



## WHISTLEBLOWING

### POLICY & GUIDELINES

### WHISTLEBLOWING POLICY

#### HEAD OFFICE SECTION PROCEDURES

DOCUMENT NO : JAKS/WB/01/17

#### 1. WHISTLEBLOWING POLICY STATEMENT

- 1.1 JAKS Resources Berhad ('JRB') commitment to high Standards of integrity, ethical, moral and legal business conduct.
- 1.2 In order to achieve the standards all employees and stakeholders (i.e. shareholders, suppliers, customers, bankers, business associates) are encouraged to report genuine concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements without fear of reprisal should they act in good faith when reporting such concerns.
- 1.3 The policy and guidelines is applicable to all companies within JRB Group.

#### 2. OBJECTIVES

The objectives of this policy is

- 2.1 to provide/facilitate a mechanism for genuine Whistleblower to report suspected or actual wrongdoing in the conduct of the Group's business;
- 2.2 to provide protection to genuine Whistleblower acting in good faith; and
- 2.3 to provide for the reported matters to be investigated and dealt with.

#### 3. WHISTLEBLOWING

- 3.1 Whistleblowing is a specific means by which a worker or stakeholder can report or disclose through established channels, concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place / has taken place / may take place in the future.
- 3.2 Only genuine concerns should be reported under Whistleblowing Guidelines. This report should be made in good faith with a reasonable belief that the information and any allegation in it are substantially true, and the report is not made for personal gain. Malicious and false allegations will be viewed seriously and treated as a gross misconduct and if proven may lead to dismissal.

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#### 4. REPORTING WRONGDOING

- 4.1 The Whistleblowing guidelines outline the Company's commitment to have a channel in which the employees, suppliers, vendors, contractors, bankers and members of public are able to report instances of unethical, unlawful or undesirable conduct.
- 4.2 The report must be in writing, submit via post or email. To ensure that there is a clear understanding about the issue(s) raised, the report should be sealed in an envelope if sent via post with "Strictly Private & Confidential" indicated and addressed.
- 4.3 In the case where reporting to management is a concern, then the report should be made to the Chairman of Audit Committee. Channel of reporting to the Chairman of Audit Committee are:
- Chairman of the Audit Committee JAKS Resources Berhad  
JAKS Resources Rerhad  
Lot 541 Jalan Subang 2,  
Sungai Penanga Industrial Park,  
USJ 1 47600 Subang Jaya  
Selangor Darul Ehsan Malaysia.  
Email: [whistleblowing@jaks.com.my](mailto:whistleblowing@jaks.com.my)
- 4.4 His/Her statements are to be recorded in the Whistleblowing Form. Reports received anonymously will be treated with confidentiality.
- 4.5 An independent investigation team will be set up by the Top Management to investigate any major concerns within a reasonable timeframe.
- 4.6 Upon completion of the investigation, the findings will be submitted to the Audit Committee for their deliberation. A copy is distributed to the Top Management for their attention. Preventive measures will also be implemented to avoid similar situation from recurring.

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#### 4.7 Who can whistleblow

4.7.1 Once the Whistleblowing Policy and Guidelines are fully implemented, any of the following people can make a disclosure:

- a. Employees of JRB Group including, employees on contract terms, temporary or short-term employees and employees on secondment;
- b. Board members and Management;
- c. Ex-employees;
- d. Financiers;
- e. Customers;
- f. Shareholders; and
- g. Vendors for JRB Group which includes agents, contractors, suppliers, advisors, consultants, internal and external auditors.

4.7.2 No employee or Directors may use their position to prevent an individual to report any ongoing and suspected wrongful activities or wrongdoings.

4.7.3 If an individual is unsure whether a particular act or omission constitutes a wrongful activity or wrongdoing under Whistleblowing Policy and Guidelines, he or she is encouraged to seek advice or guidance from the General Manager - HR for more clarification.

#### 4.8 What to whistleblow

4.8.1 A qualified disclosure may be made if it relates to one or more of the following wrongful activities or wrongdoings by any employees or service providers in the conduct of JRB Group's business or affairs that is being, has been, or is likely to be, committed:

- a. Failure to comply with legal obligations;
- b. Criminal offence;
- c. Criminal breach of trust;
- d. Bribery and corruption;
- e. Unofficial payoffs;
- f. Fraud;
- g. Collusion and money laundering;
- h. Improperly discriminatory;
- i. Misuse or abuse of JRB Group's funds or assets or assets misappropriation;

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- j. Gross mismanagement within JRB Group;
  - k. Gross negligent;
  - l. Serious financial irregularity or financial fraudulent within JRB;
  - m. Breach of JRB Group's Standard Operating Procedures;
  - n. Breach of JRB Group's Financial Authority Limit;
  - o. Repeated ill treatment of a client/customer/supplier despite a complaint being made;
  - p. Activities, which otherwise amount to serious improper conduct, including JRB's Code of Ethics and Conduct;
  - q. Actions which endanger the health or safety of employees or the public and the environment;
  - r. Actions which endanger National and public interest;
  - s. Illegal or unlawful conduct or failure to comply with the provisions of the Government Laws and Regulations where the wrongdoer, knowingly, disregards or does not comply with such provisions;
  - t. Sexual harassment;
  - u. Knowingly directing or advising a person to commit any of the above wrongdoings; and
  - v. Any action which is intended to conceal any of the above.
- The above list is not exhaustive and there will be instances where whistleblower(s) would need to exercise the judgement.

