



DAYA MATERIALS BERHAD (636357-W)

WHISTLEBLOWER POLICY

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1.0 PREFACE

Daya Materials Berhad (“DMB”) Code of Conduct and Business Ethics (“the Code”) requires all employees under DMB and its subsidiaries (“the Group”) to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Group, they must practice honesty and integrity in fulfilling their duties and responsibilities, and comply with all applicable laws and regulations.

It is thus the responsibility of all employees to comply with the Code and to report violations or suspected violations thereto. Accordingly, this Whistleblower Policy (“the Policy”) has been formulated with a view to provide a mechanism for employees of the Group to report instances of unethical behavior, actual or suspected fraud, dishonesty or violation of the Group’s Code.

This Policy is intended to ensure that all levels of employees are given an equal opportunity to exercise their rights and lodge a report with full responsibility, accountability and sense of awareness. It will also protect a whistleblower from reprisal as a direct consequence of making a disclosure and to safeguard such person’s confidentiality.

2.0 DEFINITION

In this Policy, unless the context otherwise requires the following words and expressions shall have the following meanings:

- a) **“The Board”** means the Board of Directors for the Group.
- b) **“The Group”** refers to Daya Materials Berhad and all its subsidiaries.
- c) **“The Code”** means the Code of Conduct and Business Ethics adopted by the Group.
- d) **“Audit Committee”** means the Audit Committee constituted by Board of Directors of the Group.
- e) **“Chief Internal Auditor”** means the Head of the Group Internal Audit function at the Group.
- f) **“Employee”** means every officer and employee of the Group.
- g) **“Head of Human Resource”** means the Head of Human Resource Department, DMB or the person occupying the relevant position.
- h) **“Investigator”** means the person(s) authorized, appointed, consulted or approached by the Audit Committee or the Board which may include any third party investigator appointed for specific purpose.
- i) **“Protected Disclosure”** means any communication made in good faith that disclose or demonstrate information that may evidence malpractice or unethical activity.
- j) **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made against or evidence gathered during the course of an investigation.
- k) **“Whistleblower”** means an employee or any stakeholder making a Protected Disclosure under this Policy i.e. an individual alert a relevant party that there is a person or persons in the organization that has committed an act of wrongdoing or is currently practicing acts of misconduct or wrongdoings.

3.0 LAWS AND REGULATION

3.1 The Whistleblower Protection Act 2010

The Whistleblower Protection Act 2010 was passed by the Parliament in April 2010 in order to combat corruption and other wrongdoings by encouraging and facilitating disclosures of improper conduct in the public and private sector, to protect persons making those disclosures from detrimental action, to provide for the matters disclosed to be investigated and dealt with and to provide for other matters connected therewith.

3.2 Section 368B of the Companies Act 1965 (“the Act”)

The Act provides protection to Company Officers who make disclosures on breach or non-observance of any requirement or provision of the Act or any serious offence involving fraud and dishonesty.

3.3 Other Reference Policies

This Policy should also be cross-referenced with the following policy:

- a) Code of Conduct and Business Ethics
- b) DMB Employee Handbook
- c) Group-wide Limit of Authority.

4.0 OBJECTIVES

The main objectives of this policy are as follows:

- a) To provide a mechanism for employees to report instances of unethical behavior, actual or suspected fraud or dishonesty or violation of the Group’s Code of Conduct and Business Ethics;
- b) To protect a Whistleblower from the retaliation as a direct consequence of making the disclosure and to safeguard such person’s confidentiality; and
- c) To address and take appropriate action on the report in a timely manner.

5.0 SCOPES

This Policy applies to all permanent, contract and temporary employees of the Group. The Whistleblower’s role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case. Whistleblowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Audit Committee or the Investigators.

Wherever possible, concerns should be raised and dealt with through the normal reporting lines and procedures in the Group. However, where it is believed that the malpractice cannot be resolved through the normal reporting lines and procedures, or implicates very senior level of management within the Group, moreover the employee’s own employment may be jeopardized by raising the concern; then the issue can be raised through the channel provided by this Policy.

A disclosure may be made if it relates to one or more of the following misconduct by anyone in dealing with the Company’s or Group’s activities such as, but not limited to:

- a) A criminal offence e.g. corruption, fraud, bribery, theft and blackmail;
- b) A breach of legal obligation;
- c) An abuse of authority;
- d) An act which may create a significant impact of danger to safety and lives of the public and environment;

- e) Violation of the Group's Code of Conduct and Business Ethics; and
- f) Any concealments or attempts to conceal malpractices mentioned above.

