



Sunway Construction Group Berhad

WHISTLEBLOWING POLICY & PROCEDURES

Approved by the Board
7 August 2015

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1. PURPOSE

In line with good corporate governance practices, the Management and Board of Directors of Sunway Construction Group Berhad (hereafter referred to as 'the Group' or 'SCG') encourage all employees and stakeholders of the Group ("Reporting Individuals") to report suspected inappropriate behavior or misconduct relating to **fraud, corrupt practices and/or abuses** involving the Group's resources.

The objective of this policy and procedure is to provide a mechanism for all level of employees and stakeholders of the Group to report concerns about any suspected wrongdoing, inappropriate behavior or misconduct relating to fraud, corrupt practices and/or abuse on a timely basis for management action.

This whistleblowing procedure is intended to be used as an ultimate remedy, if no other means are available to address the matter. For SCG employees, if you wish to raise a specific concern, you are encouraged to try to solve the matter through existing procedures and discuss the matter first with your line supervisor(s) or head of department or Profit Center Manager before using the whistleblowing procedure.

2. SCOPE

The type of wrongdoing, inappropriate behavior of misconducts specifically covered under this policy are fraud, corrupt practices and abuse (as defined in Section 3 below).

The fraudulent conduct defined in Section 3 below is considered to apply equally to staff, members of management, suppliers, customers, subsidiaries, associates and any other individuals or organizations who have dealings with the Group.

3. DEFINITIONS

- a) **Fraud** is generally defined as "any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain".

In the context of SCG, fraud is also defined to include :-

- Any action deliberately designed to cause loss to the Group, or to obtain any unauthorized benefit, whether or not this is received personally or by others;
- **Occupational Fraud / Misappropriation of Assets** - ie use of one's occupation for personal enrichment through the deliberate misuse or misappropriation of the Group's resources or assets and/or the act of making false representations of material facts whether by words or conduct, by concealing information, or by making misleading statements in order to obtain some benefit or payment that would otherwise not exist;
- **Fraudulent Financial Reporting** – ie intentional manipulation of financial statements, intentional misstatements and false disclosure of financial information; and
- Any other acts committed knowingly, willfully and intentionally which violates the Group's employment terms and conditions either for the person's own benefit, or for the benefit of some other party.

- b) **Corrupt practices** are operationally defined as the misuse of entrusted power for private gain.

- c) **Abuse** consists of any other practices that cause unnecessary losses or costs to a company. Abuse may be similar to fraud, except that it is not possible to prove that abuse was performed knowingly, willfully and intentionally.
- d) **Whistleblower**
A whistleblower is a person or entity making a protected disclosure on wrongdoing or inappropriate behavior of misconducts. Whistleblowers may be SCG employees, vendors, contractors or the general public. The whistleblower's role is as a reporting party. They are not investigators or finders of fact, nor do they determine the appropriate corrective or remedial action that may be warranted.

4. RESPONSIBILITIES

4.1 Overall Responsibilities

The Chairman of the Audit Committee and the Head of Group Internal Audit Department shall be responsible for the administration and compliance with this policy and procedures.

4.2 Interpretations

The Chairman of the Audit Committee and the Head of Group Internal Audit Department, in consultation with relevant parties, if required, shall be responsible to provide clarity to this policy and procedures in the event of ambiguity.

4.3 Exceptions

Any exception, waiver or deviation from the requirements of this policy and procedures requires the approval of the Chairman of the Audit Committee and the Head of Group Internal Audit Department.

4.4 Other responsibilities

As per respective procedures set out below.

5. POLICY & PROCEDURES

5.1 Anonymity & Confidentiality

- (i) The Group recognizes that the provision of anonymity to any individual/employee who willingly comes forward to report a suspicion of fraud is a key to encouraging such reporting.
- (ii) However, to prevent false malicious reporting, poison letters and abuse of the reporting channel, all reporting individuals ("whistleblower") must identify themselves and provide contact information in their reports which will be useful for the following purposes :-
- To enable the independent investigation panel to verify each report and to obtain further information, if required;
 - To facilitate any further investigations by auditors or the authorities where the identity of the informer is required by law; and
 - To facilitate the communication of results of investigation to the whistleblower.
- (iii) The Group will treat all reports and information provided as sensitive and will only reveal them on a "need to know" basis for the purposes of investigating the reports.
- (iv) The Chairman of the Audit Committee will have the ultimate discretion whether to reveal the identity of the "whistleblower". In the event that the identity is necessary to be revealed, permission from the "whistleblower" would be obtained before the information is released.
- (v) The same shall apply if the "whistleblower" is not an employee of the Group.

