



# WHISTLEBLOWING POLICY

MACC/WB-plcy/2020/V2



**Luxchem Corporation Berhad**

6, Jalan SS21/58, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan

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## 1. INTRODUCTION

The whistleblowing policy is developed with a clear direction to support Luxchem Group's mission: A responsible and excellent business enterprise which promotes the interest of our stakeholders. The Management of Luxchem Group understands the value of business integrity and ethics to its business and the importance of upholding the highest level of integrity and proper conduct at every fabric of its Group, at all time.

## 2. PURPOSE

With this in mind, Luxchem Group of companies adopts a Whistleblowing Policy that aptly outlines a framework to address legit and relevant concerns raised by employees and other stakeholders with regards to illegal conduct, malpractice and wrongdoing in the Group.

The policy also reflects the commitment of the Management of Luxchem Group of Companies in promoting and nurturing a whistleblowing culture. Whistleblowing culture should be positively engaged, enforced, reinforced, encouraged and all matters of whistleblowing shall be swiftly and professionally dealt with for the betterment of the Group.

## 3. SCOPE

This policy applies to Luxchem Group of Companies including all of its subsidiaries and associated office operating within or outside of Malaysia. It automatically applies to the new companies of the Group in the future unless otherwise excluded.

All employees, whether permanent or contract, directors, shareholders, consultants, vendors, suppliers, contractors, external agencies or any parties who establish a business relationship with the Group are encouraged to disclose any wrongdoing in the Group.

## 4. DEFINITIONS

4.1 "Group" refers to all the companies under Luxchem Corporation Berhad which have active business dealings with various stakeholders. The active companies are:

- a. Luxchem Trading Sdn Bhd; and
- b. Luxchem Polymer Industries Sdn Bhd; and
- c. Transform Master Sdn Bhd; and
- d. Luxchem Vietnam Company Limited; and
- e. PT Luxchem Indonesia.



The Group also includes newly formed or acquired company in the future unless otherwise excluded.

- 4.2 "Stakeholders" generally refers to employees, directors, shareholders, consultants, vendors, suppliers, contractors, customers, external agencies, government officials, auditors, general public and etc.
- 4.3 "Whistleblowing" occurs when stakeholder raises / reports a genuine and legit concern about a dangerous situation, an illegal activity or improper conduct that he / she is aware of through his / her work / dealing.
- 4.4 "Whistle blower" refers to a stakeholder or a group of stakeholders who make a disclosure or reports on the wrongdoing occurs within the Group.
- 4.5 "The Committee" should refer to the Whistleblowing Committee. The members of the Committee are named in this policy.
- 4.6 "The Management of the Group" refers to the Managing Director, the Chief Financial Officer and the Executive Director of Luxchem Group of Companies.

## 5. POLICY

- 5.1 The Group encourages stakeholders to make disclosures on any improper conduct within the Group. The disclosures will be properly, confidentially and fairly investigated.
- 5.2 All disclosures or reports under this policy shall be made with the identity and contact details of the whistle blower in addition to the investigable and creditable information and evidence, when possible. Disclosure or report received under anonymity will not be entertained to prevent malicious or baseless reporting.
- 5.3 The contact details of the whistle blower are important in order to:
  - a. Investigate and ascertain the veracity of the complaint; and
  - b. Where applicable, communicate the result of the investigation.
- 5.4 The identity of the whistle blower will be treated confidentially by the Committee so as to prevent possible harassment, hostility and ill treatment being suffered by the whistle blower.
- 5.5 An employee of the Group who makes an untrue allegation intentionally for personal objective will be liable for disciplinary procedure which may include dismissal or other punishment corresponding to the severity of the complaint made.

## 6. IMPROPER CONDUCT

The improper conduct under the scope of whistle blowing policy are:

- Intentional fraud or misrepresentation, corruption and bribery;
- Conduct or behaviour which breaches any laws, regulatory and legal obligations;
- Conduct or behaviour that is unethical and detrimental to the reputation of the Group;
- Situation which poses danger to health, safety to any individual or environment;
- Misuse, unauthorised or unapproved disclosure of company information, including the information of customers / suppliers, to unscrupulous parties for personal gains.
- Any act of conflict of interest with suppliers, vendors or contractors and etc;
- Forgery or alteration of any document or account belonging to the Company with intention to mislead or fraud.
- Misappropriation, theft of company fund / money, supplies or assets.
- Racial, sexual, gender harassment or discrimination.