This Policy shall not cover issues or concerns relating to the following:

- a) Issues which are malicious in nature;
- b) Issues raised from personal interest or ill will;
- c) Issues covered under another Group's procedure; and
- d) Issues pending or determined through any tribunal or authority or the court of law, arbitration or other similar proceedings.

6.0 ELIGIBILITY

All Employees are eligible to make the Protected Disclosure under this Policy. The Protected Disclosure may be in relation to matters concerning any company within the Group.

The Group is committed to this Policy and assures that the Employees will not suffer any form of retribution, victimization or detriment. If the Employees prove that they have been subjected to retribution, victimization or detriment because of using this Policy, disciplinary action will be taken against the perpetrator.

7.0 DISQUALIFICATIONS

While it will be ensured that genuine Whistleblowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection can warrant disciplinary action. Protection under this Policy will not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistleblower knowingly or with a mala fide intention.

Whistleblowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosure under this Policy. In respect of such Whistleblowers, the Board or the Audit Committee would reserve its right to take or recommend appropriate disciplinary action.

8.0 PROCEDURE AND PROCESS FLOW

The procedures elaborated within this Policy are confined to those situations where an employee may need to make the necessary Protected Disclosure.

- a) All Protected Disclosure can be addressed either to the Chairman of Audit Committee, or the Chief Internal Auditor of the Group. (An official e-mail address or any other communication channel will be published later).
- b) Protected Disclosure should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Bahasa Malaysia or the regional language of the place of employment of the Whistleblower.
- c) Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of the preliminary investigative procedure.
- d) Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistleblower and address to any of the recipients above. The investigation process will be initiated accordingly by the relevant recipients once they received the Protected Disclosure.

- e) If the allegations can be substantiated accordingly and if deemed fit, the findings will be tabled and discussed during the forthcoming Audit Committee meeting. The Audit Committee shall then recommend for appropriate actions to be taken by the Management based on the merit of the findings.
- f) The Whistleblower must disclose his/her identity. Anonymous disclosures will not be entertained as it would not be possible to interview the Whistleblower.

9.0 INVESTIGATION

Any concern raised in accordance with these procedures will be investigated thoroughly and in a timely manner by the Audit Committee and appropriate corrective action will be pursued.

- a) The decision to conduct an initial investigation by the above recipient is by itself, not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistleblower that an improper or unethical act has indeed been committed.
- b) The authority to decide whether or not a Protected Disclosure should be further explored is vested within the Audit Committee's jurisdiction after the initial findings are tabled and discussed during the Committee's meetings.
- c) The Audit Committee shall have the rights to appoint an appropriate investigator either internally or externally.
- d) The identity of a Subject shall be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e) Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f) Subjects shall have a duty to co-operate with Investigators during investigation process to the extent that such co-operation sought does not merely require them to admit guilt.
- g) Subjects should not interfere with the investigation process. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened and/or intimidated.
- h) Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to the material findings of the investigation. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

10.0 PROTECTION

10.1 Disclosure of Improper Conduct

- a) An employee may make a disclosure of improper conduct to the Group based on his / her reasonable belief that any person has engaged, is engaging or is preparing to engage in improper conduct provided that such disclosure is not specifically prohibited by any written law.
- b) A disclosure of improper conduct under clause 10.1(a) above may also be made:
 - i. although the person making the disclosure is not able to identify a particular person to which the disclosure relates;
 - ii. although the improper conduct has occurred before the commencement of the Whistleblower Protection Act 2010;
 - iii. in respect of information acquired by him / her while he / she was an employee of the Group;
or
 - iv. of any improper conduct of a person while that person was an employee of the Group.

- c) A disclosure of improper conduct under clause 10.1(a) above may be made orally or in writing provided that the authorized officer, upon receiving any disclosure made orally, shall as soon as it is practicable, reduce it into writing.
- d) Any provision in any contract of employment shall be void in so far as it purports to preclude the making of a disclosure of improper conduct.

10.2 Whistleblower Protection

- a) A whistleblower shall, upon receipt of the disclosure of improper conduct by the Group, be conferred with whistleblower protection under this Policy as follows:
 - i. protection of confidential information;
 - ii. immunity from civil and criminal action; and
 - iii. protection against detrimental action,
- b) A whistleblower protection conferred under this section is not limited or affected in the event that the disclosure of improper conduct does not lead to any disciplinary action or prosecution of the person against whom the disclosure of improper conduct has been made.
- c) This Policy does not limit the protection conferred by any other written law to any person in relation to information given in respect of the commission of an offence.

