



**WHISTLEBLOWING POLICY
AND
GUIDELINES DOCUMENT**

*Approved by the Board of Directors
on 1 January 2016
Version 1.0*

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ABBREVIATION

In this report, the following abbreviations shall have the following meaning unless otherwise stated:

BOD/ The Board	: Board of Directors
Guideline / The Guideline	: Whistleblowing Guidelines
ID	: Identification number
CMC Group	CMC Group Sdn Bhd, ARY Venture Sdn Bhd, CMC Engineering Sdn Bhd, Pacific Broadband Networks Sdn Bhd, CMC Networks Sdn Bhd and CMTE Technology Sdn Bhd.
CEO	: Chief Executive Officer
the Policy	: Whistleblowing policy
TMD	: Talent Management Department
WB	: Whistleblowing
WBU	: Whistleblowing Unit

WHISTLEBLOWING POLICY OF CMC GROUP

CMC Group is committed to the highest possible standards of ethical, moral, and legal conduct. Consistent with this commitment, the policy aims to support good management practices and sound corporate governance practices.

This policy aims to provide a structured mechanism for employees and others to rise or report concerns about ongoing or suspected wrongful activities or wrongdoings to provide reassurance that they will be protected from reprisals or victimization for whistleblowing in good faith.

For the purpose of this policy, the wrongful activities or wrongdoings refers to any potential violations or concerns relating to any laws, rules, regulations, acts, ethics, integrity and business conduct, including any violations or concerns relating to malpractice, illegal, immoral, embezzlement and fraudulent activities which will affect the business and image of CMC Group.

The Board of Directors ("BOD") of CMC has a stewardship responsibility to communicate the requirements of this policy and to guide the organisation in dealing with concerns arising from wrongful activities or wrongdoings.

The Policy of the BOD is:

1. To encourage active and moral obligation to report wrongdoings

All employees and others are required to report any ongoing or suspected wrongful activities or wrongdoings at the earliest possible stage through the proper channel of reporting so that immediate action can be taken.

2. To use internal disclosure to report wrongdoings

As far as reasonable, internal disclosure is encourage and used to avoid public crisis.

3. To protect the whistleblower

Where the disclosure is made in good faith, the whistleblower will be protected against victimisation or other adverse treatment.

4. To ensure appropriate and fair disciplinary actions

All actions taken against the alleged wrongdoers would be fair and without prejudice.

5. To require that an effective whistleblowing guideline is established and maintained by CMC

Whistleblowing guideline must be sufficient to:

- Establish a formal and robust whistleblowing guideline, including hotline accessibility;
- Prohibit legal sanctions for retaliatory action taken against the whistleblower;
- Establish timely, feedback, respond and remedial and/or corrective action;
- Ensure that this policy is properly communicated to all employees;
- Establish procedures to maintain records confidentiality and retention; and
- Embed integrity, transparency and accountability within the business.



Dato' Abdul Rahman Yusoff
Chief Executive Officer
Dated: **1 January 2016**

WHISTLEBLOWING GUIDELINES

1 DEFINITION

- 1.1 The word whistleblowing in the context of this Whistleblowing Guidelines ("Guideline") refers to a situation where a person (internal or external) raising or reporting concerns at an early stage about an ongoing or suspected wrongful activities or wrongdoing within CMC Group., other subsidiaries and related associates companies (here-in-after collectively referred as "CMC Group").
- 1.2 The person who rises or reporting concerns of wrongful activities or wrongdoings within CMC Group is referred as "whistleblower".
- 1.3 For the purpose of this Guideline, the wrongful activities or wrongdoings refers to any potential violations or concerns relating to any laws, rules, regulations, acts, ethics, integrity and business conduct, including any violations or concerns relating to malpractice, illegal, immoral, embezzlement and fraudulent activities which will affect the business and image of CMC Group.

2 OBJECTIVE

- 2.1 To provide an avenue and a structured mechanism for a person to raise or report concerns at an early stage about an ongoing or suspected wrongful activities or wrongdoing within CMC Group and, to protect the values of integrity, transparency and accountability in where CMC conducts its business and affairs.

3 PRINCIPLES

The Whistleblowing Policy is based on several key principles such as following:

- 3.1 To establish a formal and written Guideline to provide a transparent method of addressing issues relating to whistleblower, such as answering standard questions, providing information and offering explanations.
- 3.2 To apply as an early warning system to alert CMC Management to take the necessary remedial and/or corrective actions before a problems became a serious crisis.
- 3.3 To communicate to all employees and others on what the Whistleblowing Policy and Guidelines is and the key processes.
- 3.4 To encourage and enable employees and others to be able to report irregularities in good faith within CMC prior to seeking resolution outside CMC and without having to fear that their action may have adverse consequences.
- 3.5 To provide timely feedback and respond.

- 3.6 To verify the report incidents in the appropriate manner and, if the reports are confirmed, all necessary steps to identify appropriate remedies will be taken promptly.
- 3.7 To ensure effective implementation of this Guideline. This will enhance CMC Group's accountability in preserving its integrity and will be able to stand up to public scrutiny. This in turn enhances and builds credibility of our stakeholders.

