

Whistleblowing Policy

1. Introduction

In line with good corporate governance practices and with the introduction of the Whistleblower Protection Act 2010, the Board and Management of Salcon Berhad and its group of companies (“the Group”) encourage its employees and stakeholders (“the Reporting Party”) to report any wrongdoing on the part of employees, management, directors and vendor in particular with respect of their obligation to the Group’s interest.

2. Objectives

The objective of this policy and procedure is to provide and facilitate a mechanism for any Reporting Party (“RP”) to report concerns about any suspected and/or known wrongdoings including but not limited to the following:

- fraud;
- misappropriation of assets;
- sexual harassment;
- criminal breach of trust;
- illicit and corrupt practices;
- questionable or improper accounting;
- misuse of confidential information;
- acts or omissions which are deemed to be against the interest of the Company, laws, regulations or public policies;
- miscarriages of justice;
- breach of Group policies; or
- the deliberate concealment of any of the above or other acts of misconduct, wrongdoing, corruption, fraud, waste and/or abuse.

3. Policy and Protection

(i) Anonymity

It is the policy of the Company to allow the RP to either identify themselves or if they prefer, to remain anonymous when reporting suspected and/or known instances of wrongdoings.

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(ii) Assurance against reprisal and/or retaliation

Where the RP has chosen to reveal his/her identity, it is the policy of the Company to provide assurance that the RP would be protected against reprisals and/or retaliation from his/her immediate superior or head of department / division.

In addition, the Company provides assurance that no disciplinary action can be taken against the RP as long as he/she does not provide false information in the report “*purposely, knowingly or recklessly*” i.e. the report is basically *malicious* in nature.

(iii) Confidentiality

The Company shall treat all reports or disclosures as sensitive and will only reveal information on a “need to know” basis or if required by law, court or authority.

The identity and particulars of the RP shall also be kept private and confidential unless the RP chose to reveal his/her identity.

Where the RP has chosen to reveal his/her identity when making such a report, written permission from the RP would be obtained before the information is released.

(iv) Immunity

All costs in relation to any legal liabilities or proceedings (whether criminal or civil) that may be brought against the RP shall be borne by the Company and the selection of the lawyer defending the legal action shall be made by the Company.

(v) Protection

The RP shall also be protected against:

- a) action causing injury, loss or damage;
- b) intimidation or harassment;
- c) interference with the lawful employment or livelihood of the RP, including discrimination, discharge, demotion, suspension, disadvantage, termination or adverse treatment in relation to the RP’s employment, career, profession, trade or business or the taking of disciplinary action; and
- d) a threat to take any of the actions referred to in paragraphs (a) to (d) above.

Where necessary, any person related or associated with the RP (e.g., immediate family members) shall be accorded with similar protection mentioned in this paragraph (v).

The protection conferred above is:

- I. not limited or affected in the event that the disclosure does not lead to any disciplinary action or prosecution of the person whom the disclosure of the improper conduct, wrongdoings, corruption, fraud, waste, and/or abuse has been made;
- II. however restricted to the RP reporting the suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste and/or abuse involving the Company’s resources through the Company under this policy.

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(vi) Revocation of Policy and Protection

The protection stated in section (3) above shall be revoked by the Company if:

- a) the RP himself has participated in the improper conduct, wrongdoings, corruption, fraud, waste, and/or abuse;
- b) the RP willfully or maliciously made his disclosure, knowing or believing the information is false or untrue;
- c) the disclosure is frivolous or vexatious; or
- d) the disclosure is made with the intention or motive to avoid dismissal or other disciplinary action.

(vii) Acting in Good Faith

Salcon Group expects the RP to act in good faith and have reasonable grounds when reporting a wrongdoing. If allegations are proven to be malicious, RP may be subject to appropriate action, up to and including legal action, where applicable.

4. Whistleblowing Procedure

- a. If a RP suspects that wrongdoing has occurred, the RP is encouraged to report to the Chairman of Audit and Risk Management Committee.

This can be done in writing, by telephone, fax or email. The disclosure should be addressed to:

Name : Mr. Chan Seng Fatt
Designation : Senior Independent Non-Executive Director
Email address : chansf8@yahoo.com
Phone : 012-2877 226
Fax : 03-8024 8811
Address : 15th Floor, Menara Summit, Persiaran
Kewajipan, USJ 1, 47600 UEP Subang Jaya,
Selangor Darul Ehsan

- b. The RP is encouraged to make use the “Report of Wrongdoings” form provided in **Appendix 1**.
- c. If the RP prefers to remain anonymous, the RP may call the Chairman of Audit and Risk Management Committee (*Name:Mr. Chan Seng Fatt*) at 012-2877 226 approximately fourteen days after the initial report. This enables the Chairman of Audit and Risk Management Committee to ask any follow-up questions that have arisen since the beginning of the investigation.

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5. Procedure for handling Reports of Wrongdoings

- a. The Chairman of Audit and Risk Management Committee will maintain a record of the complaints and will track their receipt, investigation and resolution.
- b. The Chairman of Audit and Risk Management Committee will seriously consider each disclosure and pursue it to the extent that the information received allows, and based on the evidence that is available.
- c. Once your disclosure is received, the Chairman of Audit and Risk Management Committee will begin preliminary investigations to establish whether the disclosure has merit and can be substantiated.
- d. The Chairman of Audit and Risk Management Committee will review the disclosure and determine if there is enough evidence to confirm that disclosure.
- e. With this information, the Chairman of Audit and Risk Management Committee will do his best to draw an unbiased conclusion from facts given to him by the RP, or any other information gathered during the course investigation.
- f. Appropriate course of action will be recommended to the Board for deliberation. Decision taken by the Board will be implemented immediately.
- g. If the case necessitates further action on the part of the Human Resource (HR) department, a copy of a summary report will be provided to HR.
- h. The Chairman of Audit and Risk Management Committee shall prepare a summary report and present it to the Company's Audit and Risk Management Committee on a quarterly basis. The report will maintain confidentiality to protect the RP's identity.

6. Provision in the Contract of Employment

Any provision in the contract of employment shall be void in so far as it purports to preclude the making of a disclosure of wrongdoings.

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Appendix I

REPORT OF WRONGDOINGS

1	Date and Time of Report:	
2.	Details of Alleged Person	
	Name of person alleged:	
	Company of person alleged:	
3.	Details of incident	
	Incident date and time:	
	Location of incident:	
	Details of allegation:	
4.	Details of Reporting Party*	
	Name:	
	Contact number:	
	Email address:	
	Company:	

* we will not document information concerning your name if you wish to remain anonymous; however, if you do not want to be anonymous, please provide details as per item 4.

If you decide to remain anonymous, please contact us within 14 days of your report to your report as we may need additional information concerning the alleged activities reported by you.