The list of improper conduct as stated above is not exhaustive.

## 7. EMPLOYEE MISCONDUCT VS IMPROPER CONDUCT

In general, a distinction is to be made between the misconduct punishable under the employment policy of the Group and improper conduct under the whistleblowing policy.

Employment misconducts are behaviours punishable under the employment policy and within the scope of employer-employee relationship. Improper conducts under Whistleblowing Policy have wider scope of coverage: They cover employer-employee relationship and also stakeholders outside of the Group.

In the event the Committee is of the view that the complaint raised by whistle blower should be addressed under employment policy, the case should be referred to Human Resource & Administration Department of the Group for further action.

## 8. REPORTING CHANNEL OF IMPROPER CONDUCT

8.1 Disclosure of information should be made by the whistle blower to one or more of the following persons whom are the Whistleblowing Committee.

- Datuk Kwan Foh Kwai – Independent Non-Executive Chairman
- Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali – Independent Non-Executive Director
- Mr Tan Teck Kiong – Independent Non-Executive Director



- 8.2 Report or disclosure can be made by completing the Whistleblowing Form as per Appendix A. A duly completed form shall then be forwarded to the above persons via e-mail: [whistleblower@crowe.my](mailto:whistleblower@crowe.my). Whistle blower is encouraged to email their report / disclosure via mail.
- 8.3 Employees who have raised concerns internally will be informed of who are handling the matter, how they can make contact with them and if there is any further assistance required.

## 9. EVIDENCE

- 9.1 The whistle blower should provide the disclosure in writing, providing information on the type of activity or conduct, identity of the person(s) suspected as being involved, when it occurred and who was affected to the Committee. Documentary proof, photos and videos are to be enclosed, if available.
- 9.2 The whistle blower must have first-hand knowledge or information of the disclosure, i.e. information based on hearsay and does not support with credible facts will not be entertained.

## 10. CONFIDENTIALITY AND PROTECTION

- 10.1 A whistle blower should provide his / her identity when submitting a complaint / disclosure via Whistleblowing Form. Upon submitting the form:
- The whistle blower will be protected from any retaliation within the Group as a result of his / her disclosure / reporting. Retaliation in this context refers to disciplinary action, demotion, suspension, termination of employment or service.
  - The identity of whistle blower and his / her personal information shall be protected and treated with highest confidentiality unless otherwise required by any prevailing laws or enforcement officers.
  - The identity of the whistle blower and alleged wrongdoer can be revealed to person duly authorised by the Committee for the purpose of investigation or related whistleblowing process.

The information and details of allegation and its alleged wrongdoer must be treated with highest confidentiality at all time. The Committee may authorise the full or partial disclosure of the case as and when it is deemed suitable and / or necessary.

- 10.2 Protection under 10.1 above will be supported by the Committee and the Management of the Group when the whistle blower satisfies the following conditions:
- The report / disclosure is done in good faith;

- The whistle blower is aware that the information and allegation disclosed are true and credible;
  - The whistle blower has not communicated or revealed to any party not related to the disclosure;
  - The report / disclosure made is not for personal gain or interest.
- 10.3 Suppliers / Vendors of the Group and members of the public who become a whistle blower will also be protected by the Group and the Committee as stated in 10.1 above when they fulfil the conditions as stated in 10.2 above.
- 10.4 While the Committee and the Management of the Group collectively and totally support any genuine and well-intentioned act of whistleblowing, the Group views any false, malicious or defamatory allegation made by whistle blower in *mala fide* to sabotage the reputation and credential of certain individual to be totally unacceptable and the whistle blower who committed such act will be dealt with seriously.

