



Desa Group of Companies

WHISTLEBLOWER POLICY

Effective from 30.12.2020

(Revised 28th April 2021)

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1.0 INTRODUCTION

- a) Desa Group is committed in promoting and maintaining high standards of integrity, transparency and accountability in the conduct of its businesses and operations. In line with good corporate governance, Desa Group's Whistleblower Policy encourages the reporting and disclosing of actual or potential wrongdoings such as bribery, corruption, fraud, serious financial misconduct and gross mismanagement in the Group without fear of retribution or detrimental action.
- b) This Policy is to be read in conjunction with the Whistleblower Protection Act 2010. In the event of a conflict between the Desa Whistleblower Policy and the Whistleblower Protection Act, the Provision of the Act shall prevail.
- c) This Policy shall take effect on 30th December 2020.

2.0 PURPOSE/OBJECTIVES

- a) To provide Employees, Business Partners and external parties with proper internal reporting channels and guidelines to disclose actual and potential wrongdoings such as fraud, corruption, serious financial impropriety and gross mismanagement.
- b) To provide guidelines for the Disclosure and investigation of improper conduct as early as possible and in a responsible manner.
- c) To address a Disclosure in an appropriate and timely manner and to prioritize according to the nature of the gravity of the alleged wrongdoings or reported risk and the magnitude of the repercussions.
- d) To protect whistleblower from reprisal as a direct consequence for making a Disclosure and to safeguard the Whistleblower.
- e) To treat both Whistleblower and alleged wrongdoer fairly.

3.0 SCOPE OF POLICY

- a) This Policy shall apply to all Employees, Business Partners and external parties of Desa Group.

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- b) The Whistleblower may make a Disclosure/Internal Disclosure which he has become aware of, or genuinely suspects based on his reasonable belief that any person has, is or preparing to engage in any improper conduct to the Authorized Officer or to the Prescribed Persons.
- c) A whistleblower is said to have reasonable belief if an average person presented with similar circumstances might believe that a person has, is or preparing to engage in any improper conduct
- d) Disclosure above may also be made notwithstanding that:
 - i) The Whistleblower making the Disclosure is not able to identify a particular person to which the Disclosure relates to or
 - ii) The improper conduct had occurred before the Effective Date of the implementation of this Policy.

4.0 DEFINITION OF TERMS

- a) **Desa Group** Shall refer to Desa Group Holding and subsidiary companies
- b) **Employees** Shall include full time/permanent, daily rated, probationary, contract and temporary employees, trainees and interns
- c) **Business Partners** Shall include joint venture and business associates, government officials, service providers and suppliers, contractors, stakeholders, consultant, distributors, agents or any parties performing work or services for or on behalf of the Group.
- d) **External Parties** Shall refer to the members of the public
- e) **Disclosure** Shall refer to making known or revealing of improper conduct or wrongdoing such as bribery, corruption, fraud, serious financial misconduct and gross mismanagement by the Whistleblower to enforcement agency or relevant local authority

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| f) | Internal Disclosure | Shall refer to making known or revealing of improper conduct or wrongdoing such as bribery, corruption, fraud, serious financial misconduct and gross mismanagement of by any person in Desa Group to the Prescribed Persons by the Whistleblower |
| 9) | Improper Conduct | Refers to any conduct which if proved, constitutes a disciplinary offence or a criminal offence, and includes but not limited to: <ul style="list-style-type: none">i) Conduct which constitutes criminal offence under the law such as fraud, corruption, forgery, cheating, criminal breach of trust, insider trading, etc which includes abetting or intending to commit such criminal offence; orii) Conduct which contravenes and undermine Desa Group Code of Conduct and Business Ethics; oriii) Financial/professional misconduct; oriv) Receiving bribes or soliciting graft |
| h) | Authorised Officer | Means any officer of any enforcement agency |
| i) | Prescribed Persons | Designated persons to receive Internal Disclosure of any disciplinary misconducts committed by any persons in Desa Group |
| j) | Special Investigation Committee | Special Investigation Committee is a committee set up to carry out investigation of the Disclosure |
| k) | Malaysian Laws | Refers to but not limiting to Malaysian Anti-Corruption Commission 2009, Whistleblower Protection Act 2010 and any other relevant laws |

5.0 REPORTING PROCEDURES

This Whistleblower Policy will complement the normal communication and reporting channel within Desa Group. Any employee, who is in the know of any wrongdoing or improper conduct occurring in the Group, shall bring the concern to the Head of

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Department or where necessary to the Human Resource Manager. However, if his complaint remains unresolved or in a situation where he feels inappropriate to disclose through the normal communication and reporting channel, this Policy provides an avenue for him to make formal disclosure.