5.2 Assurance against reprisal and/or retaliation

- (i) The reporting individual shall be **protected against reprisals and/or retaliation** from his/her immediate supervisor or head of department/division as a result of the report.
- (ii) The reporting individual will be subject to the provisions under the Whistleblower Protection Act 2010.
- (iii) In addition, the Group provides assurance that **no disciplinary action can be taken** against the reporting individual as long as he/she does not provide false information in the report “**purposely, knowingly or recklessly**” (i.e. if the report is made with **malicious** intentions).
- (iv) Making a false report would result in consequences for the employee and he/she may be held liable for damages by anyone who has been affected by false report.

5.3 Procedure for reporting fraud, corrupt practices and/or abuse

- (i) The following person and channels will be the point of contact for reporting any concern:

a) Whistleblowing hotlines

- i. Direct line: **+603 5639 8025**
- ii. E-mail: whistleblowing@sunway.com.my
- iii. Fax: **+603 5639 8027**

Faxes and email to these channels will be directed to:

- Head of SCG Group Internal Audit Department
- The Chairman of Audit Committee, Dato’ Siow Kim Lun

b) Contact details

Contact person	Contact details
Ms Celia Lee Kat Li Head of SCG Group Internal Audit Department	Level 4.2, Menara Sunway Jalan Lagoon Timur, Bandar Sunway 46150 Petaling Jaya, Selangor Darul Ehsan. Office Phone : +603 5639 8301 E-mail: celial@sunway.com.my

- (ii) If the reporting individual is unsure of the type of evidence needed for the GIAD to begin an investigation, the employee is encouraged to make use of the “**Whistleblowing Report Form**” provided in the **Appendix** of this document.

A copy of the form can also be downloaded from the Company’s portal under the **Governance Portal**. The employee may wish to send this form via local postal service if he/she wishes to remain anonymous.

This form will aid the reporting individual in providing adequate information to GIAD so that they can begin investigations.

Reporting directly helps GIAD to compile the evidence necessary to validate the claim and to identify the nature of fraud, waste and/or abuse. Reporting directly also helps GIAD to recommend measures to prevent it from recurring and to improve the controls.

- (iii) If the reporting individual prefers to remain anonymous, the employee may call the Head of GIAD, approximately 15 days after the initial report.

5.4 Procedure for handling Whistleblowing Reports

- (i) The Head of GIAD will maintain a record of the complaints and will track their receipt, investigation and resolution.
- (ii) The Head of GIAD will review each claim and pursue it to the extent that the information received allows, and based on the evidence that is available. GIAD will then begin preliminary investigations to establish whether the claim has merit and can be substantiated.
- (iii) GIAD will investigate each claim independently based on standard GIAD practices and fraud response procedures. Upon completion of each investigation, GIAD will prepare a report to the Chairman of the Audit Committee for further action.
- (iv) On a quarterly basis, the Head of GIAD shall prepare a summary report and present it to the Audit Committee.

6. APPLICABLE REFERENCES

“Managing The Business Risk of Fraud : A Practical Guide” sponsored by the Institute of Internal Auditors (IIA), The American Institute of Certified Public Accountants (AICPA) and Association of Certified Fraud Examiners (ACFE).

APPENDIX**Whistleblowing Report Form**

Type or complete in ink and send this form to:

Head of SCG Group Internal Audit Department
Level 4.2, Menara Sunway
Jalan Lagoon Timur, Bandar Sunway
46150 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Whistle Blowing Hotline : +603 5639 8025
E-mail : whistleblowing@sunway.com.my

1. Name of the person(s) you are reporting

2. Name of the division/department in which that person works.

3. Please provide a summary of the alleged fraud, corrupt practices and/or abuse that you are reporting. Briefly describe the misconduct/ improper activity and how you know about it. Specify what, who, when, where and how. If there is more than 1 allegation, number each allegation and use as many pages as necessary.

4. Please attach a separate narrative if necessary, as well as documentation to support your claim. Please note that you should not attempt to obtain evidence for which you do not have an access right since whistleblowers are “reporting parties” and not “investigators”.

5. Please provide the contacts of the witnesses, if any, and/or the best way to get in touch with them.

Witness

Name: _____

Phone: _____

E-mail: _____

Witness

Name: _____

Phone: _____

E-mail: _____

(Please add to the list if there are more witnesses)

Any additional information concerning these witnesses:

6. If possible, please provide dates (month, day, year) that the alleged activity occurred.

7. Please explain why you believe the person you are reporting has committed these acts knowingly, willingly and intentionally.

8. We would like to know how the alleged activities came to your attention (if you have not already done so in the summary); however, the disclosure of this information is optional.

9. Please provide any other details or information which could help us in the investigation.

Reporter's contact information

Name: _____ (See Note)

Phone: _____

E-mail: _____

*Note***It is necessary to provide your name and contact number so that we can contact you for additional information of the reported concern.*