4 APPLICATION

- 4.1 This Guideline is intended to complement the existing internal controls system and, channels of communication and reporting lines within CMC Group.
- 4.2 The Whistleblowing Policy and Guideline applies to all employees of CMC Group of Companies and other external parties who want to report any wrongful activities or wrongdoings in good faith. The policy aims to provide an avenue to raise concerns and receive feedback on any action taken.
- 4.3 This policy is intended to cover concerns which fall outside the scope of other CMC existing procedures which already are included in or covered by other Policies e.g. TMD Employee Handbook
- 4.4 This Guideline will not apply to personal grievances. Such complaints will be dealt by CMC's Talent Management and Development("TMD") under the existing CMC TMD Employee Handbook on grievance, discipline and misconduct.
- 4.5 The implementation stages of the Whistleblowing Policy and Guideline will be in accordance with the following phases:

Phase		Implementation
I	Approval of Whistleblowing Policy by CMC's Board of Directors ("BOD")	By 1 JAN 2016
II	CMC's Whistleblowing Policy and Guideline made available at CMC's public website and intranet	By 1 AUG 2016
III	Launching of CMC Whistleblowing Unit	By 1 AUG 2016
IV	Briefing for Malaysia operations' employees	By 15 AUG 2016
V	Briefing for employees of other countries' operations (if necessary)	By 15 AUG 2016
VI	Briefing for people performing services and supplying materials / products to CMC Group	By 15 AUG 2016

5 ADMINISTRATION

- 5.1 The BOD shall exercise the oversight function over the administration of the policy and endorsed the policy.
- 5.2 The Chief Executive Officer ("CEO") will adopt the Guideline.
- 5.3 The administration of the policy, guideline and hotline is to be carried out by the Director of Corporate Affair.
- 5.4 The Director of Corporate Affair, with the agreement of the CEO, shall propose to the BOD any necessary policy amendments for endorsement.
- 5.5 The Director of Corporate Affair shall propose to the CEO any necessary amendments to the Guideline for adoption.

6 CIRCULATION AND ANNUAL REVIEW

- 6.1 The Whistleblowing Policy is made available to public via the CMC's public website.
- 6.2 As for internal circulation within CMC Group, the Whistleblowing Policy and Guideline is made available via the CMC's intranet. Once the Whistleblowing Policy and Guideline is available at CMC Intranet, it is deemed to be considered that all employees of CMC Group are aware, have read and understood the content of CMC Whistleblowing Policy and Guideline.
- 6.3 The Guideline will be reviewed on annual basis by the Director of Corporate Affair to ensure that the Guideline is in accordance with CMC Group's business environment and the relevant standards, acts and laws.
- 6.4 The amendments will be updated in CMC's public website and intranet accordingly.

7 WHO CAN WHISTLEBLOW

- 7.1 Once the Whistleblowing Policy and Guideline are fully implemented, any of the following people can make a disclosure:
 - CMC Group employees including employees on contract terms, temporary or short-term employees and employees on secondment;
 - Board members i.e. BOD, Board Audit Committee, Board Nomination Committee and Board Remuneration Committee;
 - Ex-employees;
 - Financiers;
 - Shareholders; and

- People performing services and supplying materials / products (here-in-after collectively referred as “service providers”) for CMC Group which includes contractors, sub-contractors, suppliers, advisors, consultants, internal and external auditors.

7.2 No employees or BOD may use their position to prevent an individual to report any ongoing and suspected wrongful activities or wrongdoings.

8 WHAT TO WHISTLEBLOW

8.1 A qualified disclosure may be made if it relates to one or more of the following wrongful activities or wrongdoings by any employees or service providers in the conduct of CMC Group’s business or affairs that is being, has been, or is likely to be, committed:

- Failure to comply with legal obligations;
- Criminal offence;
- Criminal breach of trust;
- Corruption;
- Unofficial payoffs;
- Fraud;
- Collusion and money laundering;
- Improperly discriminatory;
- Misuse or abuse of CMC Group’s funds or assets or assets misappropriation;
- Gross mismanagement within CMC Group;
- Gross negligent;
- Serious financial irregularity or financial fraudulent within CMC Group;
- Breach of CMC Group’s Standard Operating Procedures;
- Breach of CMC Group’s Financial / Discretionary Authority Limit;
- Repeated ill treatment of a client/customer/supplier/Sub-contractor despite a complaint being made;
- Activities, which otherwise amount to serious improper conduct, including CMC’s Code Of Business Conduct And Ethics or Conflict Of Interest Code;
- Actions which endanger the health or safety of employees or the public and the environment;

- Actions which endanger National and public interest;
- Illegal or unlawful conduct or failure to comply with the provisions of the Government Laws and Regulations where the wrongdoer, knowingly, disregards or does not comply with such provisions;
- Sexual harassment;
- Knowingly directing or advising a person to commit any of the above wrongdoings; and
- Any action which is intended to conceal any of the above.

The above list is not exhaustive and there will be instances where whistleblower(s) would need to exercise judgement.

- 8.2 A whistleblower will not be expected to prove the truth of an allegation but he or she should be able to demonstrate that there are sufficient grounds to have a reasonable belief that something is wrong.
- 8.3 If an individual is unsure whether a particular act or omission constitutes a wrongful activity or wrongdoing under Whistleblowing Policy and Guideline, he or she is encouraged to seek advice or guidance from the Director of Corporate Affair and where necessary, contact the CMC Whistleblowing Unit for more clarification.

9 WHEN TO WHISTLEBLOW

- 9.1 A whistleblower should immediately come forward with any information that he or she, in good faith, reasonably believes discloses a wrongful activity or wrongdoing is likely to happen, is being committed or has been committed.
- 9.2 However, he or she is not expected to first obtain substantial evidence of proof beyond reasonable doubt when making a disclosure. If he or she knows as a matter of fact that there are serious risks that a wrongful activity or wrongdoing is going to take place, such bona fide concerns should be raised immediately i.e. the whistleblower is able to show the reasons for concern.

10 EDUCATION PROCESS

- 10.1 Training and awareness on whistleblowing key processes and updates will be communicated via continuous training and awareness programmes spearheaded by Director of Corporate Affair and, via CMC intranet.

