

# SAM ENGINEERING & EQUIPMENT (M) BERHAD

## WHISTLE BLOWING POLICY

### 1.0 Title

1.1 Whistle Blowing Policy

### 2.0 Objective

This Policy is intended to encourage employees and *External Parties* to disclose any *Possible Improprieties* (whistle blowing) of which they become aware and to provide protection for employees who report allegations of such *Possible Improprieties*.

### 3.0 Scope

This Policy applies to all employees of *the Group*, including full-time, part-time and contract employees and *External Parties*.

### 4.0 Reference

Whistleblower Protection Act 2010

### 5.0 Definition

This Policy applies to all employees of *the Group*, including full-time, part-time and contract employees and *External Parties*.

5.1 “*Complaint*” means any complaint alleging either *Possible Improprieties*, *Obstructive Action* or *Retaliatory Action*.

5.2 “*Complaints Register*” means a register to record details of all *Complaints* lodged.

5.3 “*External Parties*” means parties who have business relationship with *the Group*, including customers, suppliers, contractors, agents and applicants for employment, and the general public, and each an “*External Party*”.

5.4 “*Obstructive Action*” means the use or attempted use of force, authority, intimidation, threats, undue pressure or any other action or behavior by any employee which tends to or in fact does obstruct, influence or otherwise interferes with another employee or an *External Party’s* exercise of his right to report any *Possible Improprieties* or which may discourage other employees or *External Parties* from so doing in the future.

5.5 “*Possible Improprieties*” means any activity, breach of business conduct and ethics or omission by an employee of *the Group* or any concerns regarding accounting or auditing matters, internal controls or internal accounting controls and other operational matters that are questionable or not in accordance with generally accepted accounting practices or trade practices prescribed by *the Group*, examples of which are listed in Section 9.1.

5.6 “*Retaliatory Action*” means the use or attempted use of force, authority, intimidation, threats, undue pressure of any sort or any other negative or other inappropriate action, by any employee or officer of *the Group*, against any person who has filed a *Complaint*.

5.7 “*this Document*” means this Policy and Procedures.

- 5.8 ***“the Company”*** means SAM Engineering & Equipment (M) Bhd (“SAM”)
- 5.9 ***“the Group”*** means SAM Engineering & Equipment (M) Bhd. and its subsidiaries.
- 5.10 ***“the Relevant Company”*** means the relevant company within ***the Group*** to which the ***Complaint*** is addressed.

## **6.0 Equipment used**

6.1 Not Applicable (N/A).

## **7.0 Safety**

7.1 Not Applicable (N/A).

## **8.0 Responsibility**

Directors and employees of ***the Group*** are expected to carry out their duties as required and conduct themselves in a professional manner at all times. They are required to observe high standards of business and personal ethics, honesty and integrity in fulfilling their responsibilities within all applicable laws and regulations.

## **9.0 POLICY**

### **9.1 General**

It is the desire and aim of ***the Company*** to develop, promote and maintain high standards of corporate governance within ***the Group***. This Policy aims to provide an avenue for employees and ***External Parties*** to raise concerns about ***Possible Improprieties*** and ***Obstructive Action*** within ***the Group*** which they become aware of and to provide reassurance to the employees and ***External Parties*** that they will be protected from reprisals or victimization for whistle blowing in good faith and without malice.

This Policy is intended to cover concerns or actions that could have an impact on ***the Group*** or ***the Company***. Some examples of the concerns or actions are :-

- (a) Concerns about the Group’s accounting, internal controls or auditing matters
- (b) Intentional misrepresentations directly or indirectly affecting financial statements or records of the Group
- (c) Impropriety, corruption, acts of fraud, theft and misuse of the Group’s properties, assets or resources
- (d) Conduct which is an offence or breach of law
- (e) A failure to comply with any legal obligations
- (f) Breach of the Group’s policies or code of conduct
- (g) Serious conflict of interest without disclosure
- (h) Obtain an unjust or illegal financial advantage, either for the Relevant Company or personally
- (i) Danger to the health and safety of any individual
- (j) Damage or potential damage to the environment
- (k) Serious non-professional or non-ethical behavior or improper conduct
- (l) Discrimination of any employee (on grounds of sex, race, disability or any other reason) or physical abuse of any employee

- (m) Any other serious improper matter which may cause financial or non-financial loss to the Group, or damage to the Group's reputation
- (n) Fraud against investors, or the making of fraudulent statements to the Bursa Malaysia, members of the investing public and government or state authorities
- (o) The deliberate concealment of information tending to show any of the matters listed above.

