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# MARC

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## **Whistleblowing Policy**

Version 5.0

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## **1.0 BACKGROUND**

- 1.1 MARC Group including its subsidiaries ("MARC or "the Company") is committed to promoting and maintaining high standards of transparency, accountability and ethics in the workplace. Ensuring that a process is in place to allow employees to report alleged improper or unlawful conduct without fear of retribution is an integral component of MARC's zero tolerance for inappropriate or unlawful workplace conduct. MARC is committed to maintaining an atmosphere of mutual workplace respect and proper business behaviour which is vital to the integrity and success of the organisation. Implementing a structurally sound and business-effective whistleblowing policy is a significant step towards this end.
- 1.2 This Whistleblowing Policy ("the Policy") is designed to provide employees and third parties with proper internal reporting channels and guidance to disclose any wrongdoing or improper conduct relating to bribery, corruption, unlawful conduct, inappropriate behaviour, malpractices, any violation of established written policies and guidelines within MARC or any action that is or could be harmful to the reputation of the Company and/or compromise the interests of the shareholders, clients and the public without fear or victimisation and/or subsequent discrimination. Strategies and procedures that are incorporated in this Policy (including whistleblower protection against retaliation) aim to address issues such as reporting, responsibility, confidentiality and effective investigation and resolution.
- 1.3 The measures documented in this Policy aim to improve the operation of the whistleblowing process, eliminate the risk of retaliation and detrimental action against whistleblowers and to improve the integrity of the organisation as a whole through transparent policies and effective procedures.
- 1.4 This Policy has been revised and adapted to promote alignment with the Whistleblower Protection Act 2010, Malaysian Anti-Corruption Commission Act 2009, Companies Act 2016 and Capital Market and Services Act 2007.
- 1.5 This Policy should be read together with MARC's Code of Conduct (CoC) and; MARC's Anti-Bribery and Corruption Policy. Employees are advised that this Policy is in addition to MARC's Guidelines on Grievance Reporting, Guidelines for Dealing with Complaints of Sexual Harassment and other relevant statutory reporting procedures.

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## 2.0 SCOPE OF THE POLICY

- 2.1 All employees (full-time, contract or temporary staff) may disclose to authorised personnel (see Paragraph 5:**REPORTING PROCEDURES**) any wrongdoing or improper conduct (see Sub Paragraph 4.2: **REPORTABLE CONDUCT**) within MARC which he has become aware of or genuinely suspects based on his reasonable belief that any person has engaged, is engaged or is preparing to engage in. Any employee who discovers or suspects any wrongdoing or improper conduct should not attempt to conduct investigations personally or interrogate any suspect.
- 2.2 This Policy covers all matters involving MARC's employees and any other person providing services to MARC, including consultants, vendors, independent contractors, external agencies and/or any other parties with a business relationship with MARC. Investigations will be conducted regardless of the suspected perpetrator's length of service, position/title, social status or relationship to MARC.
- 2.3 A disclosure of wrongdoing or improper conduct under Section 2.1 may also be made:
- (a) even if the employee making the disclosure is not able to identify a particular person to whom the disclosure relates; or
  - (b) even if the wrongdoing or improper conduct has occurred before the effective date of this Policy.
- 2.4 Any disciplinary action to be taken against MARC's employees after the conclusion of investigations of this nature shall be in accordance with MARC's Disciplinary Policy. In the case of proven wrongdoing or improper conduct involving an external party, this fact shall be made known in the Final Investigation Report (FIR) to the Group Chief Executive Officer (GCEO) and Audit and Risk Committee (ARC) in order for them to decide on the next course of action.