11 CONFIDENTIALITY

- 11.1 The Whistleblowing Policy and Guideline is intended to safeguard the safety of the whistleblower's identity, and therefore undertakes to treat all whistleblowing reports as confidential.
- 11.2 All reports of violation or suspected violation will be kept as confidential to the extent possible, consistent with the need to conduct adequate investigation, unless otherwise required by law. Every effort will be made to protect the whistleblower identity.
- 11.3 The Guideline provides assurances that the reporting mechanism for whistleblowing is set up in a structured and systematic manner to safeguard the information and the identity of the whistleblower. By setting up the necessary system to safeguard the confidentiality, the interests of the whistleblower are protected from possible harm through retribution by those who stand to benefit the reported misconduct.
- 11.4 The perception and the reality of safety of the information and the whistleblower identify are crucial to provide courage and confidence for individuals to speak up or report any sensitive issues that they believe in good faith that could have negative repercussion to CMC Group.
- 11.5 Approaches for confidential advice to outside parties, such as lawyers, unions or other external safe channels are acceptable, but that the Whistleblowing Policy and Guideline Document is designed to prevent any unnecessary public disclosure of concerns.

12 WHISTLEBLOWER PROTECTION

- 12.1 Upon making a disclosure in good faith, based on reasonable grounds and in accordance with the procedures pursuant to this Guideline, the whistleblower's identity will be protected i.e. kept confidential unless otherwise required by law or for purposes of any proceedings by or against CMC Group.

However, CMC will honour the request of the whistleblower if he or she request to maintain his or her identify confidential.

If situation arises where the report launched by the whistleblower cannot be preceded without revealing the identity of the whistleblower, the Director of Corporate Affair will discuss with the whistleblower to determine the best available options taking into consideration the request of the whistleblower and to safeguard the interest of CMC Group.

- 12.2 Where a whistleblower makes a report under this policy in good faith, reasonably believed to be true; the whistleblower will be protected from harassment or victimisation within CMC Group, dismissal, disciplinary procedures or any other form of retaliatory action should the disclosure turn out to be inaccurate or false. Retaliation includes harassment and adverse employment consequence.

- 12.3 CMC will not tolerate punishment or unfair treatment when concerns are raised in good faith. A whistleblower who reports a contravention or a concern will be given protection and shall in no way be put at a disadvantage as a result of his or her report.
- 12.4 Any employee who shows the act of retaliation against the whistleblower who has reported a violation in good faith will be subjected to Disciplinary Action by CMC in accordance with the CMC TMD Employee Handbook which includes termination of employment.

13 SAFEGUARD AGAINST ABUSE OF THE POLICY

- 13.1 Reporting under this policy, however, would not immunize or shield a whistleblowing against action following from his or her intentional misconduct, which includes wilfully making allegations through the whistleblowing mechanism that the whistleblower knows to be false or makes with an intent to misinform or tarnish the reputation or others or due to personal gain.
- 13.2 Where a whistleblower makes a report not in good faith or reasonably believed not to be true, the whistleblower will not be protected and will be subjected to Disciplinary Action by CMC in accordance with the CMC TMD Policy & Procedures.
- 13.3 Malicious rising of unfounded allegations is a disciplinary offence and will be subjected to Disciplinary Action by CMC in accordance with the CMC TMD Policy & Procedures.

14 REPORTING PROCESS AND PROCEDURES

14.1 Procedures for raising a complaint

- 14.1.1 When an individual is of the opinion that a specific concerns falls within the scope of this Guideline and cannot be solved through CMC's existing internal written procedures / control systems, he or she can choose to make a report orally or in writing and submit it to CMC Whistleblowing Unit. If he or she decides to raise a matter orally, the respective employee will be requested to make a written statement subsequently. The example format of the report to be used by the whistleblower is provided in **Appendix A**.
- 14.1.2 In deciding whether or not an employee has acted reasonably, all circumstances will be taken into consideration but in particular;
- the identity of the person to whom the disclosure is made;
 - the seriousness of the relevant "wrongful activity" or "wrongdoing" and the impact to CMC Group, e.g. reputation and financial;
 - whether the "wrongful activity" or "wrongdoing" is continuing or is likely to occur in the future;
 - whether the disclosure is made in breach of a duty of confidentiality owed by the employer to any other person;

- any action the employee or other person might be reasonably be expected due to previous unfavourable disclosure; and
- whether the complaints rose has taken into consideration the existing internal controls.

- 14.1.3 The CMC Whistleblowing Unit is a confidential avenue which offers employees and others the possibility to report concerns in confidence without any party in CMC knowing about the complaint. CMC has CMC

Whistleblow Unit ("CMC WBU") to manage this function. CMC WBU is to handle these types of disclosures. (Refer to **Appendix B: CMC Whistleblowing Unit** for further details)

- 14.1.4 When the whistleblower choose to put in writing in the event he or she feels the issues or concerns are sufficiently serious, the whistleblower can either email their complaint letter to CMC Whistleblowing Unit at wb@cmc.com.my or mail the letter by marking "Private and Confidential" to the following address:

To : CMC Whistleblowing Unit,
c/o : CMC ENGINEERING SDN BHD (387302-W)
A6-3a Jalan Selaman 1/1,
Dataran Palma,
68000 Ampang,
Selangor Darul Ehsan,
MALAYSIA

- 14.1.5 The envelope and email will be opened by the CMC Whistleblowing Unit and the whistleblower will be responded in accordance with the respond timing as included in **Appendix G**, to confirm receipt of the complaint letter. The respond letter will be sent to the address as specified by the whistleblower in the complaint letter or, his or her email.

- 14.1.6 The whistleblower can also directly write to the Director of Corporate Affair at the following address when he or she has a reasonable belief that there is serious malpractice relating to any of the wrongful activities or wrongdoings specified in paragraph B8.1 and it will not adequately dealt with by reporting to the CMC Whistleblowing Unit;

To: Director of Corporate Affair,
CMC ENGINEERING SDN BHD (387302-W)
A6-3a Jalan Selaman 1/1,
Dataran Palma, 68000 Ampang,
Selangor Darul Ehsan, MALAYSIA

- 14.1.7 The whistleblowing reporting structure is provided in **Appendix C** and the roles and responsibilities are provided in **Appendix E**.