4.8.2 A whistleblower will not be expected to prove the truth of an allegation but he or she should be able to demonstrate that there are sufficient grounds to have a reasonable belief that something is wrong, and the report is not for personal gain. Malicious allegation will be treated as gross misconduct and if proven may lead to dismissal of employment.

4.8.3 If an individual is unsure whether a particular act or omission constitutes a wrongful activity or wrongdoing under Whistleblowing Policy and Guidelines, he or she is encouraged to seek advice or guidance from the General Manager -HR for more clarification.

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#### 4.9 When to whistleblow

4.9.1 A whistleblower should immediately come forward with any information that he or she, in good faith, reasonably believes discloses a wrongful activity or wrongdoing is likely to happen, is being committed or has been committed.

4.9.2 However, he or she is not expected to first obtain substantial evidence of proof beyond reasonable doubt when making a disclosure. If he or she knows as a matter of fact that there are serious risks that a wrongful activity or wrongdoing is going to take place, such bona fide concerns should be raised immediately i.e. the whistleblower is able to show the reasons for concern.

### 5 ROLES AND RESPONSIBILITIES

5.1 The involvement of various parties is vital to make this Whistleblowing Policy effective. The roles of the parties involved and their accountabilities are listed as follows:-

#### 5.1.1 Whistleblower

- i. Bring to early attention of the organisation of any genuine and serious malpractice or misconduct in which he/she becomes aware with sufficient cause of concerns.
- ii. Cooperate with the investigating authorities and maintain strict confidentiality of the case being brought up.

#### 5.1.2 Recipient of Report

- i. The Audit Committee Chairman shall be the primary contact persons.
- ii. The Audit Committee Chairman is to record the concerns received in the Whistleblowing Form and ascertain the credibility of the issue being raised as well as whether there is sufficient basis for detailed investigation.
- iii. Communicate to the Top Management which decides on whether a detailed investigation is to be carried out.

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#### 5.1.3 Audit Committee

- i. Review and determine appropriate decision and/or actions for the reported concerns by the investigation team.
- ii. Ensure reasonably sufficient protections and processes for managing the Whistleblowing function.
- iii. Ensure the investigation team have performed their due diligence in carrying out their responsibilities, e.g. sufficient facts had been disclosed by the Recipient and the Investigators had carried out a thorough investigation.
- iv. Present the Investigation Report with recommended course of action to the Board of Directors.
- v. The Audit Committee Chairman has been designated as the person to whom all Whistleblowing concern or complaints may be directed.

#### 5.1.4 Top Management

- i. Briefed by the Audit Committee and decide on whether a detailed investigation is required.
- ii. The Group Chief Executive Officer and Group General Manager/Executive Director will select suitable personnel to carry out the investigation.
- iii. In the case where the reporting of wrongdoings implicates any of the Top Management (i.e. Group Chief Executive Officer/ Group General manager/ Executive Director), independent personnel shall be select by the Audit Committee Chairman to perform the investigation.
- iv. An Investigation Head is appointed to oversee the proceeding, and come out with the report.

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- 5.1.5 Investigation Team
- i. Conduct investigation without bias and prejudice.
  - ii. Ensure complete fact finding with strict confidentiality.
  - iii. Decide the outcomes on whether malpractice has been committed and recommend the appropriate course of action (preventive measure, disciplinary action, etc.)
  - iv. Document all the findings properly and prepare report on the investigation.
  - v. Submit Investigation Report to the Audit Committee and a copy is to be circulated to the Top Management.
- 5.1.6 The Board
- i. Implemented a formal Whistleblowing Policy and set up an independent channel for all the employees and stakeholders to anonymously report any concerns or complaints of illegal conduct, malpractice or potential misconduct.
  - ii. Promote ethical behaviour and ensure that employees who raise concerns or complaints regarding any illegal conduct or malpractice in good faith will not be subjected to victimisation, harassment or discriminatory treating and to have such concerns or complaints properly investigated.

