



FINANCE ACCREDITATION AGENCY BHD

WHISTLEBLOWING POLICY AND PROCEDURES

TITLE Policy: Whistleblowing Policy and Procedures	Division / Unit	CEO's Office
	Document No.	FAA-CEO-POL-01WBP-1.0
	Issue No	1
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1.0 INTRODUCTION

1.1 PURPOSE

- 1.1.1 This Whistleblowing Policy and Procedure ("Policy") seeks to enhance corporate governance by helping to foster an environment where integrity and ethical behaviour is maintained and any illegality, improper conduct and/or wrongdoings in the company may be exposed.
- 1.1.2 The Policy may also act as an early warning system and may enable the company to remedy any wrongdoings before serious damage is caused.
- 1.1.3 The purpose of this Policy is to provide a formal, confidential channel to enable Employees, Directors, Customers, Consultants, Vendors, Contractors, agencies or any parties with a business relationship with the company to report in good faith, serious concerns of any Improper Conduct and/or wrongdoing that could adversely impact Finance Accreditation Agency Bhd ("FAA / Company") or its Employees, stakeholders or the public at large without fear of being subject to Detrimental Action.

1.2 SCOPE

- 1.2.1 This Policy applies to all Employees and members of the Board of Directors.
- 1.2.2 This Policy covers all reports made against any Employee or Director that has committed an Improper Conduct.
- 1.2.3 A report of Improper Conduct may be made by:
- (a) any Employee or Director who has knowledge of an Improper Conduct committed by another Employee or Director; and
 - (b) any external party that has knowledge of an Improper Conduct committed by an Employee or Director.

1.3 OVERSIGHT AND OWNERSHIP OF POLICY

- 1.3.1 The Audit, Risk & Compliance Committee ("ARCC") of FAA has overall responsibility for this Policy and shall oversee the implementation of this Policy.
- 1.3.2 The ARCC has delegated day to day responsibility for the administration and implementation of the Policy to the Internal Auditor. The use and effectiveness of this Policy shall be regularly monitored and reviewed by the Internal Auditor.
- 1.3.3 The owner of this document is the Chief Executive Officer's Office ("CEO's Office") who shall be responsible for incorporating any amendments and updates into this document, obtaining the



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approval of the ARCC for those amendments and updates and distributing the same to the relevant parties.

1.4 DEFINITIONS

“CEO” means the person holding the office of Chief Executive Officer.

“Company” means Finance Accreditation Agency Bhd

“Confidential Information” means any information that is by its nature confidential or sensitive and/or not generally available to the public and in this Policy includes

- (a) Information about the identity, rank, position or other personal details of a Whistleblower;
- or
- (b) a person against whom a Whistleblower has made a disclosure; or
- (c) information disclosed by a Whistleblower; or
- (d) information that, if disclosed, may cause detriment to any person

“Detrimental Action” has the meaning assigned to it in section 3.2.1.

“Employee” means any employee of the Company and shall include contract staff, consultants, temporary employees and interns.

“Improper Conduct” generally means any conduct which if proved constitutes a criminal offence or any conduct that constitutes a wrongdoing or malpractice and may include any of the examples stated in section 2.1.2.

“Management” means immediate supervisors, Heads of Unit, Heads of Division and the CEO.

“Policy” means Whistleblowing Policy and Procedures for the Finance Accreditation Agency Bhd.

“Whistleblower” means a person that makes a report of Improper Conduct under this Policy.



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2.0 DEFINING WHISTLEBLOWING

2.1 WHAT IS WHISTLEBLOWING?

2.1.1 Whistleblowing is defined as the deliberate, voluntary disclosure or reporting of individual or organisational malpractice by a person 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.

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

- (a) The breach of any law, regulation or rule that is applicable to the Company.
- (b) Any criminal act, including criminal breach of trust, extortion and sabotage.
- (c) Any act that is likely to cause significant financial loss or costs to the Company including any intentional misrepresentation of the Company's financial statements.
- (d) Any breach of ethics as described in the Code of Conduct and/or any fraudulent act. Examples of such acts include forgery, theft, any form of corruption (including accepting and giving bribes), unauthorised disclosure of the Company's confidential information and abuse of power for personal gain.
- (e) Any other action that would cause significant harm to the Company or to any person(s).
- (f) The deliberate concealment of information concerning any of the matters listed above.