- 14.1.8 The whistleblower is encouraged to put his or her names to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified.

- 14.1.9 The whistleblower is encourage to disclose his or her particulars including, name, designation, current address and contact numbers to speed up the follow-up and investigation process.
- 14.1.10 The whistleblower should inform the CMC Whistleblowing Unit of all details of his or her concerns as reasonably possible, including other details deemed to be useful to facilitate screening and action to be carried out under paragraph B14.2 and B14.3, if required.
- 14.1.11 The whistleblower could refer to **Appendix A: Example Format of Report to Be Used by Whistleblower**, as a guideline prior to calling the CMC Whistleblowing Unit and, refer to **Appendix B: CMC Whistleblowing Unit** for further details.
- 14.1.12 The whistleblower may be asked to provide further clarifications and information from time to time, for example, if an investigation is conducted.
- 14.1.13 In respect of the whistleblower who reports a suspected violation in good faith and is not engaged in questionable conduct, CMC will attempt to keep its discussions and actions confidential to the greatest extent possible.
- 14.1.14 However, there may be circumstances where the whistleblower may be needed as a witness. Should this be the case, the Director of Corporate Affair will discuss the matter with the whistleblower at the earliest opportunity as specified in paragraph B12.1. In addition, in the course of investigation, CMC may need to share information with others on a "need to know" basis.

14.2 Screening

- 14.2.1 The CMC Whistleblowing Unit will screen and assess the whistleblower's disclosure to determine whether it is related to a wrongful activities or wrongdoings specified in paragraph B8.1 or excluded from the scope of the Whistleblowing Policy and Guideline.
- 14.2.2 Initial enquiries will be made via telephone communication or emails with the whistleblower to decide on how to deal with any concerns raised and determine whether further interview is required, and the form that it should take. Some concerns may be resolved without the need of an interview process.
- 14.2.3 If an interview is required, the CMC Whistleblowing Unit will meet with the whistleblower to obtain further information, clarification and documents which may be useful to support the alleged wrongdoings.
- 14.2.4 Upon completion of the initial enquiry and interview process, the complaints will be categorised to the following four (4) categories:

- Category A : Extreme rated cases
- Category B : High rated cases
- Category C : Medium rated cases
- Category D : Personal grievances cases

A brief description of each of the above categories is provided in **Appendix F: Complaints Categories Description.**

- 14.2.5 Upon completion of the screening process, the CMC Whistleblowing Unit will prepare a report for complaints under category A, B, C and D which will include general recommendations to the Director of Corporate Affair.
- 14.2.6 Following table shows the frequency of whistleblowing reporting to the Director of Corporate Affair:

Reporting	Contents
Monthly report	Category A rated cases
Quarterly report	Category A and B rated cases

- 14.2.7 In the event there is an urgent attention required due to the seriousness of the allegation i.e. for Category A types of complaints, the Director of Corporate Affair will be updated through verbal communication by the CMC Whistleblowing Unit to determine the appropriate action. The screening process will be completed on an urgent basis if the complaint on the alleged wrongful activities or wrongdoings is capable of causing harm to CMC Group's reputation or its financial position.
- 14.2.8 For complaints which are specified under paragraph B4.3 and not specified under paragraph B8.1 i.e. Category D types of complaints, a separate report stating the nature of complaints, name, current address and contact numbers, the personnel alleged and additional information as required will be provided to the Director of Corporate Affair for follow-up.

The individuals complaining under the Category D types of complaints will be advised by the CMC Whistleblowing Unit to refer their complaints to the Director of Corporate Affair.

- 14.2.9 If the whistleblower's disclosure implicates the Director of Corporate Affair and the CEO, the CMC Whistleblowing Unit will prepare a report which includes general recommendations for the BOD consideration. (Refer to **Appendix C: Whistleblowing Reporting Structure** for further details)

14.3 Preliminary Action

- 14.3.1 Following the recommendation of the Director of Corporate Affair and/or the CMC Whistleblowing Unit, the CEO, will make decisions including but not limited to any of the following:

- Rejection of the whistleblower's disclosure; or
- Directing investigation by the Director of Corporate Affair, CMC Whistleblowing Unit or any other outside party; or
- Suspending the alleged wrongdoer or any other implicated persons from work in accordance with the CMC Employee Handbook to facilitate any fact-finding or to avoid any whistleblower's exposure to a threat or harm; or
- Referral to the police or any other appropriate enforcement authority; or
- Referral to BOD for decision.

14.3.2 All decisions made by the CEO and reasons of action thereof shall be properly documented.

14.3.3 If the case is referred to the BOD for decision, the BOD, together with the general recommendations made by the CEO, will make decisions including but not limited to any of the following:

- Directing investigation by the Director of Corporate Affair, CMC Whistleblowing Unit or any other outside party; or
- Suspending the alleged wrongdoer or any other implicated persons from work in accordance with the CMC Employee Handbook to facilitate any fact-finding or to avoid any whistleblower's exposure to a threat or harm, or
- Referral to the police or any other appropriate enforcement authority.

14.3.4 All decisions made by the BOD and reasons of action thereof shall be minuted in the minutes of meetings of the BOD.

14.3.5 Subject to legal constraints, the whistleblower will be notified of the status of his or her whistleblower's disclosure based on the preliminary action taken by the CEO and/or the BOD as far as reasonably practicable, in good time.

14.3.6 The status will be updated by the CMC Whistleblowing Unit upon approval from the Director of Corporate Affair.

14.3.7 The alleged wrongdoer will also be informed of the allegations and given an opportunity to answer the allegations at the upcoming investigation or appeal his or her case. The rights of person are specified under **Paragraph B15 – Rights of Person Implicated.**

14.4 Investigation

14.4.1 The investigation would be carried out under the terms of strict confidentiality, by not informing the subject of the whistleblower's disclosure complaint until (or if) it becomes necessary to do so.