## 9.2 Reporting of Possible Improprieties

**The Company** believes that it is in the best interest of **the Group** to promote an environment conducive for employees and **External Parties**, in confidence, to raise or report genuine concerns about **Possible Improprieties** in matters of financial reporting or other matters (please refer to item 5.5 & 9.1) they may encounter, without fear of **Retaliatory Action**.

## 9.3 Right to file Complaint

Every employee and **External Party** shall have the unfettered right to file a **Complaint** and shall not be restricted in the exercise of such right. It is also the responsibility of every employee to file a **Complaint** of **Possible Improprieties** or **Obstructive Action** within **the Group** which they become aware of.

## 9.4 Authority to receive Complaints

It is hereby determined for the purpose of **the Group**, **Complaints** shall be reported to the respective person or committee of **the Company** either in person or in writing.

In the event a Complaint involves the CEO or COO of **the Company**, Head of Human Resource ("HHR") of **the Company** or the Head of Company ("HOC") of a subsidiary, the Complaint shall be reported to the Audit Committee ("AC") of **the Company**. Email to [independent@sam-malaysia.com](mailto:independent@sam-malaysia.com)

In the event Complaint involves other level of employees of **the Group**, the **Complaint** shall be reported to the Head of Human Resource ("HHR"). Email to [hr.head@sam-malaysia.com](mailto:hr.head@sam-malaysia.com)

All Complaints will be notified to the members of the AC by **the Company** as soon as possible.

## 9.5 Prohibition of Obstructive Action

**The Company** objects to and does not tolerate nor condone any **Obstructive Action** being taken against any other employee or **External Party** who wishes or intends to, or who is in the process of filing a **Complaint** alleging **Possible Improprieties**, and may institute disciplinary action or assist the said employee in taking a legal action, as it deems appropriate, against any employee or person found to have taken such **Obstructive Action**.

Any **Complaint** alleging **Obstructive Action** shall be received, reviewed and investigated by **the Company** in the same manner as any **Complaint** alleging **Possible Improprieties**.

## 9.6 Prohibition of Retaliatory Action

*The Company* objects to and does not tolerate nor condone any **Retaliatory Action** taken against any employee who has filed a **Complaint** alleging **Possible Improprieties** and may institute disciplinary action or assist the said employee, against any employee or person found to have taken such **Retaliatory Action**.

Any **Complaint** alleging **Retaliatory Action** shall be received, reviewed and investigated by *the Company* in the same manner as any **Complaint** alleging **Possible Improprieties**.

## 9.7 Complaint involving the complainant

Nothing herein shall preclude any administrative, disciplinary and/or other action being taken against any person who has committed or abetted the commission of the possible impropriety which is the subject matter of the **Complaint** notwithstanding that the person is the complainant or a witness in the investigation though the AC would take into account the fact that he/she has cooperated by filing the **Complaint** or provided information or documents as a witness.

## 10.0 **PROCEDURES**

### 10.1 Procedures for handling Complaints.

The procedures for the receipt, retention and treatment of a **Complaint** are set out below and shall be fully complied with.

### 10.2 Submission of Complaint

Every **Complaint** shall be in person or in writing and shall be lodged with the HHR of the Company or a member of the AC, as applicable, as prescribed in Section 9.4. The complainant must provide his/her particulars as follows:

- (a) Name
- (b) Department/Company
- (c) Contact Number and Email Address if available

The Complaint may not be attended to if the above-mentioned particulars are not stated. This Policy requires employees to put their names to allegations because appropriate follow-up questions and investigations may not be possible unless the source of the information is identified.

