



POWER ROOT BERHAD

Registration No.: 200601013517 (733268-U)

WHISTLEBLOWING POLICY

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A. INTRODUCTION

All stakeholders (Including but not limited to, employees, customers, suppliers, government bodies and financial institutions) are encouraged to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity and in an appropriate way, in Power Root Berhad (“the Company”) and its subsidiaries (collectively, “the Group”). This Whistleblowing Policy is established with reference to the Whistleblower Protection Act 2010 and any subsequent amendments, with necessary adaptation to encourage genuine disclosure by our stakeholders.

This Policy is designed to:

- a) Support the Group’s values and code of conduct;
- b) Ensure stakeholders can raise genuine concerns without fear of reprisals and safeguard such person’s confidentiality;
- c) Protect a whistleblower from reprisal consequent to making a genuine disclosure;
- d) Provide a transparent and confidential process for dealing with concerns. This policy not only covers possible improprieties in matters of financial reporting, but also:
 - Fraud;
 - Corruption, bribery or blackmail;
 - Criminal offences;
 - Failure to comply with a legal or regulatory obligation;
 - Miscarriage of justice;
 - Endangerment of an individual’s health and safety; and
 - Concealment of any, or a combination, of the above.

B. PRINCIPLES

The principles underpinning the Policy are as follows:

- a) internal procedures to facilitate necessary whistleblowing, in a timely and responsible manner, are in place and made known to all stakeholders of the Group;
- b) all disclosures will be treated fairly and properly, and addressed in an appropriate and timely manner;
- c) the Group will not tolerate any form of harassment or victimisation of a whistleblower raising a genuine concern;
- d) the identity and personal information of the whistleblower will be protected and kept strictly confidential, unless otherwise required by law;

- e) the whistleblower and the alleged wrongdoer will be treated fairly. The whistleblower will be informed of the status of his/her disclosure and the alleged wrongdoer will be given an opportunity to respond to all allegations at an appropriate time;
- f) personal information, including the identity of the alleged wrongdoer shall only be revealed for the sole purpose to carry out investigation on a strictly 'need- to-know' basis or as required by law; and
- g) the Group will ensure that no one will be at risk of suffering some form of reprisal as a result of raising a genuine concern. The Group, however, does not extend this assurance to someone who maliciously raises a matter he/she knows is untrue.

C. COVERED CONCERNS

A disclosure relating to, but not limited to, either of the following concerns or wrongdoings by any stakeholder in the conduct of the business shall be reported to the Group in accordance with the procedures set forth in this policy:

- a) corruption, bribery and fraud (including financial statement fraud);
- b) criminal offence or any breach of the laws of Malaysia;
- c) acceptance of gifts/ favor beyond the threshold allowed by the Group;
- d) misuse and/or misappropriation of the Group's funds or assets;
- e) impropriety (including financial and operational, etc.) within the Group;
- f) gross mismanagement within the Group (including serious potential breach to the interest of society and environment);
- g) breach of code of conduct of the Group, including sexual harassment, physical or other abuse of human rights; and
- h) act or omission jeopardizing the health and safety of the Group's employees or the public.

D. REPORTING PROCEDURES

If any stakeholder believes reasonably and in good faith that malpractices/ breaches of policies or laws and regulations have occurred or exist in the Group, the stakeholder should report this immediately to the relevant Head of Department or use the whistleblowing avenue provided.

Stakeholder concerned about speaking to their Head of Department or other stakeholders can communicate, in confidence, to the Head of Internal Audit or the Audit Committee Chairman by email or written letter, highlighting of his/her concern(s).

However, if for any reason the stakeholder is reluctant to do so or the Head of Internal Audit is involved in the roles or functions being reported, then the stakeholder should report the concerns directly to the Audit Committee Chairman.

The concerns reported to the Audit Committee Chairman will be managed by the Audit Committee Chairman and he/she shall have the right to decide, depending on the seriousness of the reported incident(s), to report to the relevant enforcement authority(ies) (if the Audit Committee Chairman together with the concurrence with the other Audit Committee members) concludes that such incidents should be reported in compliance with the law or prevailing regulations and rules, based on the supporting documents and facts gathered).

Anonymous disclosure(s) received by the Head of Internal Audit or the Audit Committee Chairman will be subject to further investigation if sufficient supporting documents and facts of the alleged malpractices/ breaches are provided and the recipient shall have the sole discretion to determine if the supporting documents and facts relating to the allegations are sufficient to warrant further investigation.

The Head of Internal Audit and the Audit Committee Chairman shall report to the Board of Directors bi-annually or as and when required, as determined by the Head of Internal Audit and the Audit Committee Chairman (if the seriousness of the reported incident requires immediate action) of the reported incidents, its progress, results of investigation, corrective actions, resolution and decision taken or to be taken as decided by the Board of Directors.