- 14.4.2 The whistleblower and the alleged wrongdoer are expected to give his or her full cooperation in any investigation or any other process carried out pursuant to this Guideline and/or the Disciplinary Action of the CMC TMD Policy & Procedures. The amount of contact between the whistleblower, the alleged wrongdoer and the investigating party will depend on the nature of the issue and the clarity of the information provided. Further information may be sought from or provided to whistleblower and the alleged wrongdoer.
- 14.4.3 The investigation will be carried out internally and/or by outside party and the directive of the investigation could be from the CEO and/or the BOD.
- 14.4.4 As far as possible, all investigations will be completed within 30 working days. However, complex investigation that requires longer period will be notified to the CEO and/or to the BOD by the Director of Corporate Affair.
- 14.4.5 In the event the whistleblower is implicated or discovered to be or have been involved in any wrongful activities or wrongdoing, he or she may also be investigated so as to complete the fact-finding process in accordance with this Guideline and/or the Disciplinary Action of CMC TMD Policy & Procedures.
- 14.4.6 If the alleged wrongdoer or any other implicated persons has/have, or is/are found to have:
- committed a wrongdoing; or
 - taken serious risks which would likely cause a wrongdoing to be committed,
- based on the investigation directed by the CEO or the BOD, the action to be taken against that alleged wrongdoer or any other implicated persons will be subjected to Disciplinary Action by CMC in accordance with the CMC Employee Handbook, which may include formal warning or reprimand, demotion, suspension or termination of employment or services with CMC Group.
- 14.4.7 The BOD, with the recommendation from the CEO, will have the final decision on the appropriate measures to be taken including, on whether to pursue any legal actions against alleged wrongdoer or any other implicated persons. The CEO will seek guidance from the BOD when considered necessary.
- 14.4.8 In circumstances where immediate decision is required, the CEO, with the recommendation of the Director of Corporate Affair, will make the decision on the appropriate measures to be taken, on whether to pursue any legal actions against alleged wrongdoer or any other implicated persons. The report will be presented subsequently to the BOD for approval and final decision.

- 14.4.9 In the event the implicated personnel is the CEO or the Director of Corporate Affair, the BOD, based on the investigation report, will have the final decision on the appropriate measures to be taken including, on whether to pursue any legal actions against alleged wrongdoer or any other implicated persons.
- 14.4.10 All decisions made by the BOD and reasons of action thereof shall be minuted in the minutes of meetings of the BOD.

14.5 Reporting of outcome

- 14.5.1 Subject to any legal constraint, the whistleblower and, if applicable, the alleged wrongdoer will be notified in writing of the decision of the BOD with the recommendation from the CEO, on whether any wrongful activities or wrongdoings specified under paragraph B8.1 have occurred or not and the alleged wrongdoer is guilty or not, in good time, and the basis thereof.
- 14.5.2 The notification letter would be signed by the CEO of CMC Group.
- 14.5.3 If the whistleblower is unhappy / dissatisfied with the outcome of the investigation, the whistleblower may submit another detailed report explaining why this is the case and the whistleblower's concern will be investigated again if there is good reason to do so.
- 14.5.4 Based on the monthly and quarterly report from the CMC Whistleblowing Unit stating the number and nature of complaints received the results thereof, follow up action and the unresolved complaints to the Director of Corporate Affair, the Director of Corporate Affair will provide a report to the CEO.
- 14.5.5 Board Executive Summary Report will be provided to the BOD on a quarterly reporting basis.

The procedures listed above in Paragraph B14 have been briefly summarised in a procedures flowchart for whistleblowing and provided in **Appendix D**: The reporting process and respond timing have been indicated in **Appendices C and G** respectively.

15 RIGHTS OF PERSONS IMPLICATED

- 15.1 CMC Group employees or other persons who are implicated of wrong doings/ alleged wrongdoers will be notified in good time of the allegation made against them provided that this notification does not impede the progress of the procedures for establishing the circumstances of the case.
- 15.2 All alleged wrongdoers will be given the opportunity to put forward their comments during the investigation in keeping with the principle respect for the "right to have a fair hearing", as interpreted by the law.

- 15.3 All alleged wrongdoers have the duty to attend and assist the investigation process.

16 EXTERNAL DISCLOSURE

- 16.1 If the procedures under the Whistleblowing Policy and Guideline have been exhausted, or the whistleblower is still not satisfied with the CMC's response and reasonably believes that the information disclosed, and any allegation contained in it, are substantially true, he or she is at liberty to take the matter further by raising it with the relevant governmental, regulatory authorities and enforcement agencies in Malaysia or in the country concerned. External disclosure may further be made in case of an important and urgent public interest or required by the law.
- 16.2 Whilst the whistleblower(s) is (are) able to report issues externally, the whistleblower must be aware that there is a difference between reporting internally through the CMC Whistleblowing Unit or to the Director of Corporate Affairs, and externally. To report internally, the whistleblower must be suspicious that there is malpractice whereas to report externally, the whistleblower must have reasonable belief that malpractice has or is taking place and some evidence to support the report and, he or she believes that the framework will not adequately deal with the matter. External disclosures must be made in good faith, in the belief that allegations are substantially true and there should be no motive for personal gain.
- 16.3 The instrument of external reporting should in reasonable opinion of the whistleblower be in balance with the relevant matter and there should not be a less potentially damaging option available.
- 16.4 The whistleblower should minimise the possible impact of his or her actions to CMC Group and to the people involved. The external party one considers disclosing information to, should be a party which will be able to effectively organise action against the alleged contravention.
- 16.5 An employee who makes an external complaint in good faith to any the relevant governmental, regulatory authorities and enforcement agencies in Malaysia or in the country concerned after exhausting CMC Group existing internal procedure will be protected against victimisation or other adverse treatment.

