng Consolidated Berhad  
21<sup>st</sup> Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur

- c) Issues related to the Third Parties, to be addressed to the senior independent director (SID):-

(i) via email ([ghr.sid@hapseng.com](mailto:ghr.sid@hapseng.com)); or

(ii) via letter addressed to:-

Senior Independent Director, Hap Seng Consolidated Berhad  
21<sup>st</sup> Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur

- d) The Whistleblowing flowchart setting out in detail the reporting workflow is annexed hereto as Appendix I.

### 7.2 Managing Whistleblowing reports

- a) All reports received shall be recorded in a secure system, with highly restricted access which ensures the confidentiality of the Whistleblower's identity and information reported. Only the Hap Seng IR Manager, the Chair of the Committee and SID shall have full access to the original Whistleblower's report including information on the identity of the Whistleblower.

- b) During the course of investigation, the Whistleblower is not allowed to contact the alleged wrongdoer to determine facts or to demand restitution and/or to discuss the case, facts, suspicions, or allegations with anyone.



- c) The SID, together with the Chair of the Committee, will brief the nominating committee of the Hap Seng Board on the findings of material Whistleblowing reports, if any. In the event the allegations are found to be true, the nominating committee will recommend to the management of the Company for disciplinary action(s) to be taken, or where appropriate, refer to the relevant enforcement authority or external legal counsel. Subject to legal constraints, the Whistleblower and the alleged wrongdoer will be notified of the outcome of the investigation.

## 8. **Training and Communication**

### 8.1 Introduction

The Hap Seng Group develops and disseminates internal and external training and communications relevant to this Policy, the Whistleblowing channel; and consequences of non-compliance.

### 8.2 Communications Policy

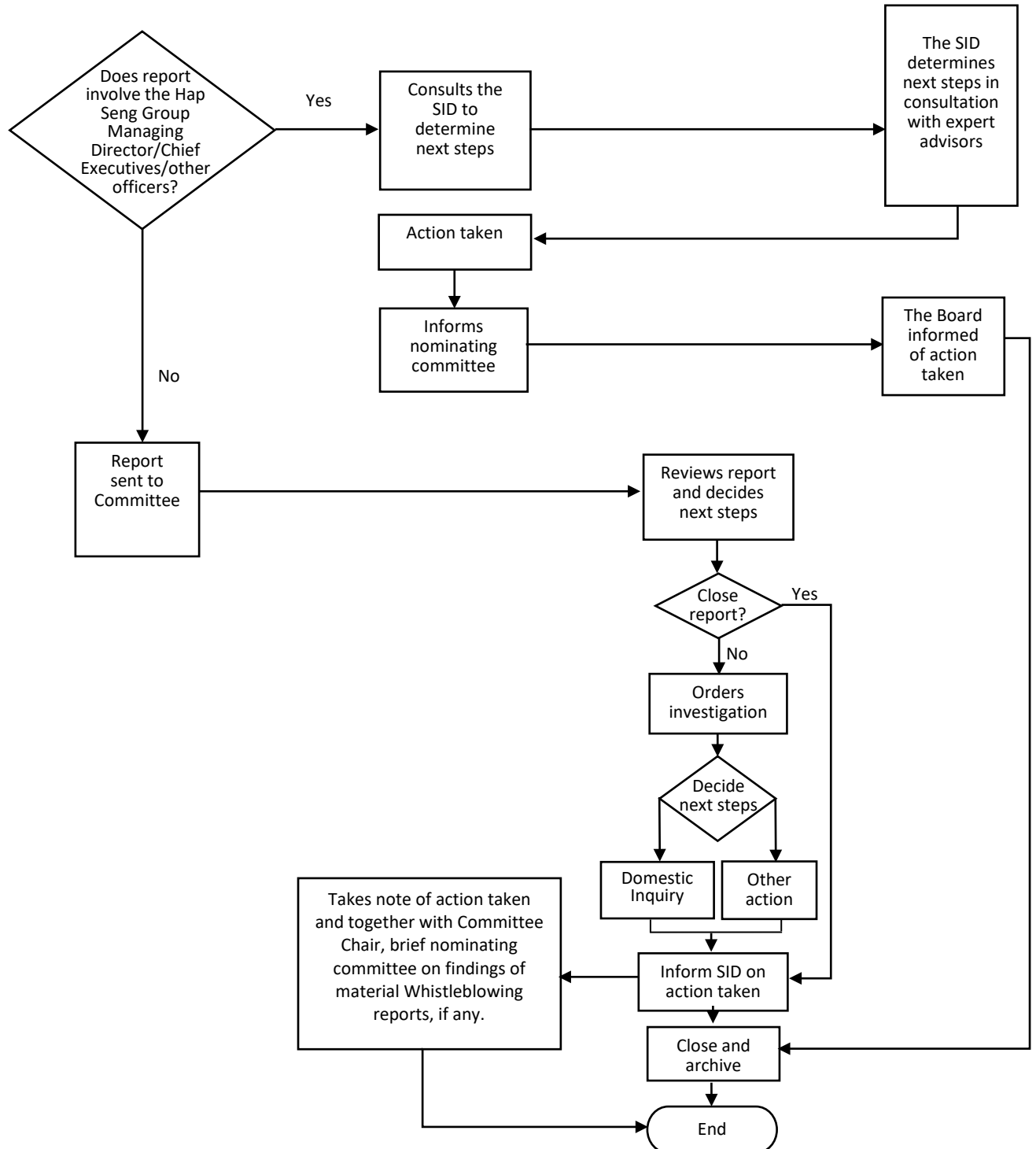
- a) The Committee will ensure that communications regarding this Policy are conducted both internally and externally to the Employees and Third Parties via messages on the Hap Seng Group's intranet or website, emails, newsletters, posters, code of ethics and business conduct or employment handbook of the Hap Seng Group.
- b) Communications shall be conducted when there are new policies and procedures or updates made.
- c) Communications may be done in English or Bahasa Malaysia or other languages as decided by the Committee.

### 8.3 Training Policy

The Hap Seng Group shall conduct training for all Employees to ensure understanding of the Hap Seng Group's integrity position, especially in relation to their role within or outside the Hap Seng Group. The Hap Seng Group conducts training regularly in a variety of formats, including, but not limited to corporate training programs, intranet or web-based programs, townhall sessions, etc.



## Appendix I- Managing Whistleblower's Report





## **Appendix II: Terms of Reference of the Committee**

### **1. Roles and Responsibilities of the Committee**

- 1.1 The following are the main roles and responsibilities of the Committee collectively relating to the Policy:
  - a) plan, establish, implement and maintain a monitoring programme, which covers the scope, frequency, and methods for review;
  - b) to rely on the internal audit team of the Hap Seng Group to carry out internal audit(s), in relation to the Policy and its effectiveness and to make recommendations (if any);
  - c) conduct periodic evaluations and improvements on the Policy and the procedures; and
  - d) recommend disciplinary proceedings against any members of the Hap Seng Board and Management and the Employees who are found to have violated this Policy.
- 1.2 The results of reviews and audits shall be reported to the Hap Seng Board and Management.
- 1.3 The Committee shall meet twice a year and in addition, on an ad hoc basis as called by the SID. The Committee shall be chaired by the head of the Hap Seng Group Legal and Compliance division and shall comprise of the head of Hap Seng Group Human Resource division, risk manager and head of internal audit.
- 1.4 The Committee shall report to the SID who has oversight function in consultation with the nominating committee of the Hap Seng Board and Management.
- 1.5 The composition of the Committee may be changed by order of the Hap Seng Board and Management.

### **2. Powers of the Committee**

The Committee in carrying out its duties and responsibilities, has the following rights:

- a) full and unrestricted access to any information, records, properties, and personnel of the Hap Seng Group;
- b) direct communication channels with the person(s) carrying out the internal audit function or activity;
- c) entitled to obtain independent professional or other advice, and to invite experts from within or external to the Hap Seng Group with relevant experience and expertise to attend the Committee's meetings (if required) to brief the Committee;
- d) able to invite other persons to the Committee, which will be at the discretion of the Committee Chair to discuss and deliberate on a specific agenda item during the meeting;
- e) convene meetings with third parties (including auditors and enforcement bodies) without the presence of the Hap Seng Board and Management, whenever deemed necessary; and
- f) to make recommendations to the SID and to carry out instructions received from the SID.