### 10.3 Confidentiality of Identity

Every effort will be made to protect the complainant's identity. The identity of the complainant shall be confidential save where:

- 10.3.1 the identity of the complainant, in the opinion of the AC, is material to any investigation; or
- 10.3.2 it is required by law, or by the order or directive of a court of law, regulatory body or the Bursa Malaysia or such other body that has the jurisdiction and authority of the law to require such identity to be revealed; or
- 10.3.3 the AC with concurrence of the Board of Directors opined that it would be in the best interest of *the Group* to disclose the identity.

#### 10.4 Registration of Complaints

**The Company** shall maintain or cause to be maintained a **Complaints Register** for the purposes of recording all **Complaints** received by it, the dates(s) of such **Complaints** and nature of such **Complaints**.

Subject to the AC's prior approval, the Complaints Register may be made available for inspection upon any request by investigating authorities.

#### 10.5 Acknowledgment of Receipt of Complaint

**The Company** shall, within one (1) week of the date of receipt of a **Complaint**, issue an acknowledgment of receipt of the **Complaint** to the complainant and record the **Complaint** in its **Complaints Register**.

#### 10.6 Preliminary Investigation and Report to Audit Committee

The management of **the Company** shall conduct a preliminary investigation into the **Complaint**, and submit the results of the preliminary investigation to the AC of **the Company** within **two (2) weeks** of the date of receipt of the **Complaint**.

#### 10.7 Determination by Audit Committee

Upon receipt of the **Complaint** or the preliminary investigation report, as the case may be, from the management of the Company, the AC may:

10.7.1 conduct its own investigation or review;

10.7.2 instruct the management or Internal or External Auditor of **the Company** to conduct further investigations or review;

10.7.3 instruct the management or Internal or External Auditor of the **the Company** to take such remedial action as it deems appropriate;

10.7.4 engage such third parties, e.g. Forensic Accountants, as the AC may determine, to conduct further investigations, review or take remedial action, as deemed appropriate;

10.7.5 recommend any remedial or legal action to be taken, where necessary;

10.7.6 report the matter to the authorities, e.g. the Police or enforcement agency, if there is reason to believe that a crime has been committed;

10.7.7 take any other action as AC may determine in the best interest of **the Group**; and/or

10.7.8 notify complainant of actions taken or reason(s) should it be decided that no action is to be taken.

#### 10.8 Dissemination of Documents

Each company in **the Group** shall make available to its employees a copy and shall brief all new employees of **this Document** including the latest update of the contact details of the AC and the management of **the Company**.

#### **11.0 FRIVOLOUS OR MALICIOUS COMPLAINTS**

Any person who files a *Complaint* which is frivolous, in bad faith, in abuse of this policy and procedures, with malicious or mischievous intent will not be protected by *this Document* and may be subject to administrative and/or disciplinary action including, but not limited to, the termination of employment or other contract, as the case may be.