17 TIME LIMITS AND RETENTION OF RECORDS

- 17.1 Time limits should be allocated for each stage of the procedure. If the time limits pass without any satisfactory action being taken, the concerns should be raised at the next level. (Please refer **Appendix G: Respond Timing** for further details)

- 17.2 The TMD will retain for a minimum period of **seven (7)** years all records relating to any whistleblower case(s) and its related investigation report, if any.
- 17.3 All records will be maintained in good condition to protect evidence and avoid legal repercussions at dedicated place as allocated by the Talent Management (TMD) Department.
- 17.4 All records will be treated as confidential and only dedicated staff as assigned by the Director of Corporate Affair will have the accessibility of the records.

18 PRIVACY

- 18.1 CMC is committed to protect the privacy of the persons involved to the fullest extent possible and in accordance with applicable laws. Any personal data obtained through or as part of this Guideline, will only be used for the purposes explained in this Guideline and will only be provided to those who have a need to know these data for these purposes or to comply with the law or an important public interest.

**APPENDIX A:
EXAMPLE FORMAT OF REPORT TO BE USED BY WHISTLEBLOWER**

No.	Questionnaires	Remark
1.	General	
a)	Do you wish to remain anonymous within CMC	: Yes / No
2.	Personal information	
a)	Your name	:
b)	Your preferred phone number	:
c)	Your preferred e-mail address	:
d)	Best time and method for communication with you	: Time: Method: Phone / E-mail /Physical
3.	Report of contravention	
a)	What is the concern you want to report / nature of the wrong doing?	:
b)	Do you have a serious suspicion or are you sure?	: Serious suspicion / I am sure
c)	Date of the wrongdoing occur or may occur	:
d)	Where did it occur / time and place of its occurrence?	:
e)	Who are, in your opinion, the persons involved / the identity of the alleged wrongdoer?	:
f)	What is, in your opinion, the potential damage (financially or otherwise) to CMC or other interested parties?	:
g)	Do you think it will happen again?	: Yes, when and why / No, why

4. Personal action

- a) How did you become aware of the situation? :
- b) Do you know of any other person(s) who are aware of the situation, not being personally involved? : Yes / No
- c) Do you have any evidence, which can be handed over e.g. documentary evidence? : Yes / No

5. Additional information :

Date:

Signature:

APPENDIX B: CMC WHISTLEBLOWING UNIT

The particular of the CMC Whistleblowing Unit is as follows:

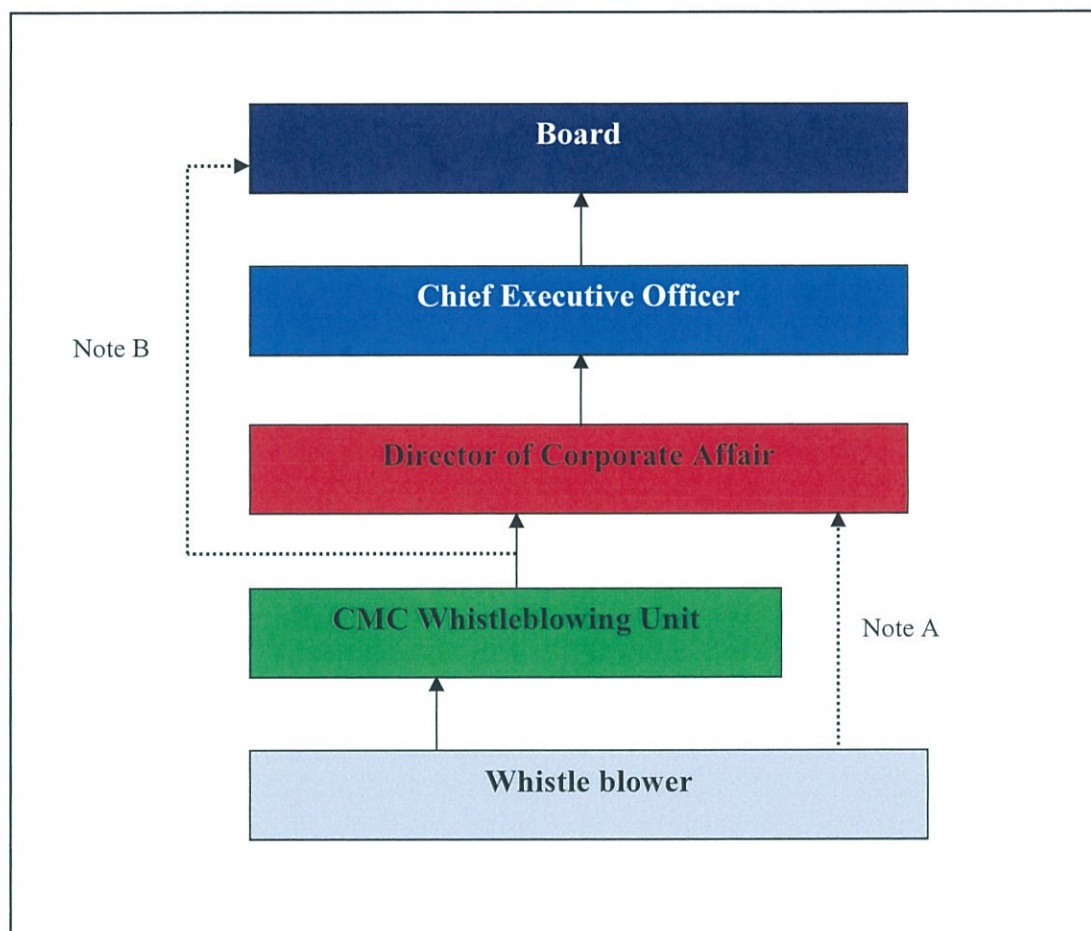
Operating Hours : 9.00 a.m. to 5.00 p.m. on Monday to Friday
(excluding public holidays)

Preparation required prior making disclosure : To accomplish an effective disclosure you are expected to prepare information as specified in the Appendix **A: Example Format Of Report To Be Used By Whistleblower**, prior to lodging your disclosure to whistleblowing unit.