- a) Disclosure can be made by the following persons:
 - i) Employees, including full time/permanent, daily rated, probationary, contract and temporary employees, trainees and interns
 - ii) Business Partners, including Joint venture business associates, government officials, service providers and suppliers, contractors, stakeholders, consultant, distributors, agents or any parties performing work or services for or on behalf of the Group.
 - iii) Members of the public
- b) A Disclosure may be made if it relates to a wrongdoing or improper conduct by any person in the conduct of Desa Group business or operation, but not limited to the following:
 - i) Bribery
 - ii) Fraud and corruption
 - iii) Serious financial misconduct and misuse of Desa Group funds
 - iv) Gross mismanagement
 - v) Serious breach of Desa Group's Code of Conduct and Business Ethics
 - vi) Criminal offence
- c) A whistleblower may make a Disclosure on the above improper conduct directly to the relevant local authority such as Police Department, MACC and other Authorised Officer as described under the Whistleblower Protection Act 2010 and request for whistleblower protection provided under the said Act.
- d) A whistleblower may also make an Internal Disclosure on any disciplinary misconduct by any person in Desa Group to any the following Prescribed Persons:
 - i) Chairman of Holding Companies
 - ii) Chief Executive Officer
 - iii) Group Internal Auditor
 - iv) Human Resource Manager

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If the Internal Disclosure of a wrongdoing involves any of the Prescribed Persons mentioned above, and the Whistleblower reasonably and in good faith believes that it will be inappropriate to disclose to any of the above Prescribed Persons the disclosure can be made directly to the Chairman of the Integrity and Governance Committee (IGC Chairman)

- e) Internal Disclosure may be made in the following manner:
- i) Internal Disclosure in writing to be received by the Prescribed Persons and such Disclosure is to be confirmed by the Whistleblower to avoid any misunderstanding or misinformation.
 - ii) The Whistleblower may use an open format letter, or alternatively he or she can make a Disclosure via the Internal Disclosure Form in APPENDIX 1 hereto. The letter or Form must be properly sealed in an envelope labeled 'PRIVATE AND CONFIDENTIAL — TO BE OPENED BY ADDRESSEE ONLY' and delivered by hand or post to the address of any of the following Prescribed Persons:

Chairman of Desa Plus Sdn Bhd

Address: Level 3, West Wing, Wisma 2020

18, Lorong Belia, Karamuning, 88100 Kota Kinabalu

Contact No: 088-287225

Chief Executive Officer

Address: Level 3, West Wing, Wisma 2020

18, Lorong Belia, Karamuning, 88100 Kota Kinabalu

Contact No: 088-287214

Human Resource Manager

Address: Level 3, West Wing, Wisma 2020

18, Lorong Belia, Karamuning, 88100 Kota Kinabalu

Contact No: 088-287233

Chairman of Integrity and Governance Committee (IGC)

Address: Level 3, West Wing, Wisma 2020

18, Lorong Belia, Karamuning, 88100 Kota Kinabalu

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Contact No: 088-287224

- iii) The Internal Disclosure should include the following particulars:
- Name, designation, employer, current address and contact numbers
 - Basis or reasons of his concerns, including as many details as reasonably possible, in relation to the wrongdoing, for instance, its nature, date, time and place of its occurrence, and the identity of the alleged wrongdoer
 - Particulars of witnesses, if any
 - Submission of documentary evidence, if any.
- f) The CEO or the IGC Chairman in the case where the Internal Disclosure was made under Section 5(d) above shall appoint a Special Investigation Committee (SIC) to conduct a preliminary assessment on the following and report their findings as the case may be:
- The relevance of the Internal Disclosure to a wrongdoing;
 - Seriousness of the Internal Disclosure;
 - Credibility of the Internal Disclosure and the whistleblower; and
 - If the preliminary assessment indicates that the Internal Disclosure is credible and serious, the SIC shall advise the CEO or IGC Chairman on whether the Internal Disclosure warrants an investigation to be carried out.

