



PERNEC CORPORATION BHD

WHISTLEBLOWING POLICY

WHISTLEBLOWING POLICY

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WHISTLEBLOWING POLICY

1.0 OBJECTIVE

- 1.1. Pernec Corporation Bhd. (“**PCB**”), Pernec Integrated Network Systems Sdn Bhd (“**PINS**”), Cyseca Solutions Sdn Bhd (“**CSSB**”) and/or all subsidiaries (where applicable) (individually referred to as the “**Company**” and collectively referred to as the “**Group**”) is committed to the highest standard of integrity, openness and accountability in the conduct of all its business and itaspire to conduct its affairs in an ethical, responsible and transparent manner.
- 1.2. This Whistleblowing Policy (“**Policy**”) is to support the Company Code of Business Conduct and governance requirement in realizing the abovementioned commitment and aspiration.
- 1.3. The purpose of this Policy is to provide an avenue for all stakeholders including employees of the Company and external parties to disclose any improper conduct in accordance with the procedures as provided for under this Policy without fear of retaliation or unfair treatment.

2.0 POLICY

2.1 Open-Door Policy

The Company practices an Open-Door policy to create the best work environment, a place where everyone’s voice is heard, where issues are promptly raised and resolved, and where communication flows across all levels of the Company. All employees are encouraged to present ideas, ask questions, and raise concerns, especially those of a legal or ethical nature, but also those relating to work and the working environment.

The employee must notify his/her superior/manager as soon as possible if he/she believes or suspects that misconduct has occurred or may occur in the future. However, if the employee is not comfortable speaking to the supervisor/manager, he/she may go to next level of management, i.e. any member of the Senior Management, Human Resources Department or Internal Audit Department. Most issues can be resolved promptly before they become problems for colleagues, the Company or the public.

If the employee is not comfortable using the Open-Door Policy, he/she may report any improper conduct using the Whistleblowing channel.

2.2 Confidentiality

All disclosures made under this Policy will be dealt with in a confidential manner. The identity of the Whistleblower will be kept confidential and protected unless:

- The Whistleblower expressly agrees otherwise and provides his agreement in writing; or
- otherwise required by law.

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2.3 Protection from retaliation

The culture of openness and transparency is encouraged where concerns regarding any improper conduct can be reported in an appropriate way at an early stage without fear or apprehension that the Whistleblower will be harassed or victimized in any way.

The Board of Directors (“**BOD**”) and the Management of the respective Company give their assurance that Whistleblower will not be at risk to any form of victimization, retribution, or retaliation. Any attempt to retaliate, victimize or intimidate against the Whistleblower who made the report in good faith is a serious violation of this Policy and shall be dealt with serious disciplinary actions and procedures.

2.4 Acting in Good Faith

The Company expects all Whistleblowers, especially Employees, to act in good faith and have reasonable grounds when reporting an incident. If allegations are proven to be ill-intentioned, malicious, and frivolous, Employee(s) may face disciplinary action in accordance with the Company disciplinary policies, including termination of employment.

2.5 Anonymous Disclosures

This Policy encourages Whistleblower to put their names to their disclosures. It provides a formal channel for Whistleblowers to communicate their concerns without any fear of retribution.

Accordingly, Whistleblowers are expected not to make any anonymous allegations and nor is the Company expected to address any anonymous allegations.

The Company may, however, consider investigating an anonymous allegation having considered the following:

- The seriousness of the issue raised;
- The credibility of the issues raised; and
- The likelihood of confirming the issues raised from other sources.

3.0 SCOPE

3.1 The aim of the Policy is for stakeholders to raise their concerns in an independent and unbiased manner. They are not required to prove the cases but rather to provide sufficient information for the Company to take appropriate action.

3.2 This Policy is designed to facilitate all stakeholders disclosing any improper conduct (misconduct or criminal offence) through internal channel. Such misconduct or criminal offences include the following:

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- Fraud;
- Bribery;
- Abuse of Power;
- Conflict of Interest;
- Theft or embezzlement;
- Unauthorized use of the Company's property;
- Non-compliance with Policies and Procedures;
- An unlawful act;
- Any danger to health and safety; or
- Damage to the environment.

The above list is non-exhaustive, and includes any act or omission if proven, will constitute an act of misconduct under the Company's Code of Business Conduct or any criminal offence under relevant legislations in force.

This Policy is not intended to be used where other more appropriate policies or procedures are available, e.g., the Grievance Procedure, nor it is intended to invalidate such policies and procedures but to provide more avenues for all stakeholders including employees and external parties to disclose improper conduct committed or about to be committed to the Company.