## 11. PROCEDURE

- 11.1 All written complaints / disclosures received by email or postal mail will be directed to the Committee for further action.
- 11.2 The Committee shall have the authority to:
- Decide if the complaint has *prima facie* to proceed to investigation stage or classify the complaint as non-actable or baseless.
  - Appoint or engage external expertise to conduct investigation or delegate the task to employee within the Group who is fit to carry out the investigation.
  - Determine the next course of action / punishment where appropriate and communicate the decision to whistle blower and the Management of the Group.
  - Conduct further enquiry with whistle blower and alleged wrongdoer when necessary.
  - Direct any other actions as necessary or relevant to whistleblowing process.
- 11.3 Where applicable, the principle of natural justice should be observed during the entire whistleblowing process.
- 11.4 Upon conclusion of the investigation, the appointed or delegated investigator shall present the outcome of the investigation to the Committee. Where necessary, the investigator shall propose or recommend corrective and preventive actions to be taken in addition to recommending appropriate punishment to be taken against the wrongdoer.
- 11.5 A copy of the Whistleblowing Report detailing the investigation and recommendations shall be submitted to the Committee and the Management of the Group.



- 11.6 If the Committee is satisfied with the outcome of the investigation, the Committee shall endorse and communicate to the Management of the Group:
- The appropriate corrective and preventive actions
  - The disciplinary actions which are to be taken against the wrongdoer who is an employee of the Group.
- 11.7 The Management of the Group is to ensure that actions and punishments endorsed by the Committee are carried out accordingly.
- 11.8 If any of the Committee member or the Management of the Group is the accused or suspect of the allegation, he or she should be abstained or excluded from all whistleblowing activities relating to his / her case.
- 11.9 The full documents, records and evidence of the whistleblowing process in the Group will be kept, filed and retrievable by:

Luxchem Corporation Berhad  
6, Jalan SS21/58, Damansara Utama  
47400 Petaling Jaya  
Selangor  
Malaysia

## 12. POLICY REVIEW

The Committee and The Management of the Group shall review, amend and update this policy periodically to ensure that the policy is relevant and meet the aspiration of the Group in upholding business integrity and proper conduct.



This policy is approved by the Committee and the Management of the Group of Luxchem Corporation Berhad on 29 July 2020.

Signatures		
		
Datuk Kwan Foh Kwai <i>Independent Non-Executive Chairman</i>	Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali <i>Independent Non-Executive Director</i>	Mr Tan Teck Kiong <i>Independent Non-Executive Director</i>
		
Mr Tang Ying See <i>Managing Director / Chief Executive Officer</i>	Madam Chen Moi Kew <i>Executive Director / Chief Financial Officer</i>	Madam Chin Song Mooi <i>Executive Director</i>

Version 1 - 10/2018

Version 2 - 07/2020

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## Appendix A - Whistleblowing Form

LUXCHEM GROUP OF COMPANIES	
<b>Whistleblowing Form</b>	
To: <i>Datuk Kwan Foh Kwai - Independent Non-Executive Chairman</i> <i>Encik Taufiq Ahmad @ Ahmad Mustapha Bin Ghazali - Independent Non-Executive Director</i> <i>Mr Tan Teck Kiong - Independent Non-Executive Director</i>	
<b>Disclosure</b>	
I / We would like to make a disclosure pertaining to the following:	
<b>Date</b>	<b>Time</b>
<b>Location of allegation</b>	
<b>Name of alleged person(s)</b> <b>Division / Department and other details, if available</b>	
<b>Witness (Position, NRIC) if any</b>	
<b>Description / Circumstances of alleged incident</b> - What, who, when, where how. - Avoid giving information that is too generic. - Use additional paper if the form is not sufficient - Provide evidence such as photo, documents, receipts and etc.	
<b>Declaration</b>	
I / We hereby declare that the disclosure that I / we made herein with the information, documents, photos and evidence enclosed or subsequently furnished are, to the best of my / our knowledge, genuine and true. The disclosure is <b>not</b> made for the purpose of maliciously tarnishing and discrediting the credential or reputation of the accused.	
	<b>Name (As per NRIC)</b>
	<b>NRIC / Staff No.</b>
	<b>Dept / Div / Co.</b>
	<b>Identity (Please circle)</b> Employee / Vendor / Supplier Shareholder / Others: _____
	<b>Mobile phone No.</b>
<b>Signature</b>	<b>Date</b>