The SIC shall consist of three (3) members of higher rank than the person against whom the Internal Disclosure has been made. The SIC member carrying out the investigation shall be independent and objective from the function and personnel being involved in the alleged wrongdoing.

6.0 INTERNAL INVESTIGATION PROCEDURES

6.1 Objectives

- a) To collect information relating to the Internal Disclosure as quickly as

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possible and may involve taking necessary steps to protect or preserve documents, materials, machineries and/or equipment

- b) To consider the information collected and draw conclusions objectively and impartially
- c) To maintain procedural fairness in the treatment of witnesses and the person who is the subject of the Internal Disclosure

6.2 Internal Procedures

a) Appointment of SIC

The CEO or the IGC Chairman shall appoint the SIC members to conduct the investigation in accordance with the guidelines under Section 5(d) above.

b) Conduct of Investigation

- i) The SIC shall, as soon as it is practicable, conduct interviews with all relevant witnesses and every attempt must be made to gather all pertinent information and materials from all available sources.
- ii) The alleged wrongdoer or any other implicated person shall be suspended from work to facilitate any fact finding or to avoid any employee's exposure to a threat or harm.
- iii) The alleged wrongdoer shall be given opportunity to attend a meeting to answer the allegation.
- iv) All interviews and activities associated with the investigation must be documented in writing and filed for records purposes and used to support the findings, recommendations and/or actions or steps to be taken upon completion of the investigation.

c) Investigation Completion Timeline

Wherever possible, investigations shall be concluded within thirty (30) days from the date of receipt of the assignment to investigate the Internal Disclosure.

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d) SIC Investigation Report

At the conclusion of the investigation, the SIC shall prepare and submit the Report to the CEO or IGC Chairman, as the case may be. The Report shall not disclose particulars likely to lead to the identification of the whistleblower.

The Report shall contain the following:

- i) The allegation of improper conduct;
- ii) An account of all the relevant information received and, if the Investigator had rejected any evidence as being unreliable, the reasons for rejecting the said evidence;
- iii) The findings and the basis thereof;
- iv) Recommendations on the appropriate or further steps or actions to be taken arising from such findings. This may include disciplinary actions including dismissal from employment or referring the matter to the appropriate authority for further action; and
- v) The steps needed to be taken by Desa Group to prevent the improper conduct from continuing or recurring in the future.

The Report shall be accompanied by:

- i) The transcript or records of any oral evidence taken; and
- ii) All documents, statements or exhibits received by the Investigator which had been accepted as evidence during the course of the investigation.

e) Investigation Findings

- i) If the Internal Disclosure is not substantiated, the person to whom the Disclosure is made shall inform the Whistleblower accordingly; or
- ii) The Internal Disclosure constitutes a disciplinary offence, the person to whom the Disclosure is made shall refer the matter to the respective Human Resource Department for the appropriate

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disciplinary actions to be taken against the person against whom the Disclosure is being made; or

- iii) The Internal Disclosure constitutes a criminal offence (including but not limited to serious fraudulent activities, criminal breach of trust, cheating, corruption, etc) or is serious and has significant adverse impact on Desa Group, the person to whom the Internal Disclosure is made shall refer the matter to the CEO for attention and deliberation. The CEO may refer the matter to the law enforcement agencies or statutory authorities or take any other steps or actions as they deem fit and necessary against the person against whom the Internal Disclosure is being made.
- iv) The person to whom the Internal Disclosure is made shall inform the Whistleblower of the findings of the investigation and the actions or steps taken, or intended to be taken arising from such findings or the reasons for not initiating any steps or actions against the said person.