10.3 Protection of Confidential Information

- a) Any person who makes or receives a disclosure of improper conduct or obtain confidential information in the course of investigation into such disclosure shall not disclose the confidential information or any part thereof.
- b) Subject to clause 10.3(c) below, confidential information shall not be disclosed or be ordered or required to be disclosed in any civil, criminal or other proceedings in any court, tribunal or other authority.
- c) If any books, documents or papers which are in evidence or liable to inspection in any civil, criminal or other proceedings in any court, tribunal or other authority whatsoever contain any entry in which any whistleblower is named or described or which might lead to his discovery, the court, tribunal or other authority before which the proceeding is had shall cause all such passages to be concealed from view or to be obliterated so far as is necessary to protect the whistle blower from discovery, but no further.

10.4 Immunity from Civil and Criminal Action

Subject to clause 10.6(a), a whistleblower shall not be subject to any civil or criminal liability or any liability arising by way of administrative process, including disciplinary action, and no action, claim or demand may be taken or made against the whistleblower for making a disclosure of improper conduct.

10.5 Protection against Detrimental Action

- a) No person shall take detrimental action against a whistleblower or any person related to or associated with the whistleblower in reprisal for a disclosure of improper conduct.
- b) A whistleblower may make a complaint to the Group of any detrimental action committed by any person against the whistleblower or any person related to or associated with the whistleblower.
- c) A person is deemed to take detrimental action against a whistleblower or any person related to or associated with the whistleblower if:
 - i. the person takes or threatens to take the detrimental action because:

- a whistleblower has made a disclosure of improper conduct; or
 - the person believes that a whistleblower has made or intends to make a disclosure of improper conduct.
- ii. the person incites or permits another person to take or threaten to take the detrimental action for any reason under sub-clause (c)(i) above.
- d) Nothing in this section shall affect the whistleblower protection to an employee in the Group either at law or under a collective agreement or employment contract.
 - e) No person acting or purporting to act on behalf of the Group shall:
 - i. terminate a contract;
 - ii. withhold a payment that is due and payable under a contract; or
 - iii. refuse to enter into a subsequent contract, solely for the reason that a party to the contract or an employee or employer of a party to the contract has made a disclosure of improper conduct to the Company relating to the Company or any company within the Group.
 - f) In any proceedings, it lies on the Subject to prove that the detrimental action shown to be taken against a whistleblower or any person related to or associated with the whistleblower is not in reprisal for a disclosure of improper conduct.

10.6 Revocation of Whistleblower Protection

- a) The Group shall revoke the whistleblower protection if it is of the opinion, based on its investigation or in the course of its investigation that:
 - i. the whistleblower himself has participated in the improper conduct disclosed;
 - ii. the whistleblower willfully made in his disclosure of improper conduct a material statement which he knew or believed to be false or did not believe to be true;
 - iii. the disclosure of improper conduct is frivolous;
 - iv. the disclosure of improper conduct is made solely or substantially with the motive of avoiding dismissal or other disciplinary action; or
 - v. the whistleblower, in the course of making the disclosure or providing further information, commits an offence under the Whistleblower Protection Act 2010.
- b) If the whistleblower protection has been revoked, the Group shall give a written notice to that effect to the whistleblower.
- c) Any person aggrieved by the decision of the Group in respect of the revocation of protection may refer the decision of the Group to the court for determination.

11.0 DECISION

If an investigation concludes that an improper or unethical act has been committed, the matter should be handled in accordance with the existing Disciplinary Procedures as specified under HR Policy adopted by the Group. The corrective actions to be taken against the employee will be determined by the Audit Committee and supported by the Management, which may include disciplinary measures, formal warning or reprimand, demotion, suspension or termination of employment or services with the Group or other forms of punishment through normal Human Resource Domestic Inquiry process and procedures.

12.0 RETENTION OF DOCUMENT

All Protected Disclosures along with the results of investigation relating thereto shall be retained by the Group for a minimum period of seven (7) years or in accordance with the applicable legal requirements.

13.0 AMENDMENT AND REVIEW

The Group reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employees in writing.

This policy shall be updated from time to time in ensuring that future related issues and treatment are incorporated into this Policy. Amendments and revision of this Policy or any part thereof shall be made known to the Audit Committee for recommendation to the Board of Directors for their approval and adoption accordingly.

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This Whistleblower Policy was approved by the Board of Directors of Daya Materials Berhad on 24th November 2015 and signed off by the Group Chief Executive Officer of Daya Materials Berhad.

Datuk Lim Thean Shiang
Group Chief Executive Officer
Daya Materials Berhad