#### **12.0 CONSISTENCY WITH LAWS AND REGULATIONS**

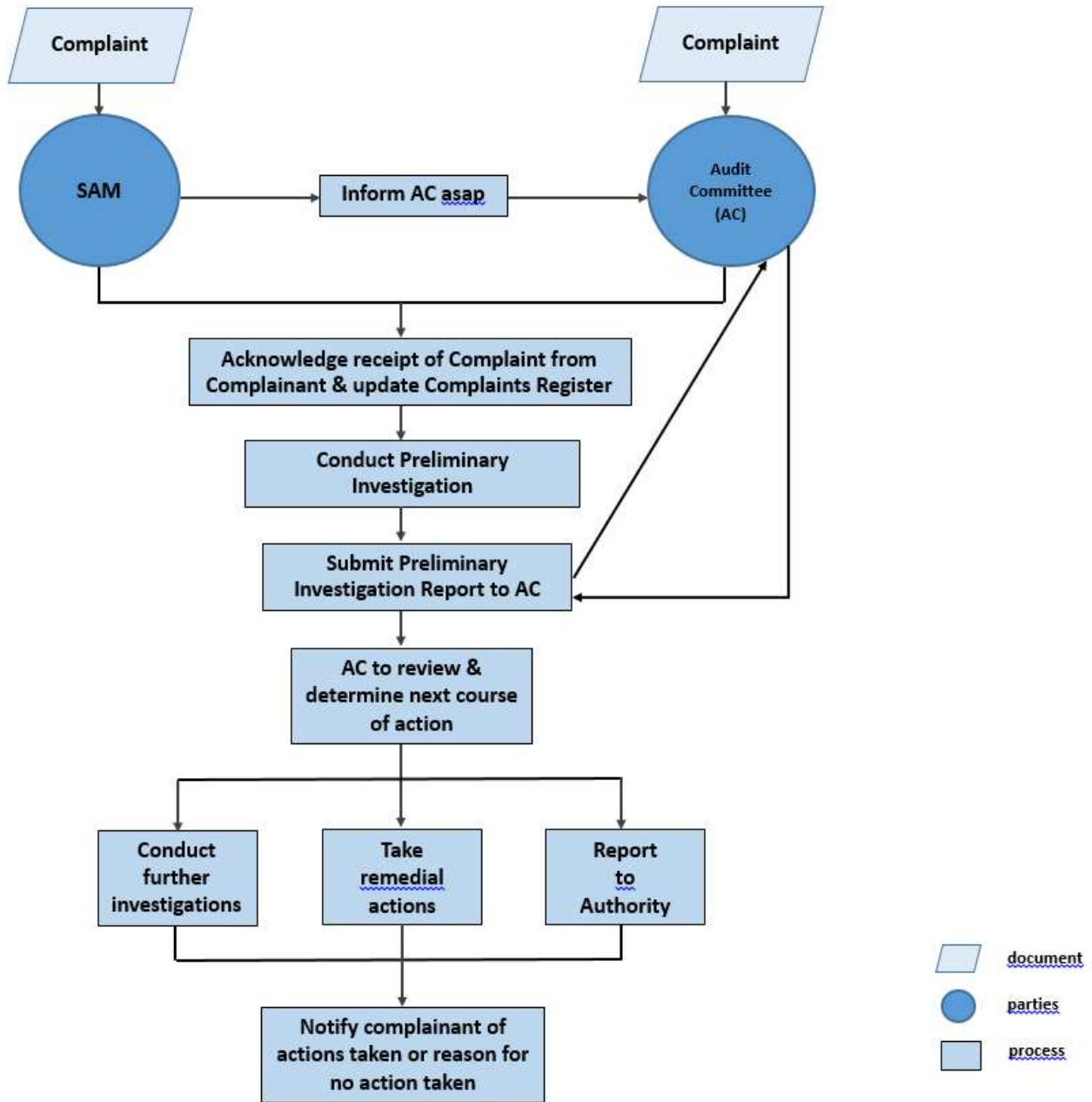
*This Document* shall be read in conjunction with any laws, regulations, rules, directives or guidelines that the Bursa Malaysia, the Companies Act, the Whistleblower Protection Act and/or Securities Commission Malaysia Act may from time to time prescribe or issue on the receipt, retention and/or treatment of *complaints* regarding accounting, internal accounting controls or auditing matters or any matter governed by this Policy.

In the event that any policy or procedure herein is inconsistent or in conflict with the laws, regulations, rules, directives or guidelines as prescribed by Bursa Malaysia, the Companies Act, the Whistleblower Protection Act and/or Securities Commission Malaysia Act or any part thereof, the laws, regulations, rules, directives or guidelines as prescribed by Bursa Malaysia, the Companies Act, the Whistleblower Protection Act and/or Securities Commission Malaysia Act shall prevail to the extent of such inconsistency or conflict.

#### **13.0 MAINTAINING THIS POLICY**

The AC has the responsibility for ensuring the maintenance, regular review and updating of this Policy. Revisions, amendments and alterations to this Policy can only be implemented via approval by the AC. Changes will be notified in writing to employees when they occur.

## 14.0 FLOW CHART



## 15.0 Appendix or Attachment

15.1 Whistleblowing Protection Act 2010

15.2 Acknowledgment of whistleblowing policy training