2.2 OTHER PROCEDURES

2.2.1 Whistleblowing procedures different from grievance procedures

Typically, whistleblowing does not affect the complainant personally. They are therefore different from a normal grievance or complaint in which the complainant is personally affected. If you are the victim of an Improper Conduct, the complaint shall be channelled through the grievance procedure so that the appropriate action may be taken and any restitution be made (if applicable).



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2.2.2 Sensitive matters

Some sensitive matters may have different procedures for reporting any improper conduct or wrongdoing such as sexual harassment. In circumstances where there are specific procedures prescribed, those specific procedures shall apply.

3.0 SAFEGUARD

3.1 REQUIREMENT OF GOOD FAITH

3.1.1 Since an allegation of Improper Conduct may result in serious personal repercussions for the person that has allegedly committed an Improper Conduct, any person who intends to lodge any report of Improper Conduct shall ensure that the report of Improper Conduct is made in good faith.

3.1.2 Any person making an allegation of Improper Conduct must have reasonable and probable grounds before reporting such Improper Conduct and must undertake such reporting in good faith, for the best interest of the Company and not for personal gain or motivation.

3.1.3 The element of good faith shall be deemed to be lacking when:

- (a) the person does not have personal knowledge or a factual basis for the report of Improper Conduct; or
- (b) where the person knew or reasonably should have known that the report or any of its contents are false; or
- (c) where the report is frivolous or vexatious; or
- (d) there are any other circumstances that indicate that the report has been made with malicious intent, ulterior motive or for personal gain.

3.1.4 Any person that has not acted in good faith shall not be entitled to any protection under this Policy.

3.1.5 In addition, an Employee making allegations or reports that prove to have been made without good faith will be subject to disciplinary action (which may include termination of employment).

3.2 PROTECTION AGAINST DETRIMENTAL ACTION

3.2.1 Any Employee or Director who makes a report of Improper Conduct in good faith 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") by the Company.



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3.2.2 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.

3.2.3 Any Employee or Director that makes a report of Improper Conduct in good faith and who has been subject to Detrimental Action may lodge a complaint pursuant to this Policy using the form appended hereto as Appendix B. The same procedures for investigation in for reports of Improper Conduct shall apply to any complaints of Detrimental Action.

3.2.4 An Employee or Director who takes any Detrimental Action against any Employee or Director who has made a report of Improper Conduct in good faith shall be subject to disciplinary action (which may include termination of employment).

3.3 PROTECTION OF CONFIDENTIAL INFORMATION

3.3.1 Any person having knowledge of a report of Improper Conduct shall make all reasonable efforts to maintain the confidentiality of the Confidential Information, in particular the identity of the Whistleblower.

3.3.2 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 Internal Auditor or the independent party involved in investigations 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.

3.3.3 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 have allegedly committed the Improper Conduct.

3.3.4 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.

3.4 WHEN PROTECTION MAY NOT BE AVAILABLE

3.4.1 The Employee or Director may not avail him/herself to the protection against Detrimental Action mentioned in section 3.2 above in the following circumstances:

- (a) If the report of Improper Conduct is not made in good faith;



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- (b) If the Employee or Director him/herself has participated in the Improper Conduct reported;
- (c) The report of Improper Conduct is made solely or substantially with the motive of avoiding dismissal or other disciplinary action; or
- (d) The Employee or Director breaches his/her obligations of confidentiality under this Policy.

3.4.2 Any Employee or Director who has participated in an Improper Conduct may be subject to disciplinary action.

4.0 REPORTS OF IMPROPER CONDUCT

4.1 LODGING A REPORT OF IMPROPER CONDUCT

4.1.1 Reports by Employees

- (a) An Employee or Director 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. If an Employee or Director becomes directly involved in the Improper Conduct, the protection under this Policy may not be available to that Employee or Director.
- (b) An Employee or Director shall make a confidential report of Improper Conduct in writing using the form appended to this Policy as *Appendix A*. The report must provide full details of the Improper Conduct and, where possible, supporting evidence.
- (c) The report must be made directly to the CEO or the Chairman of ARCC or the board member from Securities Commission.
- (d) The report to be made to the CEO or the Chairman of ARCC or the board member from Securities Commission may be submitted in a sealed envelope marked "Strictly Confidential" addressed to the CEO or Chairman of ARCC or the board member from Securities Commission via any other method that may be informed to the Whistleblower or publicised through internal communications or the Intranet.