7.0 CONFIDENTIALITY DURING INVESTIGATION

- a) The identity of the Whistleblower shall be kept STRICTLY CONFIDENTIAL at all times without his consent except where:
 - i) It is made to those who are authorized under this Policy and have a legitimate need to know basis;
 - ii) It is required by law or any statutory authority; or
 - iii) It is made on a strictly confidential basis to a professionally qualified lawyer for the purposes of obtaining legal advice.
- b) The Whistleblower should not at any time:
 - i) Contact the person against whom the Disclosure/Internal Disclosure is being made in an effort to determine facts or demand restitution; and
 - iii) Discuss the matter, facts, suspicions or allegations relating to the Disclosure/Internal Disclosure with any person except the persons authorized under this Policy.
- c) All reports, transcripts, documents, statements, exhibits, etc relating to the

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Internal Disclosure and the investigation shall be sealed and marked 'STRICTLY CONFIDENTIAL' and stored securely by the Group Internal Audit Department for not less than seven (7) years.

8.0 WHISTLEBLOWER PROTECTION AND REVOCATION

a) All Disclosures must be made in good faith and must not be made for the purposes of personal advantage or gain or based on office gossip.

b) **Whistleblower Protection**

A whistleblower who makes a Disclosure directly to the Authorised Officer in good faith and in compliance with the Whistleblower Protection Act 2010 shall be accorded a whistleblower protection under the said Act, Section 7 (1) as follows:-

- 1) Protection of Confidential Information which shall include the following:
 - i) Information about the identity, occupation, residential address, work address or whereabouts of a whistleblower and person against whom a whistleblower has made a Disclosure of improper conduct;
 - ii) Information disclosed by a whistleblower; and
 - iii) Information that, if disclosed, may cause detriment to any person;
- 2) Immunity against civil and criminal action; and
- 3) Protection against detrimental action.

c) **Revocation of Whistleblower Protection**

The protection of the whistleblower may be revoked in the following conditions as stated under Whistleblower Protection Act 2010:

- i) The whistleblower himself has participated in the improper conduct disclosed;
- ii) The whistleblower willfully made in his Disclosure a material statement which he knew or believed to be false or did not believe to be true; or
- iii) The Disclosure is frivolous or vexatious; or

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- iv) The Disclosure is made solely or substantially with the motive of avoiding dismissal or other disciplinary action; or
- iv) The whistleblower, in the course of making the Disclosure or providing further information commits an offence under the Whistleblower Protection Act 2010.

d) **Detrimental Action for Internal Disclosure**

The protection under the Whistleblower Protection Act will not apply to any internal disclosure, however the whistleblower will be protected against any detrimental action in the following manner:

- 1) No person shall take or threaten to take detrimental action against a whistleblower in retaliation for an Internal Disclosure.
- 2) A whistleblower may make a Complaint to the CEO of any detrimental action committed by any person against him.
- 3) Upon receipt of a Complaint, the CEO as the case may be, may direct the Prescribed Persons and/or any other specific person to conduct an investigation into the Complaint.
- 4) Upon completion of the investigation, the Prescribed Persons shall record their findings and compile the report and investigation papers and submit the same to the CEO as the case may be.
- 5) If the findings of the investigation reveal that:
 - i) The Complaint is not substantiated, the person to whom the Complaint is made shall inform the same to the whistleblower;
 - ii) The Complaint constitutes a disciplinary offence, the person to whom the Complaint is made shall refer the matter to the respective Human Resource Department for the appropriate disciplinary actions to be taken against the person against whom the Disclosure is being made; or
 - iii) The Complaint constitutes a criminal offence the person to whom the Complaint is made shall refer the matter to the CEO for their attention and deliberation. The CEO may refer the matter to the law enforcement agencies or statutory authorities or take any

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other steps or actions as they deem fit and necessary against the person against whom the Disclosure is being made.

- e) The whistleblower protection conferred under this Section is not limited or affected in the event that the Disclosure does not lead to any disciplinary action or prosecution of the person against whom the Disclosure has been made.

9.0 POWER TO ACCESS RECORDS AND PREMISES

The SIC shall have the power to access to all the necessary records and premises provided it is approved in writing by the CEO or IGC Chairman. In urgent cases, verbal approval may be obtained and to be confirmed in writing later.

10.0 REVIEW OF POLICY

- a) The Policy may be reviewed and amended from time to time as and when necessary, to ensure its relevance and effectiveness in line with Desa Group's business environment.
- b) The Group shall inform all Employees and/or its Business Partners of any amendment, modification, changes and/or updates to this Policy accordingly.