## 3.0 POLICY STATEMENT

- 3.1 MARC is committed to comply with the laws and regulations by which it is governed, as well as other applicable laws and regulations. An integral component of this commitment is the Company's dedication to abide by the internal controls and procedures set forth in this Policy. MARC recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal wrongdoing or improper conduct or mismanagement of MARC's resources. MARC's internal controls and operating procedures are intended to detect and prevent improper or unlawful conduct, as set out in the Code of Conduct. However, MARC recognises that intentional and unintentional violations of laws, regulations, policies and procedures may occur and constitute wrongdoing or improper conduct as defined by this Policy. Understanding this potential, MARC is implementing an efficient and effective whistleblowing system that contains procedural requirements and guidelines. Specifically, this system addresses the

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reporting system, assessment of disclosures, the investigation of alleged improper activity, the management of the whistleblower (to include welfare and confidentiality) and the review process for ensuring the policy and procedures remain effective.

- 3.2 The management of MARC is responsible for the detection and prevention of bribery, corruption, wrongdoings, irregularities, and/or other improper or unethical conduct. The management of MARC is expected to familiarise themselves with the types of wrongdoing or improper conduct that may occur within his or her department or area of responsibility, and to be alert for any indication of wrongdoing or improper conduct.
- 3.3 No employee can use his or her position to prevent other employees from exercising their rights or complying with their obligations as indicated in this Policy.

## **4.0 WRONGDOING OR IMPROPER CONDUCT**

### **4.1 Limitation**

- 4.1.1 This Policy does not apply to grievances concerning an individual's terms of employment or other aspects of concerns or complaints within the scope of MARC's Guidelines on Grievance Reporting by the Human Capital Department. Sexual harassment complaints shall be dealt with in accordance with MARC's Guidelines for Dealing with Complaints of Sexual Harassment.
- 4.1.2 Should it be determined during preliminary assessment or investigation that the matter disclosed does not fall within the scope of this Policy, the Compliance Officer shall recommend to the ARC such matters for appropriate procedures and actions to be taken.

### **4.2 Reportable Conduct**

- 4.2.1 The following is a non-exhaustive list of examples of wrongdoing or improper conduct under the scope of this Policy:
- (a) conduct which constitutes a criminal offence under the law, such as bribery, fraud, corruption, forgery, cheating, criminal breach of trust, insider trading, abetting or intending to commit criminal offence;
  - (b) conduct which is in contravention of established written policies and guidelines including but not limited to breach of confidentiality, late arrival to work, failure to carry out superior's instructions/orders, misuse of company property and assets, violations of MARC's code of conduct, policies, guidelines and procedures and/or any conduct which undermines the ethical values of the Company, i.e. integrity, honesty, accountability, transparency, fairness and the like even though there may not (yet) be any laws or procedures governing such unethical conduct;
  - (c) gross waste of the Company's resources or intended destruction of the Company's property;
  - (d) any other conduct which may cause loss to the Company, or otherwise be detrimental to the interests of shareholders, clients and the public;

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- (e) failure to comply with MARC's contractual obligations or statutory obligations;
  - (f) any action which creates risk (actual or potential) to the health and safety of any individual; or
  - (g) any attempt to conceal or suppress information relating to the above.

### **4.3 Adherence to Disciplinary Policy**

4.3.1 For the purpose of clarification, strict adherence to the policy and procedures stated in the Disciplinary Policy, including but not limited to the punishment authority and issuance of show-cause letter, is mandatory before MARC can take any disciplinary action against any employee.

4.3.2 The principle of natural justice will be followed in this Policy. This principle concerns procedural fairness. In practice, procedural fairness means that the parties implicated will each have a chance to put forth their views and be heard, in accordance with the Disciplinary Policy. They will also have the right to respond to any allegations made against them. Following procedural fairness protects the rights of all individuals and enhances confidence in the process. Employees charged with the responsibility of dealing with concerns raised under this Policy and the Disciplinary Policy shall do so in a sensitive, respectful and impartial manner.

## **5.0 REPORTING PROCEDURES**

### **5.1 Types of Reporting**

5.1.1 A disclosure of wrongdoing or improper conduct may be made orally or in writing (via such channels as a letter or e-mail). Disclosures made under this Policy shall at least contain a brief summary of the allegation, names of possible individuals involved or witnesses to the incidence(s) in question, date(s), place(s) and other relevant information.