4.1.2 Reports by external parties who are not Employees

- (a) The procedures for an external party to report an Improper Conduct by an Employee or Director shall be posted in the FAA website. The procedures shall include the form for reports of Improper Conduct to be made (*Appendix A*).



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- (b) Any external party intending to lodge a report of Improper Conduct by an Employee or Director may do so by sending a report to the CEO or Chairman of ARCC or the board member from Securities Commission in the prescribed form which shall be made available at the FAA website.
- (c) The report received from any external party will be reviewed in accordance with the investigation.

4.2 ANONYMOUS REPORTS

- 4.2.1 Anonymous reports are not encouraged as any follow up to ascertain the facts or to obtain further information for investigation purposes would be very difficult.
- 4.2.2 Although the Company is not expected to address any anonymous allegations, the Company may, however, consider investigating an anonymous allegation after having considered the following:
- (a) the seriousness of the concern;
 - (b) the credibility of the concern; and
 - (c) the likelihood of confirming the concern from credible sources.

4.3 CHANNEL OF REPORTING

- 4.3.1 In the case of FAA employees, any concern should be raised with his/her immediate superior. If for any reason, it is believed that this is not possible or appropriate, then the concern should be reported to CEO:

Name : **Khairul Nizam Md Som**
Via Telephone : **03-2788 1101**
Via Email : **khairul@faa.org.my**
Via Mail : **Mark "Strictly Confidential"**
Level 12, Tower 3, Avenue 7,
The Horizon 2, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur



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4.3.2 In the case where reporting to CEO is a concern, then the report should be made to the Chairman of ARCC. Channel of reporting to the Chairman of ARCC is:

Name : **Dato' Dr Syed Ahmad bin Hussein**
 Via Email : syedahmadhussein@gmail.com
 Via Mail : **Mark "Strictly Confidential"**
 Level 12, Tower 3, Avenue 7,
 The Horizon 2, Bangsar South
 No. 8 Jalan Kerinchi
 59200 Kuala Lumpur

4.3.3 In the case where reporting to Chairman of ARCC is a concern, then the report should be made to the board member from Securities Commission. Channel of reporting to the board member is:

Name : **Puan Salmah Bee Mohd Mydin**
 Via Email : salmah@seccom.com.my
 Via Mail : **Mark "Strictly Confidential"**
 Level 12, Tower 3, Avenue 7,
 The Horizon 2, Bangsar South
 No. 8 Jalan Kerinchi
 59200 Kuala Lumpur

Alternatively, the report can also be made to the Independent Non-Executive Director. Channel of reporting to the Director is:

Name : **Datin Teh Ija Mohd Jalil**
 Via Mail : **Mark "Strictly Confidential"**
 Level 12, Tower 3, Avenue 7,
 The Horizon 2, Bangsar South
 No. 8 Jalan Kerinchi
 59200 Kuala Lumpur



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5.0 INVESTIGATION

5.1 LOG OF REPORTS OF IMPROPER CONDUCT

5.1.1 All reports of Improper Conduct, findings of investigations and monitoring and corrective actions shall be centralised and logged in a log administered and monitored by the Internal Auditor. The ARCC shall be informed of any new reports of Improper Conduct and may request to review the log at any time.

5.1.2 The CEO shall be kept informed of any new reports of Improper Conduct reported where the CEO is not implicated (to the extent possible, without disclosure of identities of the Whistleblower and the person that allegedly committed that Improper Conduct) so that any interim corrective measure (if applicable) regarding any Improper Conduct can be taken immediately.

5.1.3 After receiving a report of Improper Conduct, the CEO shall inform the ARCC Chairman of the receipt of the report and provides the ARCC Chairman his opinion on whether he believes the case is a frivolous claim or is a case where there are suspicious circumstances. The ARCC Chairman then forward the report to the Internal Auditor or the designated officer in Internal Audit to be logged and gives instructions for the conduct of preliminary investigations.

5.2 PRELIMINARY INVESTIGATION

5.2.1 The Internal Auditor will conduct a preliminary investigation of every report of Improper Conduct received to determine whether there are merits to initiate a full investigation.