4.0 COMMUNICATION CHANNEL

4.1 The whistleblowing channels are as follows:

Email	<p>zainunaishahahmad@gmail.com</p> <p>whistle@pernec.com.my</p> <p>integrity@pernec.com.my</p>
Mail	<p>Chairman of the Board Audit Committee No. 21, Jalan Setiawangsa 8, Taman Setiawangsa, 54200 Kuala Lumpur.</p>

5.0 REPORTING AND INVESTIGATION PROCEDURE

5.1 Log of Reports

All Whistleblowing complaints, findings of investigations and monitoring and corrective actions shall be logged and maintained by the Internal Audit Department.

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5.2 Investigation Procedure

5.2.1 Upon receiving a Whistleblower report via Whistleblowing Channel, the recipient shall notify the Chairman of Board Audit Committee ("**CAC**") immediately. The CAC shall consult the Board Audit Committee members via a meeting before a decision is made. This may include:

- A decision not to pursue due to lack of substance (declined); or
- Assigning an Internal Investigating Team, as set out in paragraph 5.2.2 below to conduct preliminary investigations; or
- Assigning the Internal Investigating Team or external third-party investigators or consultants to conduct full investigations; or
- Communicating with the Whistleblower(s) on additional information requirements and/or case management.

5.2.2 The Internal Investigating Team consist of:

- Head, Internal Audit or equivalent position
- Chief Financial Officer or equivalent position
- Chief Business Operations Officer or equivalent position
- Head, Human Resources & Administration or equivalent position, and
- Head, Legal & Contract Management or equivalent position

Where any member of the Internal Investigating Team and/or their immediate superior and/or their immediate direct report, is/are the subject of the investigation, the member will be recused or disqualified from the investigation.

5.2.3 In the case of an anonymous disclosure/report, it may be investigated if in the view of the CAC the criteria stated in paragraph 2.5 above is met.

5.2.4 The CAC may in accordance with paragraph 5.2.1 above, assign the Internal Investigating Team and/or external third-party investigators or consultants to conduct the investigation and set a time frame for the investigation to be completed. The substantiation may meet at least one of these criteria (but not limited to):

- Financial impact of RM50,000 or above;
- Allegations of corruption, bribery, money laundering;
- Allegation is raised against any member of the Senior Management of the Company;
- Allegation is raised against any employee of the Company;
- The allegation carries a significant reputation risk (e.g., adverse media reports);
- Allegation involves a critical business partner (client, customer, service provider) whereas critical refers to a significant role or size that would make it difficult for the business partner to be replaced; and
- Allegation involves investigations by governmental authorities.

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5.2.5 All information, documents, records, and reports relating to the investigation shall be kept securely to ensure confidentiality. It shall be managed in compliance with the provisions of the Personal Data Protection Act 2010 and other applicable laws. The request for further/additional information from the Whistleblower shall be performed by the Internal Audit Department to ensure confidentiality of the Whistleblower identity. For anonymous letters, further/additional information shall be requested if the Whistleblower can be identified.

5.3 Conduct of Investigation

5.3.1 The Investigating Team shall conduct the investigation and they shall have full and unrestricted access to the documents and members of Management and employees to follow up on required information and explanations as may be necessary. They must take all reasonable steps to ensure that investigation regarding the disclosure is fair and unbiased.

5.3.2 Upon conclusion of the investigation, or at key milestones, the Head of the Investigating Team shall submit a report on the findings and recommendation to the CAC during its meeting for their discussion and deliberation. If any of the Committee members is the suspect being involved in the improper conduct, he/she will be automatically abstained from attending the meeting.

5.3.3 If the CAC is satisfied with the outcome of the investigation, it will communicate to the management to proceed with the necessary disciplinary action against the person who committed improper conduct. Instituting the disciplinary action will be the responsibility of the Human Resources Department.

5.3.4 In cases where the findings disclose a possible criminal offence, the report will be presented to the Board of Directors ("**BOD**") of the company concerned for BOD decision if the matter should be referred to the relevant authorities, such as the police or the Malaysian Anti-Corruption Commission ("**MACC**") for further action, depending on the nature, the seriousness, and the implication of each case.

5.3.5 Management shall carry out the decisions of the BOD in relation to the findings arising from an investigation. Where applicable, the Management must also consider the recommendations contained in the investigation report to prevent a similar situation from repeating in the future.

5.3.6 Upon the completion of the whistleblowing process and procedures, the Whistleblower except for an anonymous Whistleblower will be accorded the privilege to be notified on the outcome of the disclosure. As the findings are confidential, details of the findings will not be disclosed to the Whistleblower.