5.1.2 It is advisable for verbal disclosures to be reduced in writing and signed by the whistleblower before the Investigator as soon as practicable to avoid any misunderstanding or misinformation.

- 5.1.3 If an employee / third party chooses to make a report under this Policy by way of a letter, delivered either by hand or by post to the Compliance Officer, GCEO or Chairman of the Audit and Risk Committee or any member of the Board, such letter must be properly sealed in an envelope labelled “**PRIVATE AND CONFIDENTIAL- DO NOT OPEN IF NOT THE ADDRESSEE**” on the top left corner of the envelope, to ensure that no one else except the addressee as stated on the envelope opens the envelope.

Example:

<p><b>PRIVATE AND CONFIDENTIAL- DO NOT OPEN IF NOT THE ADDRESSEE</b></p> <p><b>Compliance Officer</b> Malaysian Rating Corporation Berhad 19-07, Level 19, Q Sentral, 2A Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.</p>	<p>X</p>
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If the report is to be made by way of an email, such report shall be sent to the email address at:

- [whistleblowing@marc.com.my](mailto:whistleblowing@marc.com.my) (to the Compliance Officer) or
- [acc\\_whistleblowing@marc.com.my](mailto:acc_whistleblowing@marc.com.my) (to Chairman of ARC) or
- [board\\_whistleblowing@marc.com.my](mailto:board_whistleblowing@marc.com.my) (to Chairman of Board)
- Via Corporate website form at <https://www.marc.com.my/contact-us/whistleblowing/>

## 5.2 To Whom Should Disclosures Be Made?

- 5.2.1 Any wrongdoing or improper conduct that is discovered or genuinely suspected shall be reported immediately to MARC’s Compliance Officer, who will then perform a preliminary assessment of the seriousness of the matter disclosed.
- 5.2.2 If the matter involves the Compliance Officer, employees can report the matter directly to the GCEO.
- 5.2.3 In cases of allegations concerning a person who is of a higher rank than the Compliance Officer, employees may report such allegations to the Chairman of the ARC, who will direct the matter to the ARC. If the matter involves a Board member, report can be made to the Chairman of the Board or any other members of the Board.
- 5.2.4 Any third party must inform MARC as soon as they have a reasonable suspicion of an improper conduct or breach involving MARC staff or any parties related to MARC. All concerns raised will be treated fairly and properly.
- 5.2.5 MARC may attend to the report received on an anonymous basis.

## 6.0 INVESTIGATION PROCESS

### 6.1 Investigation Authority

Only the Compliance Officer, GCEO, Investigation Committee and internal auditor or specific persons ("Investigator") specifically directed by the ARC have the right to carry out investigations under this Policy.

### 6.2 Jurisdiction

6.2.1 With regards to allegations that are trivial or which have insignificant or no adverse impact on MARC's business and reputation, the Compliance Officer may conduct investigations on his or her own. However, the GCEO has the right to participate in or personally conduct the investigation which falls within the jurisdiction of the Compliance Officer.

6.2.2 In cases where the allegation has a serious and significant adverse impact on the Company which is beyond the ambit and jurisdiction of the Compliance Officer, the Compliance Officer shall then report and refer the concern raised to the GCEO for his further instruction and investigation.

6.2.3 Should the GCEO feel that the concern raised is serious and has a significant adverse impact on the Company (including but not limited to serious fraudulent activities, criminal breach of trust and corruption), the matter shall be reported to the Audit and Risk Committee for their deliberation.

(See **Appendix 1** for **Investigation Process Flow**)

6.2.4 If the issue cannot be resolved and warrants further scrutiny and investigation, the ARC may set up an Investigation Committee (please refer to **Appendix 2: Investigation Committee's Investigation Process Flow**) to investigate the matter independently.

6.2.5 The Investigation Committee shall consist of three (3) members of the same or higher rank than the person implicated who are not directly involved with the case and shall include at least one member of the ARC.

