




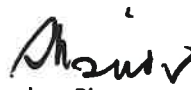
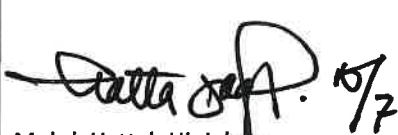
Sabah Softwoods Berhad

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GROUP POLICY AND PROCEDURES

WHISTLEBLOWING POLICY AND PROCEDURES

Approval & Authorization

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Document No.:	Group Policy-WB-01	Revision No.:
Effective Date:	01 st August 2021	Revision Date:



1. INTRODUCTION

Sabah Softwoods Berhad and its subsidiaries (“the Group”) are committed to achieve and maintain a high standard of integrity, accountability and ethical behavior in conducting its businesses.

The Group takes a serious view of any acts of wrongdoing or improper conduct by any of its employees. Disciplinary and/or legal action, as appropriate, shall be taken against any person, who is found to have committed any wrongdoing or improper conduct whilst in employment with the Group. The Group shall pursue to the fullest extent of the law all acts of wrongdoing or improper conduct. It is advisable that any issues to be raised are current to ensure the availability and access to witness and documents.

2. OBJECTIVE

This Whistleblowing Policy and Procedures (“Policy”) is formulated to provide and facilitate a mechanism for employees and stakeholders to disclose concerns about any suspected and/or known wrongdoing or improper conduct in the Group without fear of reprisal or detrimental action.

This Policy may also act as an early warning system that enables the Group to remedy any wrongdoing or improper conduct before serious damage is caused.

3. SCOPE OF THE POLICY

This Policy is designed to facilitate employees and stakeholders to disclose any wrongdoing or improper conduct through the internal channels available. The following is a non-exhaustive list of wrongdoing or improper conduct under the Policy:-

- i. Fraud/Dishonesty;
- ii. Bribery/Corruption;
- iii. Abuse of power and position;
- iv. Conflict of Interest;
- v. Theft/Embezzlement;
- vi. Harassment;
- vii. Misuse of Company’s properties, assets or resources; and
- viii. Non-Compliance with laws and regulations and policies of the company.

All in all, wrongdoing or improper conduct shall mean any illegal or irresponsible act that if proven, constitutes a disciplinary action or a criminal offence that can impact the Group’s reputation.



4. ACTING IN GOOD FAITH

All parties are expected to act in good faith, for the best interest of the Group and must have reasonable grounds when making a report of improper conduct.

The element of good faith shall be deemed to be lacking when:-

- (a) the person does not have personal knowledge or a factual basis for the report of improper conduct; or
- (b) where the person knew or reasonably should have known that the report or any of its contents are false; or
- (c) where the report is frivolous or vexatious; or
- (d) there are circumstances that indicate that the report has been made with malicious intent, ulterior motive or for personal gain.

Any person that has not acted in good faith shall not be entitled to any protection under this Policy.

Anonymous reports are not encouraged as any follow-up to ascertain the facts or to obtain further information for investigation purposes would be difficult. Although the Group is not expected to address any anonymous allegations, it may, however, consider investigating an anonymous allegation after having considered the following:-

- (a) the seriousness of the concern;
- (b) the credibility of the concern; and
- (c) the likelihood of confirming the concern from credible sources.

5. PROTECTION FROM RETALIATION AND REPRISAL TO WHISTLEBLOWER

The Group views retaliation or reprisal against the Whistleblower seriously. The Group provides assurance to the Whistleblower that he/she would be protected against any detrimental action which is not limited to retaliation, disciplinary action, demotion, refusal of promotion, threat or intimidation for termination/suspension of service, transfer, termination of business relationship or any direct or indirect use of authority to obstruct the Whistleblower from continuing to report.

The Group assures that no disciplinary action can be taken against the Whistleblower on condition that the information provided is accurate, factual and there is no element of malicious intent. Such protection is accorded even if the investigation later reveals that the Whistleblower is mistaken as to the facts, rules and procedures involved.