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#### 6 SCREENING

- 6.1 The General Manager - HR will screen and assess the whistleblower's disclosure to determine whether it is related to a wrongful activities or wrongdoings specified in paragraph 4.8.1 or excluded from the scope of the Whistleblowing Policy and Guidelines.
- 6.2 Initial enquiries will be made via telephone communication or emails with the whistleblower to decide on how to deal with any concerns raised and determine whether further interview is required, and the form that it should take. Some concerns may be resolved without the need of an interview process.
- 6.3 If an interview is required, the General Manager - HR will meet with the whistleblower to obtain further information, clarification and documents which may be useful to support the alleged wrongdoings.
- 6.4 Upon completion of the initial enquiry and interview process, the complaints will be categorised into the following four (4) categories:
- Category A : Extreme rated cases
  - Category B : High rated cases
  - Category C : Medium rated cases
  - Category D : Personal grievances cases
- 6.5 Upon completion of the screening process, the General Manager - HR will prepare a report for complaints under category A, B, C and D which will include general recommendations to the Audit Committee Chairman.
- 6.6 Following table shows the frequency of whistleblowing reporting to the Audit Committee Chairman:

Reporting	Contents
Communication within 7 days	Category A rated cases
Communication within one month	Category B & C rated cases

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- 6.7 In the event there is an urgent attention required due to the seriousness of the allegation i.e. for Category A type of complaints, the Audit Committee or Board members will be updated through verbal communication by the General Manager - HR to determine the appropriate action. The screening process will be completed on an urgent basis if the complaint on the alleged wrongful activities or wrongdoings is capable of causing irreparable harm to JRB Group's reputation or its financial position.
- 6.8 For complaints which are specified under paragraph 7.1 and not specified under paragraph 4.8.1 i.e. Category D types of complaints, a separate report stating the nature of complaints, name, current address and contact numbers, the personnel alleged and additional information as required will be provided to the General Manager - HR.
- 6.9 The individuals complaining under the Category D types of complaints will be directed to the HR Department.
- 6.10 If the whistleblower's disclosure implicates the CEO, the Audit Committee Chairman will prepare a report which includes general recommendations for the BOD consideration.

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#### 7 WHISTLEBLOWER PROTECTION

7.1 The Company shall not take adverse employment action (i.e. penalty, dismissal, demotion or suspension) against an employee in retaliation of his/her following actions:-

7.1.1 reports what the employee believes constitutes a violation of any in-house guidelines, rules and regulations of the Company or external industrial and regulatory guidelines that are relevant or are observed/implemented by the Company.

7.1.2 any provision of law relating to fraud committed by staff or against the Company's customers, or breach of any Company's policy relating to ethical practice, conflict of interest, or similar policy breach, if made in good faith.

7.1.3 providing information or causing information to be provided in an investigation conducted by any regulatory agency or authority (such as police, government agencies and ministries, Security Commission, MACC) or any person at the Company, arising from any such report.

7.1.4 participating in an investigation, hearing, court proceeding or other administrative inquiry in connection with any such report.

7.2 Any employee that knowingly or recklessly makes false and malicious allegation in bad faith to discredit, humiliate or damage the reputation of another party may be subject to disciplinary actions which include dismissal.

#### 8 WHISTLEBLOWER PROTECTION ACT 2010

In the event that there are discrepancies between this policy and the Whistleblower Protection Act 2010 ("Act"), the Act shall prevail

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## WHISTLEBLOWING

**JAKS Resources Berhad (xxxxxxx-x)**  
(Incorporated in Malaysia)

### WHISTLEBLOWING FORM

**A. Details of suspect**

1. Name of person alleged: \_\_\_\_\_
2. Designation of person alleged: \_\_\_\_\_
3. Name of Department or Subsidiary: \_\_\_\_\_
4. Please describe the alleged wrongdoing:-

5. Incident date: \_\_\_\_\_
6. Incident time: \_\_\_\_\_
7. Location of incident: \_\_\_\_\_
8. Please attach a separate narrative if necessary and provide any evidence or document that will support your claim.
9. Please provide information of any other parties that are involved and other information you may find relevant.



## WHISTLEBLOWING

### B. Witness details

Please provide the contact details of the witnesses to the alleged incident.

#### Witness #1

Name : \_\_\_\_\_

Phone : \_\_\_\_\_

Email : \_\_\_\_\_

#### Witness #2

Name : \_\_\_\_\_

Phone : \_\_\_\_\_

Email : \_\_\_\_\_

### C. Act in Good Faith

Your act of reporting the wrongdoing committed by the alleged person signifies that you have read the Company's Whistleblower Policy and you are making the report in good faith.

### D. Your Contact

Your Name : \_\_\_\_\_

Your Phone : \_\_\_\_\_

Your Email : \_\_\_\_\_

If you decide to remain anonymous, please contact us within two weeks of your report as we may need additional information concerning the alleged wrongdoing.

### E. Declaration: (including a whistleblower who wishes to remain anonymous)

I declare that this Report is made by me without malicious intent, not carelessly but is made after due and careful inquiry.

Signature:

Date: