

Sime Darby Berhad

**Whistleblowing Charter &
Framework**

JANUARY 2019

1 WHISTLEBLOWING CHARTER

1.1 Purpose

- 1.1.1 The Whistleblowing Channels as set out in GPA B5, seeks to enhance corporate governance by helping to foster an environment where integrity and ethical behavior is maintained and any illegality, improper conduct and/or wrongdoings (collectively referred to as wrongdoing) in the Group may be exposed.
- 1.1.2 The Whistleblowing Channels may also act as an early warning system. In addition, it is critical that lessons learnt through Whistleblowing cases surface systemic weaknesses within the Group, and this enables the Group to take corrective actions before serious damage is caused.
- 1.1.3 The purpose of the Whistleblowing Channels are to provide a formal, confidential channel to enable Employees and external parties to report in good faith, serious concerns of any Wrongdoing that could adversely impact the Group or any of its subsidiaries, its Employees, shareholders, investors, or the public at large without fear of being subject to Retaliation (as defined in GPA B5).

1.2 Oversight and Ownership of Policy

- 1.2.1 The Senior Independent Director ("SID") has overall responsibility and shall oversee the implementation of this Whistleblowing Charter & Framework ("WCF").
- 1.2.2 The SID has delegated day to day responsibility for the administration and implementation of this WCF to the Head – Group Compliance & Integrity ("GCI"). The use and effectiveness of the WCF shall be regularly monitored and reviewed by Head –GCI.

2 WHISTLEBLOWING FRAMEWORK

2.1 Log of Reports of Wrongdoing

- 2.1.1 All Whistleblowing complaints, findings of investigations and monitoring and corrective actions shall be centralized and logged by Head – GCI. The Head-GCI shall assign a designated Whistleblowing Administrator (“WBA”) in GCI to manage the log. The SID shall be informed of any new Whistleblowing complaints on a case to case basis.
- 2.1.2 The Group Chief Executive Officer (“GCEO”) and the Divisional Managing Directors (“DMD”) shall be kept informed of any Whistleblowing complaints reported where the GCEO and DMD are not implicated so that any interim corrective measure (if applicable) regarding the wrongdoing can be taken immediately.
- 2.1.3 The identity of the Whistleblower shall be redacted to the extent possible.
- 2.1.4 All anonymous disclosures (i.e.: anonymous letters / “surat layang”) received via Management must be escalated to the GCI Whistleblowing Unit expediently.

2.2 Investigation Procedures

- 2.2.1 Upon logging a report of wrongdoing, the WBA will provide the Whistleblower an acknowledgement of receipt of the report of the wrongdoing within two (2) working days of receipt.
- 2.2.2 Subsequently, the Head – GCI in consultation with the SID, shall provide relevant directions in relation to the conduct of investigation as set out in Para 3 below.

2.3 Conduct of Investigation

- 2.3.1 A preliminary assessment of every complaint shall be undertaken based on the following:-
- in the event that the preliminary assessment clearly indicates that there are no circumstances that warrant any investigation, the case shall be closed;
 - in the event that it is purely an enquiry that raises no elements of complaints, the case shall be redirected to the relevant department for further response;
 - in the event that preliminary assessment indicates that it is a complaint relating to product and services, it shall be directed to line manager for resolution;
 - in the event that preliminary assessment indicates that it is a complaint alleging wrongdoing/misconduct/grievances that does not require the involvement of a full investigation by Group Corporate Assurance Department (“GCAD”) or Human Resource (“HR”), it shall be directed to line management for checking/resolution;

- in the event that preliminary assessment indicates a serious wrongdoing/misconduct, and/or where there are reasonable suspicion that line management is implicated/involved/cannot be entrusted with the investigation, it shall be directed to GCAD for investigation; or
 - in the event that preliminary assessment indicates that it is a grievance complaint, it shall be directed to HR for resolution.
- 2.3.2 In the event that any of the above circumstances give rise to conflict of interest, other independent party may be considered to undertake the conduct of investigation.
- 2.3.3 In cases where the preliminary findings discloses a possible criminal offence:-
- the Head – GCI in consultation with the SID shall decide if the matter should be referred to the relevant authorities, such as the police or the Malaysia Anti-Corruption Commission (“MACC”) for further action, depending on the nature, the seriousness and the implication of each case; or
 - be subjected to any other course of action that the SID deems fit having regard to the circumstances of the matter reported and the fairness of the conduct of any investigation.
- 2.3.4 If the matter is closed, the WBA will inform the Whistleblower that the matter is closed.
- 2.3.5 If the matter is to be referred to the authorities, subject to any legal requirements or prohibitions, the WBA will inform the Whistleblower that the matter has been referred to the authorities.
- 2.3.6 Please refer to the flowchart in Appendix A for an overview with regards to the conduct of investigation outlined in Section 2.

2.4 Period of Investigation

- 2.4.1 In the event a full investigation is to be conducted, the investigator shall endeavor to complete such investigation within three (3) months.
- 2.4.2 In carrying out the Whistleblowing management responsibilities effectively, the Head – GCI shall have access to all parties undertaking the conduct of the investigation and shall be empowered to monitor and expedite aged cases with the investigators.
- 2.4.3 The Head – GCI shall have full access to members of Management and staff to follow up on required information and explanations as may be necessary. The Head- GCI shall also have full and unrestricted access to the GCEO, Chairman of the Board, SID, GAC members and if necessary, the Board members.
- 2.4.4 All information, documents, records and reports relating to the investigation of a wrongdoing shall be kept securely to ensure confidentiality.

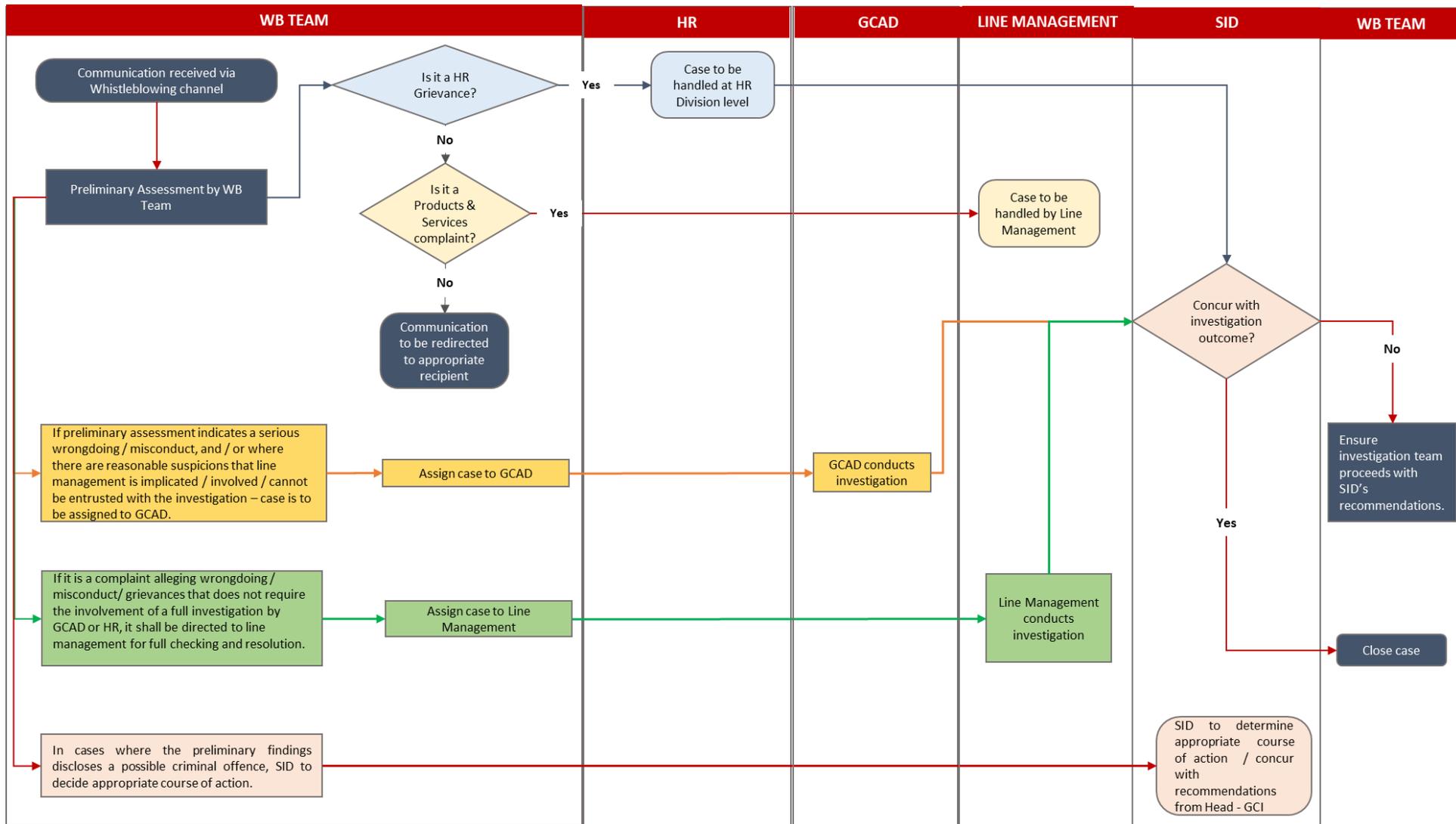
2.5 Findings of Investigation

- 2.5.1 Upon the conclusion of an investigation, the investigation report shall be reviewed by the Head – GCI.
- 2.5.2 The Head – GCI shall monitor the corrective actions to be taken to mitigate the risks of such wrongdoing recurring. If systemic weaknesses were identified, the Head – GCI shall monitor the rectification measures to strengthen the systemic processes within the Group. Where appropriate, the Head – GCI may recommend behavioral training based on the Group’s COBC to share lessons learned and promulgate confidence of the Whistleblowing Channels. Regardless of the outcome of investigation, the Management shall carry out the decision in relation to the findings of the investigation. Where applicable, the Management shall institute the appropriate controls to prevent any further wrongdoings or damage to the Group.
- 2.5.3 A final report together with the corrective actions undertaken by Management (if any) shall be presented to the SID.

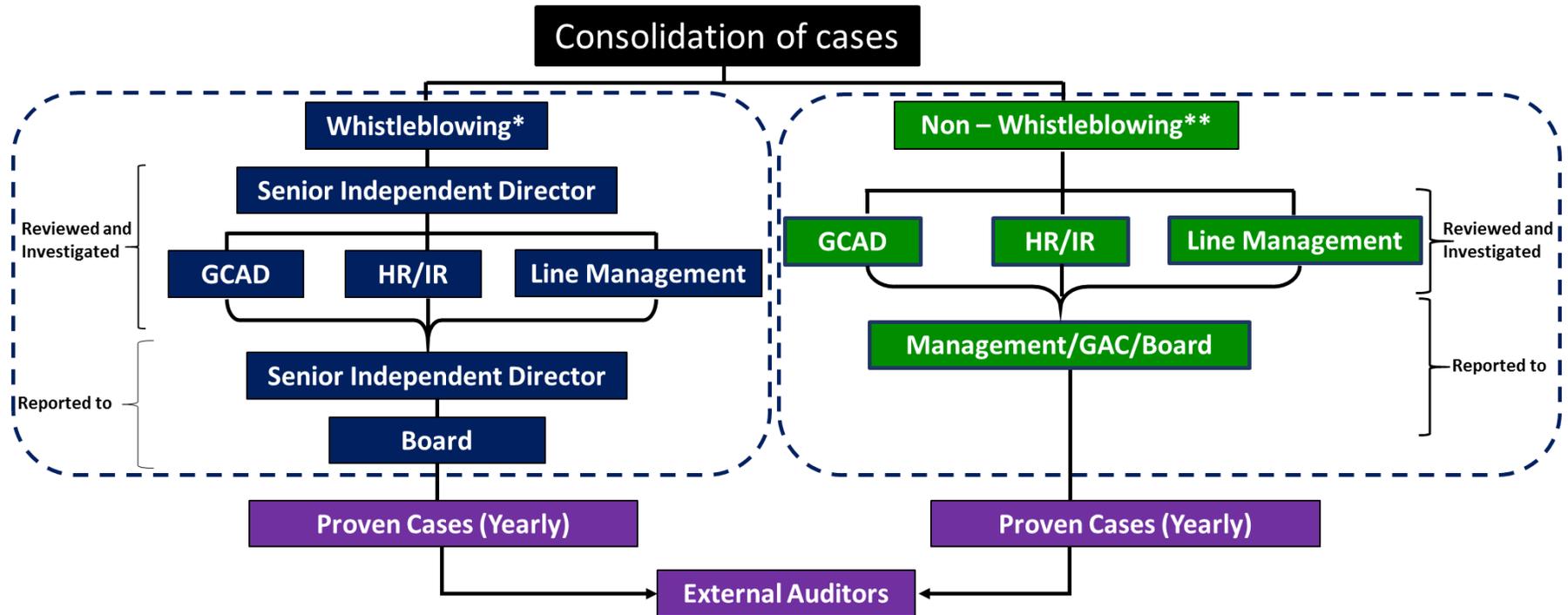
2.6 Decision and Reporting

- 2.6.1 The SID shall review the final report before deciding to concur in closing each case.
- 2.6.2 The Head- GCI or WBA will inform the Whistleblower that the investigation has been completed. As the findings are confidential, the details of the findings will not be disclosed to the Whistleblower.
- 2.6.3 Salient observation of Whistleblowing cases together with the trending, shall be presented by the SID to the Board half yearly.
- 2.6.4 Proven cases shall be furnished to external auditors yearly, as requested during external audit. Please refer to the reporting procedure in Appendix A.

Appendix A



Appendix B



*Whistleblowing : complaints received via the WB channel

**Non-Whistleblowing : complaints received outside of WB channel i.e. investigations arising from request by Management, Board or spin-off from routine audits.