In the event that actual or suspected bribery, corruption or fraud incident(s) has been reported to the Head of Internal Audit or Audit Committee Chairman, a summary of all reported incidents, its progress, results of investigation, corrective actions, resolution and decision taken or to be taken shall be maintained by the Head of Internal Audit for his/her anti-bribery and corruption monitoring and continuous improvement purposes.

The reporting by the Head of Internal Audit and Audit Committee Chairman to the Board of Directors or the relevant enforcement authority(ies) will be done without revealing the identity of the whistleblower. The Head of Internal Audit and Audit Committee Chairman, at the cost to be borne by the Group, shall have the right and authority to seek the advice of the external professionals or subject matter experts, if required and to decide on the next course of actions.

The whistleblower's identity will not be disclosed, unless otherwise required by law. Where concerns cannot be resolved without revealing the identity of the whistleblower raising the concern (i.e. if the evidence is required in court), a dialogue will be carried out with the whistleblower concerned as to whether and how the matter can progress further.

If the Audit Committee Chairman is the alleged wrongdoer, the whistleblower can report genuine wrongdoings to the other member of the Audit Committee or the Chairman of the Board of Directors.

A whistleblower who has raised concerns via this Policy will be informed by the Head of Internal Audit or Audit Committee Chairman on how a proper and confidential communication channel can be established for subsequently contacts for any further assistance/ information required for the investigation and to inform about the outcome of the investigation and mitigative/ corrective action(s) taken.

E. INVESTIGATIONS

The Head of Internal Audit or the Audit Committee Chairman shall carry out the investigation on all alleged incidents reported to establish their credibility if sufficient supporting documents and facts of the allegations are provided. The Head of Internal Audit or the Audit Committee Chairman, at his/her discretion, shall conduct the investigation in strict confidence via review of documentations and electronic files, conduct internal audit or forensic audit, third party interviews and written confirmations, seek advice from subject matter experts, etc. with all evidences and reviews properly documented and retained for period of at least seven (7) years. Such documentations and records shall be kept strictly confidential under lock and key by the Head of Internal Audit and any access requested must be fully justified and subject to the written approval of the Head of Internal Audit or the Audit Committee Chairman.

The Head of Internal Audit and/or the Audit Committee Chairman shall have the access of any professionals or subject matter experts deemed necessary and required for the investigation, the cost of which is to be borne by the Group.

F. CONSEQUENCES OF WRONGDOING OR WRONGFUL DISCLOSURE

The Head of Internal Audit or the Audit Committee Chairman shall revoke the whistleblower protection conferred on a whistleblower if he/she is of the opinion, based on his/her investigation or in the course of his/her investigation that the whistleblower has, or is found to have:

- committed a wrongdoing;
- participated in the improper conduct disclosed;
- made the allegations of improper conduct which he knew or believed to be false or did not believe to be true or factual;
- made malicious, frivolous or vexatious allegation(s) of improper conduct;
- made the disclosure of improper conduct solely or substantially with the motive of avoiding dismissal or other disciplinary action;
- committed a breach under this Policy (for instance, dishonest, mischievous or malicious

- complaints), in the course of making the disclosure or providing further information; or
- participated or assisted in any process pursuant to this policy otherwise than in good faith.

The corrective actions to be taken against that whistleblower will be determined by the Top Management on the advice of the Board of Directors and the Audit Committee Chairman, which may include, disciplinary measures, formal warning or reprimand, demotion, suspension or termination of employment or services or or punitive punishments in monetary or other forms or actions to exclude the stakeholder from future involvement with the Group and where necessary may include legal action or public notices to safeguard the Group's reputation and image..

Any attempt by any employee to retaliate against, victimize or intimidate a whistleblower making a report in good faith is a serious violation of the Policy and shall be dealt with severe disciplinary actions to decide by the Board of Directors on the advice of the Audit Committee Chairman and Top Management.

G. PROTECTION

The identity and personal information of the whistleblower shall be protected and kept strictly confidential, unless otherwise required by law.

The whistleblower will be accorded protection from reprisal, including any form of harassment, discrimination or victimization as a consequence of his/her genuine disclosure.

The whistleblower will be protected under the Whistleblower Protection Act 2010 if he or she makes a disclosure in good faith to an enforcement agency.

If a whistle-blower reasonably believes that he/she is being subjected to reprisal, including harassment, discrimination or victimization, as a consequence of his/her whistle-blowing action, he/she may consult or report to the Head of Internal Audit or Audit Committee Chairman, as the case maybe, for assistance.

H. ADMINISTRATION OF POLICY

This Policy is administered and overseen by the Audit Committee and reported to the Board of Directors, with the protection of the whistleblower in compliance with Whistleblower Protection Act 2010.

Contact persons

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Audit Committee Chairman
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Head of Internal Audit – Power Root Group
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I. REVIEW OF THE POLICY

The Policy shall be reviewed by the Audit Committee and the Board of Directors at least once every three (3) years or more often as may be required when internal or external events warrant a more frequent review to be undertaken.