

WHISTLEBLOWER POLICY AND PROCEDURES

WHISTLEBLOWER POLICY AND PROCEDURES FOR COASTAL CONTRACTS BHD

1 INTRODUCTION

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1 INTRODUCTION

The **WHISTLEBLOWER POLICY AND PROCEDURES** (hereinafter referred to as “**the Policy**”) for **COASTAL CONTRACTS BHD COASTAL GROUP** (hereinafter referred to as “**the Coastal Group**”) lays out the practices and standards adopted by the Coastal Group and to provide clear guidance to the employees in how to combat any malpractice(s), impropriety(ies), statutory non-compliance(s) or wrongdoing(s) (collectively known as “**Improper Conducts**”) that may arise in the course of business or employment.

Whistleblowing is defined as the deliberate, voluntary disclosure or reporting of individual or organisational malpractice by a person in good faith and who has or had privileged access to data, events or information about an actual, suspected or anticipated Improper Conduct within the organisation or by an organisation that is within its ability to control.

The Policy is applicable to all the employees and relevant stakeholders in the Coastal Group. All the subsidiaries and/or related companies in the Coastal Group are highly encouraged to adopt the similar practices and standards provided in the Policy in order to ensure that all the Improper Conducts can be combated at all times. The compliance of the Policy would assist the Coastal Group in enhancing its corporate governance by helping to foster an environment where integrity and ethical behaviour are upheld and any Improper Conducts in the Coastal Group can be exposed and dealt professionally and internally by the Coastal Group. This is to remedy and/or prevent serious damage caused to the Coastal Group which may tarnish the Coastal Group's reputation.

The Board of Directors of the Coastal Group has overall responsibility to oversee the implementation and administration of this Policy and shall oversee the implementation of this Policy. The Receiving Officer is entrusted to monitor and

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review regularly on the effectiveness and practicability of the Policy; to ensure the Policy is up-to-date by incorporating the latest amendments and/or updates into this Policy.

1.1 Purpose

1.1.1 The Coastal Group does not tolerate any Improper Conducts. Therefore, this Policy is intended to provide a formal and confidential platform to encourage all the employees and other relevant stakeholders to report unethical or illegal conduct in good faith without fear of being subject to Detrimental Action. Objectives of this Policy include but not limited to the following: -

- Encourage timely reporting of alleged malpractices/misconduct;
- Provide a confidential channel for escalation of concerns to Coastal Group without fear of reprisal, discrimination or adverse consequences;
- Ensure consistent and timely response to reported improprieties and awareness by whistle blowers of their options/rights;
- Ensure appropriate oversight by the Board of Directors;
- Serve as a means of preventing and deterring misconduct that may be contemplated;
- Protect the rights of the Coastal Group; and
- Promote a culture of openness, accountability and integrity.

1.2 Scope of Application

1.2.1 This Policy applies to all Employees in the Coastal Group. This Policy covers all reports made against any Employee in the Coastal Group that has committed an Improper Conduct.

1.2.2 A report of Improper Conduct may be made by:

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- any Employee who has knowledge of an Improper Conduct committed by another Employee; and
- any relevant Stakeholder that has knowledge of an Improper committed by an Employee.

1.2.3 Improper Conduct is generally described as any conduct by an Employee which if proved constitutes a criminal offence or any conduct that constitutes a wrongdoing or malpractice and may include any of the following:

- All forms of financial or non-financial malpractices or impropriety such as fraud, corruption, bribery or theft.
- Harassment and abuse and misrepresentation of power and authority;
- Failure to comply with laws and regulations;
- Actions detrimental to health and safety or the environment;
- Discrimination on the basis of gender, race, disabilities;
- Serious conflict of interest without disclosure;
- Breach of the Coastal Group's policies or Directors' Code of Ethics and Employees' Code of Conducts; and
- Concealing information about any of the above malpractice or misconduct.

1.3 Definitions

- “Confidential Information” includes—
- (a) information about the identity, occupation, residential address, work address or whereabouts of—
 - (i) a whistleblower;
 - (ii) a person against whom a whistleblower has made a disclosure of improper conduct;
 - (b) information disclosed by a whistleblower; and

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- (c) information that, if disclosed, may cause detriment to any person;

“Detrimental Action”	includes— <ul style="list-style-type: none">(a) action causing injury, loss or damage;(b) intimidation or harassment;(c) interference with the lawful employment or livelihood of any person, including discrimination, discharge, demotion, suspension, disadvantage, termination or adverse treatment in relation to a person's employment, career, profession, trade or business or the taking of disciplinary action; and(d) a threat to take any of the actions referred to in paragraphs (a) to (c).
“Disciplinary Offence”	means any action or omission which constitutes a breach of discipline in a public body or private body as provided by law or in a code of conduct, a code of ethics or circulars or a contract of employment, as the case may be;
“Employee”	means any person who is in the employment of the Coastal Group including but not limited to executives, non-executives, secretaries, secondees and individuals on direct hire;
“Coastal Group”	means the Coastal Group and its subsidiaries or related companies;
“Improper Conduct”	means any conduct which if proved, constitutes a disciplinary offence or a criminal offence;
“Policy”	means the WHISTLEBLOWER POLICY AND PROCEDURES FOR COASTAL CONTRACTS BHD;

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Receiving Officer	means the Director appointed to be responsible on receiving confidential reports on Improper Conduct;
“Stakeholder”	means customers, potential customers, contractors, external companies and any other stakeholders with whom a business relationship, whether current, prospective or historic exists.
“Whistleblower”	means any person who makes a disclosure of improper conduct under this Policy;

2 SAFEGUARDS

- 2.1 Requirement of Good Faith**
 - 2.2 Protection against Detrimental Action**
 - 2.3 Protection of Confidential Information**
 - 2.4 Revocation of Protection**
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2.1 Requirement of Good Faith

- 2.1.1 Any person who intends to report an Improper Conduct must undertake to act in good faith and for the best interest of the Coastal Group, i.e he must have reasonable and probable grounds for the alleged Improper Conduct.
- 2.1.2 The Coastal Group would deem and consider there would be lacking of the element of good faith in following circumstances: -
 - Where the person possesses no personal knowledge or a factual basis for the alleged Improper Conduct;
 - Where the person knew or reasonably should have known that the report or any part of its contents are false or misleading and/or frivolous or vexatious and/or baseless;

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- Where there are any other circumstances that indicate that the report has been made with malicious intent, ulterior motive or for personal gain.

2.1.3 Any person that has not acted in good faith shall not be entitled to any protection under Paragraph 2.2 of this Policy and if proper investigation has been carried out which proves that such report has been made with malicious intent and/or for personal gain, the Coastal Group shall have the right to take appropriate action such as lodging a police report or instituting a disciplinary action (which may include termination of employment).

2.2 Protection against Detrimental Action

- 2.2.1 The Coastal Group prohibits discrimination, retaliation or harassment of any kind against the Whistleblower who has reported any Improper Conduct in good faith and he or she shall not be subject to unfair dismissal, victimisation, demotion, suspension, intimidation or harassment, discrimination, any action causing injury, loss or damage or any other retaliatory actions ("**Detrimental Action**").
- 2.2.2 Any report of Improper Conduct made in good faith, even if it is not subsequently confirmed by an investigation shall be eligible for protection under this Policy.
- 2.2.3 If a whistle blower believes that he or she is being subjected to any Detrimental Action for having made a report under this Policy, he or she shall immediately report to the Coastal Group Executive Chairman ("**Chairman**"). Reporting shall be done promptly to facilitate investigation and the taking of appropriate action.
- 2.2.4 An Employee who takes any Detrimental Action against any Employee who has made a report of Improper

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Conduct in good faith shall be subject to disciplinary action (which may include termination of employment).

2.3 Protection of Confidential Information

- 2.3.1 Any person having knowledge of a report of Improper Conduct shall make all reasonable efforts to ensure the confidentiality of the Confidential Information, in particular the identity of the Whistleblower.
- 2.3.2 However, there may be circumstances, during the course of the investigation where it will be necessary to disclose the identity of the Whistleblower. If such circumstances exist, the Receiving Officer or anyone involved in the investigation shall endeavour to inform the Whistleblower that his/her identity is likely to be disclosed and to obtain his/her consent for the said disclosure.
- 2.3.3 In order not to jeopardise any investigation, the Whistleblower shall make all reasonable efforts to maintain the confidentiality of the Confidential Information, in particular, the fact that a report has been filed, the nature of the Improper Conduct and the identity of the person(s) who has allegedly committed the Improper Conduct.
- 2.3.4 Any person who obtains any Confidential Information in the course of any investigation of an allegation of Improper Conduct shall not disclose any Confidential Information or any part thereof.

2.4 Revocation of Protection

- 2.4.1 The protection against Detrimental Action stated under Paragraph 2.2 of this Policy shall not be accorded to the Whistleblower under the following circumstances: -
- If the report of Improper Conduct is not made in good faith; or

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- If the Whistleblower wilfully made in his disclosure of improper conduct a material statement which he knew or believed to be false or did not believe to be true and/or frivolous or vexatious and/or baseless;
- If the disclosure of improper conduct principally involves questioning the merits of government policy, including policy of a public body; or
- If the Whistleblower has participated in the Improper Conduct reported; or
- If the report of Improper Conduct is made solely or substantially with the motive of avoiding dismissal or other disciplinary action; or
- The Whistleblower breaches his/her obligations of confidentiality under this Policy.

3 REPORTS OF IMPROPER CONDUCTS

3.1 To report the Improper Conducts

3.2 Anonymous Reports

3.1 To report the Improper Conducts

3.1.1 Any employee or relevant stakeholder is advised and urged to report an Improper Conduct as soon as he/she discovers the commission or an intended commission of an Improper Conduct or if he/she is instructed to participate in any Improper Conduct to the Receiving Officer at jacob.pang@coastalcontracts.com.

3.1.2 A confidential report of Improper Conduct in writing. The report must provide full details of the Improper Conduct and, where possible, supporting evidence.

3.2 Anonymous Reports

3.2.1 Any anonymous report will not be entertained by the Coastal Group. Any person who intends to report any

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Improper Conduct shall disclose his identity in order to enable the Coastal Group to accord him or her for the protection available under the Policy.

3.2.2 However, the Coastal Group reserves all its rights and discretion to look into any anonymous reports after considering the following factors: -

- The seriousness of the concern;
- The credibility of the concern; and
- The likelihood of confirming the concern from credible sources.

4 INVESTIGATIONS

4.1 Investigation on Reports

4.2 Findings of Investigation

4.3 Decision

4.4 Appropriate Actions

4.1 Investigations on Reports

4.1.1 The Receiving Officer shall discuss and evaluate on the report of Improper Conduct received with the Audit Committee. The Audit Committee will then propose to the Management on how the investigation shall be conducted depending on the seriousness of the case.

4.1.2 The Audit Committee may propose the formation of an Internal Investigation Working Group, which comprises of Directors, Senior Management and designated employee(s) or to appoint an external expert in assisting or conducting the necessary investigations and/or to address the concerns which arise out from the report.

4.1.3 Depending on the nature of the complaint, the subject matter of the report may be informed of the allegations against the alleged wrongdoer and he or she will be provided with an opportunity to reply to such allegations. Employees who fail to cooperate in an investigation, or

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deliberately provide false information during an investigation, shall be subject to strict disciplinary action (which may include termination of employment with immediate effect).

- 4.1.4 The non-anonymous Whistleblower will be notified the outcome of the investigation, without divulging the confidential information.

4.2 Findings of the Investigation

- 4.2.1 Upon the conclusion of an investigation, the investigation report shall be reviewed by the Audit Committee. Upon the review of such investigation report, the Audit Committee shall determine whether the allegation could be substantiated or not. In the event the allegation is substantiated, the Audit Committee will identify and recommend the corrective action to be taken to mitigate the risks of such Improper Conduct recurring and recommend if disciplinary action is to be taken against the wrongdoer.

4.3 Decision

- 4.3.1 A final report together with recommendation of the Audit Committee will be tabled to the Board of Directors. The Board of Directors will review the final report and decide on the corrective action to be taken and/or the disciplinary action to be taken (if any).

4.4 Appropriate Actions

- 4.4.1 The Management shall carry out the decisions of the Board of Directors 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 Coastal Group.

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- 4.4.2 Any disciplinary action against any Employee, shall be carried out in accordance with the procedures for disciplinary action stipulated in the Coastal Group Employees Handbook.