ID number : A unique ID number will be allocated for each case of quality disclosure / wrongdoing.

Kindly retain and refer to the ID number for future correspondence with the CMC Whistleblowing Unit officer.

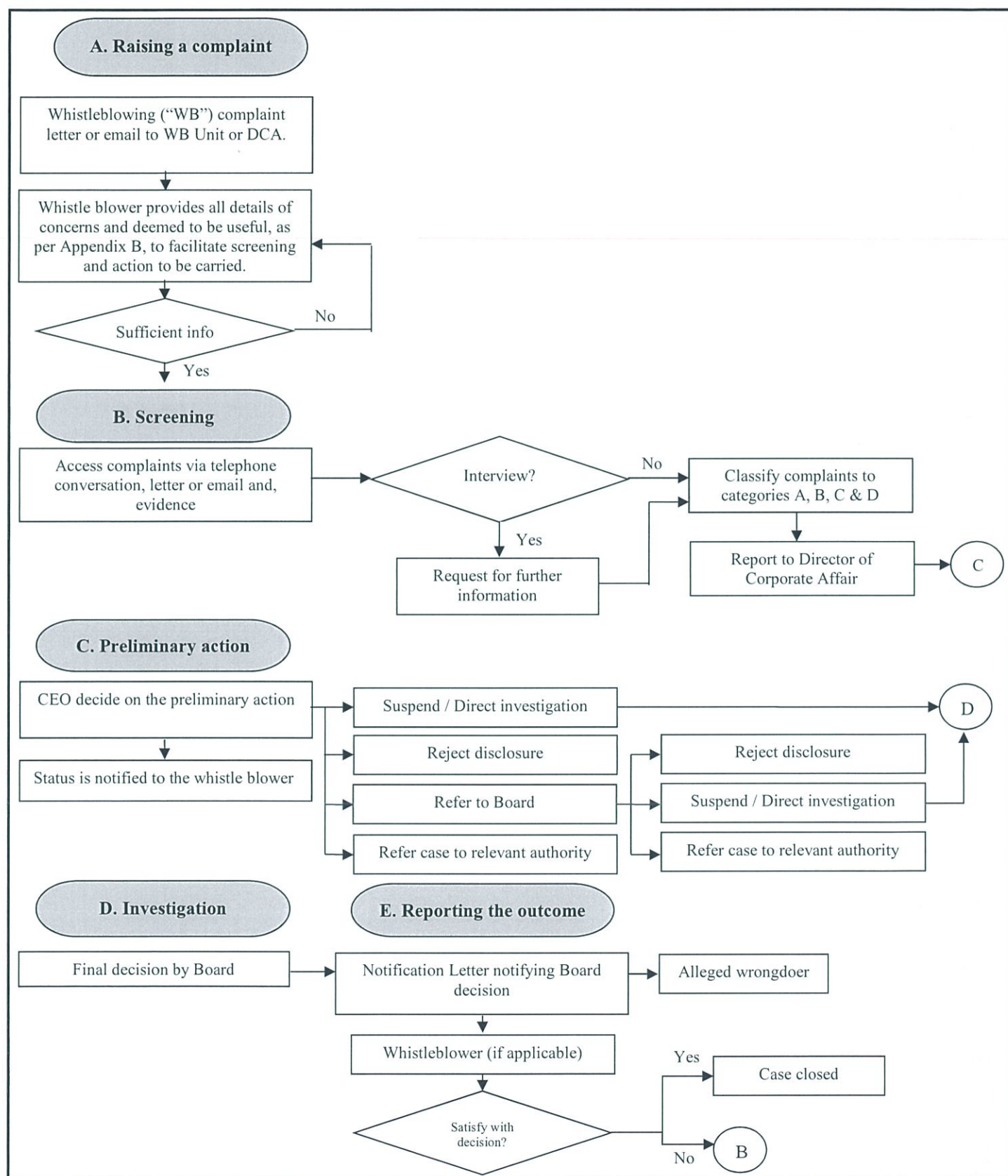
APPENDIX C: WHISTLEBLOWING REPORTING STRUCTURE



Note A : The whistleblower can also directly write to the Director of Corporate Affair when he or she has a reasonable belief that there is serious malpractice relating to any of the wrongful activities or wrongdoings specified in paragraph B8.1 and it will not adequately dealt with by reporting to the CMC Whistleblowing Unit.

Note B : If the whistleblower's disclosure implicates the Director of Corporate Affair and the CEO, the CMC Whistleblowing Unit will report directly to the BOD.

APPENDIX D: REPORTING PROCESS AND PROCEDURES FLOWCHART FOR WHISTLEBLOWING



APPENDIX E: ROLE AND RESPONSIBILITIES

Role	Responsibilities
BOD	<ul style="list-style-type: none"> ▪ Issue policy and communicating the requirements of the policy; ▪ Maintain oversight of any major issue arising from the policy and or other enquires into the conduct of this guideline; ▪ Final decision on the investigation matters. <p><i>(The BOD may delegate some of the above responsibilities to any BOD committees as deemed appropriate).</i></p>
CEO	<ul style="list-style-type: none"> ▪ Monitor implementation of the policy and guideline; ▪ Review preliminary reports and establish whether there are any grounds for further action; ▪ For issues that require immediate attention, make decision on the corrective or remedial actions, or (as the case may be) disciplinary actions or to pursue any legal actions, to be taken; when required; ▪ Initiate investigations when required; ▪ Review and report to the BOD the results of the investigations and recommendations for corrective or remedial actions, or (as the case may be) disciplinary actions or to pursue any legal actions, to be taken; and ▪ Timely submission of Board Executive Summary reports on a quarterly basis to the BOD.
Director of Corporate Affair (DCA)	<ul style="list-style-type: none"> ▪ Administer, implement and oversee ongoing compliance with this policy and guideline; ▪ Assist the CEO and/or BOD, in investigative work, if directed by the CEO and/or BOD; ▪ Be accessible to persons who wish to discuss any matter raised in or in connection with a report; ▪ Work with the relevant personnel towards ensuring that all efforts are taken to protect the whistleblower(s) and persons who participate (or who intend to participate) in the investigation arising from a report from reprisal;

