

MELEWAR INDUSTRIAL GROUP BERHAD	
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1.0 INTRODUCTION

- 1.01 The Company is committed to the highest standards of openness and accountability. An important aspect of accountability and transparency is a mechanism to enable staff and other members of the Company to voice concerns of malpractice in a responsible and effective manner.
- 1.02 It is a fundamental term of every contract of employment that an employee will faithfully serve his/her employer and not disclose confidential information about the employer's affair. However, it is acknowledged that all organizations face the risk of their activities going wrong from time to time due to certain improprieties.
- 1.03 It is the duty of the organization to ensure that appropriate measures are in place to identify such situations and attempt to remedy them. On this basis, if an individual discovers information which he/she believes is a malpractice or wrongdoing within the organization, then this information should be disclosed internally without fear of reprisal.
- 1.04 The Company has endorsed the provisions set out below as to ensure that no members of staff should feel at a disadvantage in raising legitimate concerns and will protect them from victimization as well as dismissal.
- 1.05 The Company undertakes to act in accordance with the relevant Laws of Malaysia, if any, on disclosure of malpractice in the workplace and to take steps to protect its employees from detrimental treatment or dismissal if they raise concerns in good faith.

2.0 AUTHORITY FOR WHISTLEBLOWING POLICY

- 2.01 The overall authority for this Policy sits with the Audit Committee.
- 2.02 Management has a specific responsibility to facilitate the operation of this Policy and to ensure that staff feels able to raise concerns, without fear of reprisals, in accordance with the procedures set out below.
- 2.03 All employees are responsible for the success of this Policy and should ensure that they take steps to disclose any wrongdoing or malpractice of which they are aware.

3.0 SCOPE

- 3.01 This Policy is introduced to enable employees to raise or disclose concerns about malpractice in the workplace at an early stage and in the right way. They apply in all cases where there are genuine concerns, regardless of where this may be and whether the information involved is confidential or not. These concerns include but not exhaustive of:
- Financial malpractice or impropriety or fraud
 - Deficiencies in or non-compliance with the Company's internal accounting controls
 - Breaches of legal obligations
 - Dangers to Health and Safety or the environment
 - Criminal offences
 - Improper conduct or unethical behaviour
 - The concealment of any of the above
- 3.02 It should be emphasized that this Policy is intended to assist individuals who believe they have discovered malpractice or impropriety.
- 3.03 It is not designed to question strategy, financial or business decisions taken by the Company nor should it be used to reconsider any matters which have already been addressed under harassment, complaint, disciplinary or other matters related to human resource matters.
- 3.04 Once the "whistleblowing" procedures are in place, it is reasonable to expect the employees to follow rather than air their complaints outside the Company.

4.0 SAFEGUARDS

4.01 Protection

- 4.01.1 This Policy is designed to offer protection to those employees of the Company who disclose such concerns provided the disclosure is made:
- In good faith.
 - In the reasonable belief of the individual making the disclosure that it tends to show malpractice or impropriety and if they make the disclosure to an appropriate person as listed below.
- 4.01.2 If an individual raises a genuine concern and is acting in good faith, even if it is later discovered that he/she is mistaken, under this Policy, he/she will not be at risk of losing his/her job or suffering any form of retribution as a result.
- 4.01.3 This assurance will not be extended to an individual who maliciously raises a matter he/she knows to be untrue or who is involved in any way in the malpractice.

4.02 Confidentiality

4.02.1 The Company will treat all such disclosures in a confidential and sensitive manner. Every effort will be made to keep the identity of the individual making the disclosure (“whistleblower”) confidential, in order not to jeopardize the investigation into the alleged malpractice, this individual will also be expected to keep the fact that he/she has raised a concern, the nature of the concern and the identity of those involved confidential.

4.02.2 There may be circumstances in which, because of the nature of the investigation or disclosure, it will be necessary to disclose the identity of the whistleblower. This may occur in connection with associated disciplinary or legal investigations or proceedings. If such circumstances exist, efforts will be made to inform the whistleblower that his/her identity is likely to be disclosed.

4.02.3 If it is necessary for the whistleblower to participate in an investigation, the fact that he/she made the original disclosure will, so far as is reasonably practicable, be kept confidential and all reasonable steps will be taken to protect him/her from any victimization or detriment as a result of having made a disclosure. It is possible, however, that his/her role as the whistleblower could still become apparent to third parties during the course of an investigation.

4.02.4 Equally, should an investigation lead to a criminal prosecution, it may become necessary for the whistleblower to provide evidence or be interviewed by law enforcement officers. In these circumstances, again, the implication for confidentiality will be discussed with him/her.

4.03 Anonymous Allegations

4.03.1 This Policy encourages individuals to put their name to any disclosures they make. Concerns expressed anonymously are much less credible, but they may be considered at the discretion of the Company.

4.03.2 In exercising this discretion, the factors to be taken into account will include:

- The seriousness of the issues raised
- The credibility of the concern
- The likelihood of confirming the allegation from attributable sources

4.04 Untrue Allegations

4.04.1 If an individual makes an allegation in good faith, which is not confirmed by subsequent investigation, no action will be taken against that individual. In making a disclosure, the individual should exercise due care to ensure the accuracy of the information.