6. WHEN PROTECTION MAY NOT BE AVAILABLE

The Whistleblower may not avail him/herself to the protection against retaliation and reprisal mentioned in section 5 above, under the following circumstances:-

- (a) The report of improper conduct is not made in good faith; or
- (b) The Whistleblower has personally participated in the improper conduct reported; or
- (c) The report of improper conduct is made solely or substantially with the motive of avoiding dismissal or other disciplinary action; or
- (d) The Whistleblower breaches his/her obligations of confidentiality under this Policy.

Any Whistleblower who has participated in improper conduct may be subjected to disciplinary action. However, in certain circumstances, the Board of Directors or Whistleblowing Committee (“WBC”) or senior management may, in its discretion, on a case by case basis decide to grant amnesty or consider leniency to the Whistleblower.

However, the Group has no power to provide any immunity from criminal prosecution. The Group also does not have any power to grant any protection from retaliation and reprisal to a Whistleblower who is not its employee.

7. CONFIDENTIALITY

The Group commits to ensure that all disclosed information, including the identity of the Whistleblower shall be treated with strictest confidence. The identity and particulars of the Whistleblower shall be kept private and confidential unless it is required by law, court or authority. If such a situation arises, the Board of Directors or WBC or senior management shall discuss and seek consent from the Whistleblower prior to proceeding with the case.

All complaints reported will be treated as confidential. Information will only be disclosed on a need-to-know basis with written consent from the Group.

Any evidence obtained from the Whistleblower shall also be documented and kept confidential. A violation of the confidentiality of the information disclosed by any party privy to the information may be punishable by law under the Malaysian Whistleblower Protection Act 2010.

With that being said, the Whistleblower shall have an implied duty to maintain the confidentiality of the information, in particular the fact that a report has been lodged, the nature of the wrongdoing or improper conduct and the identity of the person who has allegedly committed the wrongdoing or improper conduct.



8. PROCEDURES FOR REPORTING

The Whistleblower should promptly make a confidential report in writing of the-suspected or known instances of wrongdoing or improper conduct to the Group using the prescribed **DISCLOSURE OF WRONGDOING OR IMPROPER CONDUCT** form appended as **Appendix I** to this Policy. The following information should be included in the report:-

- (a) Personal details of Whistleblower
- (b) Details of an alleged person/s involved
- (c) Nature of allegation, time and venue of the occurrence of the wrongdoing or improper conduct
- (d) Provide evidence, where possible in the report

The report can be made via the following reporting channels:

- (a) E-mail to stephenb@softwoods.com; or
- (b) In writing to one or more of the following Designated Recipients (“DR”) as appropriate at: **Sabah Softwoods Berhad, KM8, Jalan Sin San, Pasir Putih, 91019 Tawau, Sabah.**

POSITION	NAME	EMAIL ADDRESS
Chairman of the Whistleblowing Committee	Stephen Binsos	stephenb@softwoods.com.my
Members of the Whistleblowing Committee	1. Chin Chee Khan 2. Amarjit Singh Auluck 3. Mustapah bin Pailing	1. Arthur@softwoods.com.my 2. asauluck@softwoods.com.my 3. muzz@softwoods.com.my

For submission via post, the report should be sealed and marked with “**STRICTLY CONFIDENTIAL**”.

9. ASSESSMENT AND INVESTIGATION PROCEDURES

The assessment and investigation procedures of wrongdoing or improper conduct are as follow:-

9.1 Preliminary Assessment

- (a) Upon receiving the report lodged by the Whistleblower, the DR shall notify the wrongdoing or improper conduct allegation to the WBC to deliberate whether it constitutes wrongdoing or improper conduct and its genuineness. The DR shall provide the whistleblower an acknowledgement of receipt within 5 working days from the date of the report. In the event that the alleged wrongdoing and improper conduct is implicating the Board as a whole, the DR shall have a duty to notify the designated Whistleblowing person at Yayasan Sabah Group.