5.2.2 The findings of the preliminary investigation and recommendation shall be referred to the Chairman of the ARCC for a decision on whether to close the case or to proceed to a full investigation of the allegations. The Chairman of the ARCC may decide to consult with the members of the ARCC or convene an ARCC meeting before making a decision

5.2.3 Upon review of the findings of the preliminary investigation, the Chairman of the ARCC may:

- (a) instruct the matter to be closed in the event the preliminary findings clearly indicate that there are no circumstances that warrant a full investigation; or
- (b) instruct the Internal Auditor to commence a full investigation in the event the preliminary findings clearly indicate suspicious circumstance and where the CEO is not involved. The Chairman of the ARCC may delegate the oversight of the investigation and review of results



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- of the investigation to the CEO; or
- (c) refer the matter to the full ARCC to determine the next cause of action in case where the CEO or the Internal Auditor is involved. In such cases where the report involves the CEO or the Internal Auditor, the ARCC may select other personnel (having due regard to suitable seniority and any circumstances that may give rise to conflicts of interest) or an independent their party to investigate the allegations; or
 - (d) in cases where the preliminary findings discloses a possible criminal offence, the consultation with the ARCC and/or legal advisors (internal and/or external), 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; or
 - (e) determine any other course of action that the Chairman of the ARCC deems fit having regard to the circumstances of the matter reported and the fairness of the conduct of any investigation.

5.2.4 If the matter is closed, the Internal Auditor will inform the Whistleblower that the matter is closed.

5.2.5 If the matter is to be referred to the authorities, subject to any legal requirements or prohibitions, the Internal Auditor will inform the Whistleblower that the matter has been referred to the authorities.

5.2.6 In the event a full investigation is to be carried out, the Internal Auditor will inform the Whistleblower of the conduct of a full investigation and the Whistleblower shall give his/her full cooperation during the conduct of the investigation.

5.3 FULL INVESTIGATION

5.3.1 In the event a full investigation is to be conducted, the Internal Auditor and/or any other persons identified by the ARCC shall conduct the investigation and endeavour to complete such investigation within two (2) months. Any extension of the time required for the completion of the investigation shall be subject to the ARCC's approval.

5.3.2 In the event a full investigation is being conducted, all Employees shall give their full cooperation to any investigation conducted.

5.3.3 In the event a full investigation is to be conducted on a report of Improper Conduct by the CEO or the Internal Auditor and the ARCC decides to appoint an external independent part to



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conduct or to assist in conducting the investigation, the terms of appointment of the said external independent party shall be approved by the ARCC.

5.4 FINDINGS OF INVESTIGATION

5.4.1 Upon the conclusion of an investigation in a case where the CEO is not implicated, the investigation report shall be reviewed by the CEO. Upon the review of such investigation report, the CEO shall determine whether the allegation could be substantiated or not. In the event the allegation is substantiated, the CEO 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.

5.4.2 Upon the conclusion of an investigation in a case where the CEO or the Internal Auditor is implicated, the ARCC Committee shall review the investigation report. Upon the review of such investigation report, the ARCC shall determine whether the allegation could be substantiated or not. In the event the allegation could be substantiated, the ARCC 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.

5.5 DECISION

5.5.1 In a case where the CEO reviewed the investigation and made a determination whether the allegation was substantiated or not, a final report together with recommendation of the CEO will be tabled to the ARCC. The ARCC will review the final report and decide on the corrective action to be taken and/or the disciplinary action to be taken (if any).

5.5.2 In a case where the ARCC reviewed the investigation and made a determination whether the allegation was substantiated or not, a final report together with the recommendations of the ARCC will be tabled at 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).

5.5.3 Subject to any prohibition in law or any legal requirements, the Internal Auditor will inform the Whistleblower that the investigation has been completed and the findings have been presented to the ARCC or the Board of Directors as the case may be. As the findings are confidential, the details of the findings will not be disclosed to the Whistleblower.



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5.6 CORRECTIVE ACTION

5.6.1 The Management shall carry out the decisions of the Board of Directors in relation to the findings of the investigation.

5.6.2 Where applicable, the Management shall institute the appropriate controls to prevent any further wrongdoings or damage to the Company.

5.7 DISCIPLINARY ACTION

5.7.1 Any disciplinary action against any Employee, the CEO or the Internal Auditor shall be carried out in accordance with the procedures for disciplinary action stipulated in the Human Resources manual.

5.8 REPORTS RELATING TO ARCC CHAIRMAN

5.8.1 Further to 4.3.3, any report relating to ARCC Chairman shall be escalated to the office of Governor of Bank Negara Malaysia for further action.