4.04.2 If, however, an individual makes malicious allegations that he/she knows to be untrue, or without reasonable grounds for believing that the information supplied was accurate, and particularly if he/she persists with making them, disciplinary action, including dismissal may be taken against that individual.

4.05 Incentives

4.05.1 Upon conclusion of the investigation into a particular allegation, the Audit Committee may, at its discretion, approve certain incentives to be awarded to the whistleblower.

5.0 PROCEDURES FOR MAKING DISCLOSURE

5.01 Complaints within the scope of this Whistleblowing Policy should first be raised with the employee's line manager. However, if for some reason the employee does not feel comfortable to report through his/her line manager, then he/she has the right to bypass the line management structure and take his/her concerns directly to one of the Company's senior management officers, directors or direct to the Executive Chairman.

5.02 On receipt of a complaint of malpractice, the member of staff who receives and takes note of the complaint, must pass this information as soon as is reasonably possible, to the appropriate designated officer as follows:

- The Chief Executive Officer or the Subsidiary Company Chief Operations Officer (in cases at the subsidiary level) who shall then direct an appropriate senior management officer to investigate the complaint.
- In the case of a complaint against the Subsidiary Company Chief Operations Officer or is in any way related to his/her actions, then in such cases, the complaint should be passed directly to the Chief Executive Officer.
- Complaints against the Chief Executive Officer should be passed to the Executive Chairman who will nominate an appropriate investigating officer.
- The complainant has the right to bypass the line management structure and take their complaint direct to the Executive Chairman. The Executive Chairman has the right to refer the complaint back to management if he feels that the management without any conflict of interest can more appropriately investigate the complaint.

5.03 Should none of the above routes be suitable or acceptable to the complainant, then the complainant may approach one of the following individuals who have been designated as independent points of contact under this procedure. They can advise the complainant on the possible avenues of complaint open to them:

1. The Audit Committee Chairman

2. Any other directors of the Company

- 5.04 If there is evidence of criminal activity, the appropriate law enforcement agency should be informed. The Company will ensure that any internal investigation does not hinder a formal external investigation as mandated under the laws of Malaysia.

6.0 TIMESCALE

- 6.01 Due to the varied nature of these sorts of complaints, which may involve internal investigators and / or external investigators, it is not possible to lay down precise timescales for such investigations. The investigating officer should ensure that the investigations are undertaken as quickly as possible without affecting the quality and depth of those investigations.
- 6.02 The investigating officer, should as soon as practically possible, send a written acknowledgement of the concern to the complainant and thereafter report back to him/her in writing the outcome of the investigation and on the action that is proposed.
- 6.03 If the investigation is a prolonged one, the investigating officer should keep the complainant informed, in writing, as to the progress of the investigation and as to when it is likely to be concluded.
- 6.04 All responses to the complainant should be in writing and sent to his/her home address.

7.0 INVESTIGATING PROCEDURE

- 7.01 The investigating officer should follow these steps when conducting their internal investigation:
- 7.01.1 Full details and clarifications of the complaint should be obtained.
- 7.01.2 The investigating officer should inform the member of staff against whom the complaint is made as soon as is practically possible. The member of staff will be informed of their right to be accompanied by a trade union or other representative at any interview or hearing held under the provision of these procedures.
- 7.01.3 Depending on the origin of the complaint, the investigating officer should consult with the Chief Executive Officer or the Subsidiary Company Chief Operations Officer as to whether other law enforcement agencies should be informed. If a criminal action has been committed (e.g. fraud or theft), involvement of other law enforcement agencies should be considered. Effort will be made to inform the complainant if a referral to an external authority is about to or has taken place.
- 7.01.4 The allegations should be fully investigated by the investigating officer with the assistance where appropriate, of other individuals / bodies.

- 7.01.5 The findings concerning the complaint and validity of the complaint will be made by the investigating officer. The findings will be detailed in a written report containing the outcome of the investigations and reasons for the findings. The report will be passed to the Chief Executive Officer / Subsidiary Company Chief Operations Officer as appropriate.
- 7.01.6 The Chief Executive Officer / Subsidiary Company Chief Operations Officer will decide what action to take. If the complaint is shown to be justified, then they will invoke disciplinary or other appropriate Company procedures.
- 7.01.7 The complainant should be kept informed of the progress of the investigations and, if appropriate, of the final outcome of the investigation.
- 7.01.8 If appropriate, a copy of the outcomes will be passed to the Audit Committee to enable a review of the procedures.
- 7.02 If the complainant is not satisfied that their concern is being properly dealt with by the investigating officer, they have the right to raise it in confidence with the Chief Executive Officer / Executive Chairman, or one of the designated persons described above.
- 7.03 If the investigation finds the allegations unsubstantiated and all internal procedures have been exhausted, but the complainant is not satisfied with the outcome of the investigation, the Company recognizes the lawful rights of employees and ex-employees to make disclosures to appropriate bodies (such as the Royal Malaysian Police, the Securities Commission, the Malaysian Anti Corruption Commission and any other industry regulators), or, where justified, elsewhere.

8.0 IMPLEMENTATION OF THE POLICY

- 8.01 Salient terms of the policy will be included in staff monthly briefings / training sessions. A copy of the whistleblowing policy will be posted at office notice boards at various locations of the Group's premises.