- (b) WBC shall conduct a preliminary assessment to determine whether there is a need to initiate an investigation.
- (c) Upon reviewing the outcome of the preliminary assessment, the WBC may:-
 - i) instruct the matter to be closed in the event that the preliminary findings clearly indicate that there are no circumstances that warrant an investigation; or
 - ii) instruct for the commencement of an investigation in the event the preliminary findings clearly indicate suspicious circumstances; and
 - iii) consult with legal advisors (internal and/or external) in the case where the preliminary findings disclose a possible criminal offense, and to decide on the furtherance of the matter to the relevant authorities, such as the anti-corruption agency or police for further investigation.
- (d) The Whistleblower will be notified on the following:-
 - i) If the matter is closed, the WBC shall inform the Whistleblower that the matter is closed;
 - ii) If the matter is to be referred to the authorities, subject to any legal requirements or prohibitions, the WBC shall inform the Whistleblower that the matter has been referred to the authorities.
 - iii) In the event an investigation is to be carried out, the WBC shall inform the Whistleblower of the conduct of an investigation. The Whistleblower shall give full cooperation during the conduct of the investigation.

9.2 Investigation

- (a) For the purpose of conducting the investigation, an investigating team shall be established by WBC. The Chairman of the WBC may through consultation with the Board of Directors and/or senior management, collectively identify and appoint an internal or external team or any other person/s with relevant qualification, skills and experience to conduct the investigation.
- (b) In the event an investigation is to be conducted by an external independent party (“EIP”), the terms of appointment of the said EIP shall be prepared and approved by the WBC in accordance with the relevant policies and procedures of the company.
- (c) In the case where the alleged person is an employee of the Group, where it is considered necessary, temporary reassignment or suspension of duty of the alleged employee or other measures appropriate will be taken to facilitate the investigation.



- (d) If the alleged incident reported involves any supplier or contractor, the work or contract granted under the alleged incident may be suspended until the investigation is completed.
- (e) The investigation would be carried out strictly in a confidential manner. During the course of the investigation, the Whistleblower shall not keep in contact with the alleged person or any parties in an effort to determine facts or discuss the case, unless it is specifically requested by the investigating team.
- (f) In the event the Whistleblower is implicated or discovered to be or have been involved in any wrongdoing or improper conduct, the Whistleblower may also be investigated so as to complete the fact-finding process. An investigation is not and shall not be treated as a reprisal against the Whistleblower.

9.3 Findings of Investigation

- (a) Upon completion of the investigation, the investigating team shall provide the investigation report to the WBC for review. In the event the allegation is substantiated, the WBC shall recommend the necessary action/s to be taken to the Board of Directors or senior management.
- (b) All information, documents, records and reports relating to the investigation shall be kept by the HRCCA and Legal Department.

9.4 The **'ASSESSMENT AND INVESTIGATION PROCEDURE FLOWCHART'** is appended to this Policy as **Appendix II**.

10. RECORD KEEPING, COMMUNICATION AND REVIEW

The HRCCA and Legal Department shall maintain a Register of Disclosures for all reports made under this Policy. All documents obtained pertaining to the reports (from complaints, investigation to resolution) shall be marked as "Strictly Confidential" and be stored securely under the jurisdiction of the HRCCA and Legal Department.

The Group shall communicate this Policy to its employees and other stakeholders using appropriate platform/channel.

This Policy shall be reviewed from time to time to reflect any changes in keeping up with the relevant laws and regulations.

11. WHISTLEBLOWER PROTECTION ACT 2010

In the event that there are discrepancies between this Policy and the Malaysian Whistleblower Protection Act 2010, the Act shall prevail.



DECLARATION

I declare that that all information provided in this Form is true, correct and complete to the best of my knowledge, information and belief.

I hereby agree that the information provided herein to be used and processed for investigation purposes and further agree that the information provided herein may be forwarded to another department / authority / enforcement agency for purposes of investigation.

Signature

Name:

Date:

APPENDIX II

ASSESSMENT AND INVESTIGATION PROCEDURE FLOWCHART