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6.0 REVIEW OF THE POLICY

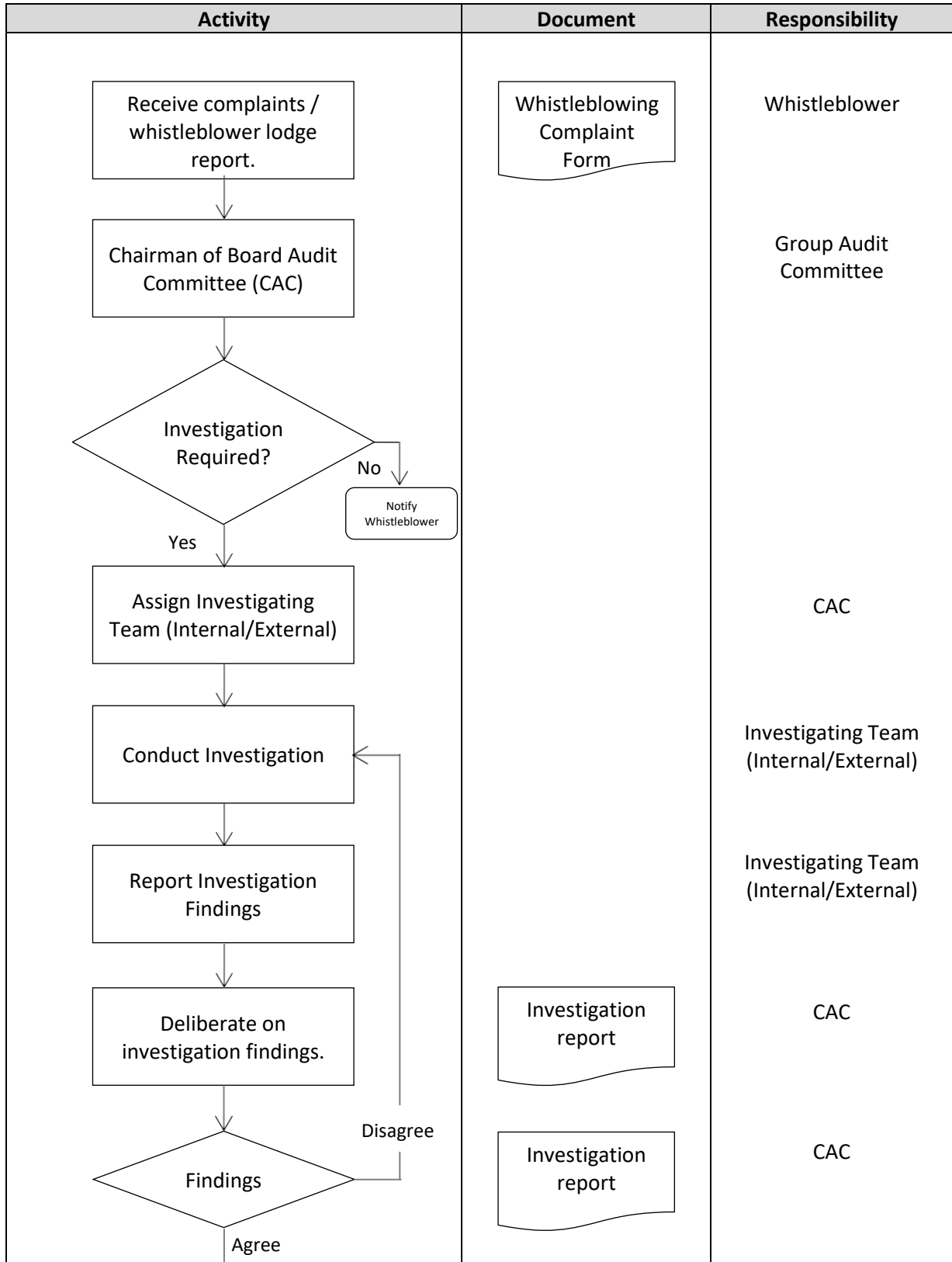
- 6.1 This Policy may be reviewed and amended, at the BOD's discretion from time to time, as and when necessary, to ensure its relevance and effectiveness in keeping with the Company's changing business environment, administrative or operational needs as well as changes to legislations. Changes to the Policy, if any, shall only be made with the PCB BOD's approval.

However, the modification made shall be effective after the same is circulated to employees in writing or electronically.

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Appendix 1

Whistleblowing Process Flow



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