APPENDIX E: ROLE AND RESPONSIBILITIES (cont'd)

Role	Responsibilities
Director of Corporate Affair (DCA) (cont'd)	<ul style="list-style-type: none"> ▪ Ensure that the corrective or remedial actions recommended by the CEO and/or BOD are promptly executed; ▪ Ensure that documents in regards with whistleblower complaints and investigation reports are maintained confidential in a safe, secure and proper manner; ▪ Timely submission of a quarterly report to the CEO stating the number and nature of complaints received the results thereof, follow up action and the unresolved complaints; ▪ Review and update on the policy and guideline, where required; ▪ Maintain awareness on the latest development and trends of whistleblowing policy and guidelines; and ▪ Provide continuous education process.
CMC Whistleblowing Unit	<ul style="list-style-type: none"> ▪ Managing the telephone hotline based on the prescribed hours; ▪ Promptly receive, record (if the disclosure is made orally), and refer to the Director of Corporate Affair, a report and any matter arising there from or in connection therewith; ▪ Ensure that documents related to reports are retained in a safe, secure and proper manner; ▪ Attend, in confidence, to inquiries about this policy and provide informal advice to persons who are considering making a disclosure under this policy; and ▪ Timely submission of monthly and quarterly whistleblowing report on the activities of the CMC Whistleblowing Unit.
Whistleblower	<ul style="list-style-type: none"> ▪ The make a report orally or in writing and submit it to the CMC Whistleblowing Unit or Director of Corporate Affair, if necessary; ▪ To assist in the information / evidence gathering stage; ▪ To assist in the investigation /domestic inquiry stage if required; and ▪ To appear as a witness if required.

APPENDIX F: COMPLAINTS CATEGORIES DESCRIPTION

Category	Complaints rating	Description
A	Extreme	<ul style="list-style-type: none"> ▪ The complaints if not addressed immediately, could result in (but not limited to): <ul style="list-style-type: none"> – material financial losses to CMC Group; – negative public image that could disrupt the business operations for a long period of time or result in long term / permanent damage to the business reputation; – adverse local and/or international media coverage; – closure of business operations; – adverse impact to the share price (upon listing); and – issues could result in serious reprimand and/or material penalty from authority. ▪ Sustained significant adverse impact that would require <u>hard work</u> from Management to manage the issue. ▪ Complaints against the Board members, CEO and/or respective Head of Divisions / Departments.
B	High	<ul style="list-style-type: none"> ▪ The complaints if not addressed within the reasonable period of time, could result in (but not limited to): <ul style="list-style-type: none"> – material financial losses to individual Company within CMC Group; – negative public image that could disrupt the business operations for a certain period of time or result in temporary damage to the business's reputation; – negative local media coverage; – temporary closure of business operations; and – issues could result in issuances of warning letters from the authority. ▪ Sustained negative impact that would require <u>some work / planning</u> from Management to manage the issue. ▪ The issue is ongoing.

APPENDIX E: COMPLAINTS CATEGORIES DESCRIPTION (cont'd)

Category	Complaints rating	Descriptions
C	Medium	<ul style="list-style-type: none"> ▪ The complaints if not addressed within the reasonable period of time, could result in (but not limited to): <ul style="list-style-type: none"> – minimal financial losses; – unfavourable information that could disrupt the business routine; – intra-industry knowledge; and – issues could result in issuances of verbal warning from the authority. ▪ Impact can be absorbed / managed with <u>minimum management effort</u>. ▪ Issues can be resolved without the need to have an investigation.
D	Personal grievances	<ul style="list-style-type: none"> ▪ Personal grievances concerning an individual's terms and conditions of employment, or other aspects of the working relationship, complaints of bullying, or disciplinary matters. ▪ The complainant will be advised to direct the abovementioned issues to Talent Management Department (TMD).

The above list is not conclusive and may require the CMC Whistleblowing Unit together with the Director of Corporate Affair to exercise judgement to decide on the seriousness of the complaints.

APPENDIX F: RESPOND TIMING

Reporting process and procedures		Respond timing		
		Category A	Category B	Category C
A	Raising a complaint			
	Acknowledgement of receipt of complaint via letter or email	Within 2 working days	Within 3 working days	Within 3 working days
B	Screening	Completed within 10 working days after completion of process A	Completed within 15 working days after completion of process A	Completed within 20 working days after completion of process A
C	Preliminary action	Decision made by the CEO within 5 working days after completion of process B	Decision made by the CEO within 5 working days after completion of process B	Decision made by the CEO within 10 working days after completion of process B
	Status update to the whistleblower	Within 5 working days after decision made by the CEO	Within 5 working days after decision made by the CEO	Within 5 working days after decision made by the CEO
D	Investigation	Completed within 1 month after completion of process C. However, complex investigation that requires longer period will be notified to the CEO and/or the BOD	Completed within 1 month after completion of process C. However, complex investigation that requires longer period will be notified to the CEO and/or the BOD	Completed within 1 month after completion of process C. However, complex investigation that requires longer period will be notified to the CEO and/or the BOD

The above respond timing is an estimate and may change depending on the severity of the individual cases.

Category D will be dealt by the Director of Corporate Affair / Talent Management Department.