6.2.6 In addition to the setting up of the Investigation Committee, the ARC may request for further investigations to be performed by the internal auditor or other specific persons decided by the ARC.

6.2.7 The Investigators are bound to follow the steps in this Policy while conducting investigations under this Policy.

### 6.3 Objectives of Investigation

The objectives of an investigation are:

- a) To collate information relating to the allegation as quickly as possible. This may involve taking steps to protect or preserve documents, materials and equipment;
- b) To consider the information collected and draw conclusions objectively and impartially;
- c) To maintain fairness in the treatment of witnesses and the person who is the subject of the disclosure;
- d) To protect the identity of the whistleblower; and
- e) To make recommendations to the relevant approving authority arising from the conclusions drawn concerning remedial or other appropriate actions.

### 6.4 Timeline

6.4.1 This Policy is designed to resolve concerns raised in an impartial, respectful and timely manner through a process of thorough investigation.

6.4.2 It is expected that investigations will be finalised in a timely manner wherever possible, with cases resolved within sixty (60) days from the date of receipt of disclosure. However, there may be circumstances where cases may take a longer period of time to resolve, but speedy resolutions will take priority.

### 6.5 Terms of Reference

The terms of reference of the Investigation Committee are set out as follow:

- To investigate the disclosures with fairness and in good faith.
- To ensure that the identity of the whistleblower shall be kept confidential to the extent possible and permitted by law.
- To keep records together with supporting evidence or documents.
- To issue a report clearly stating the findings and recommending remedial actions to the ARC.

### 6.6 Reporting Requirements

6.6.1 The Investigator/Investigation Committee is required to report all concerns raised, the status of all pending and ongoing investigations, and any action taken or to be taken as a result of the investigations, as well as the status of follow-up actions taken to the GCEO and the ARC.

6.6.2 A report endorsed by the ARC shall be submitted to the Board of Directors if the outcome of the investigation substantiates that fraudulent or unlawful activities have occurred within MARC.

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**6.7 Conduct of Investigation**

- 6.7.1 The Investigator/Investigation Committee shall, as soon as it is practicable upon receipt of concerns raised under this Policy, conduct a preliminary assessment on the available information received. This may require a preliminary interview with the whistleblower (if applicable) to obtain additional information.
- 6.7.2 During the course of the investigation, interviews must be conducted whenever possible with all relevant witnesses, and every attempt must be made to gather all pertinent data and materials from all available sources. All interviews and activities associated with the investigation must be documented in writing and filed for the purpose of record to support the findings, recommendations and/or actions taken.
- 6.7.3 It is in the discretion of the Investigator/Investigation Committee to allow any witness to have representation or support during an interview. If a witness has a special need for representation or support, permission should be granted.

**6.8 Final Investigation Report (FIR)**

- 6.8.1 At the conclusion of the investigation, the Investigator/Investigation Committee will submit an FIR of to the GCEO and the ARC, as appropriate.
- 6.8.2 The FIR will contain the following:
- a) The allegation(s);
  - b) An account of all relevant information received and, if the Investigator/Investigation Committee has rejected evidence as being unreliable, the reasons for this opinion having been formed;
  - c) The conclusions reached and the basis for them; and
  - d) Any recommendations arising from the conclusions.
- 6.8.3 The Investigator/Investigation Committee will include in the FIR:
- a) The steps that need to be taken by MARC to prevent the conduct from continuing or re-occurring in future; and
  - b) Any action that should be taken by MARC to remedy any harm or loss arising from the conduct. This action may include bringing disciplinary actions against the person(s) responsible for the conduct, and referring the matter to the appropriate authority for further consideration and approval.
- 6.8.4 The FIR will be accompanied by:
- a) The transcript or other records of any oral evidence taken; and
  - b) All documents, statements or other exhibits received by the Investigator and accepted as evidence during the course of the investigation.
- 6.8.5 The FIR will not disclose particulars likely to lead to the identification of the whistleblower.

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- 6.8.6 The Head of Division / Department does not have the authority to terminate an employee. A formal written instruction shall be issued to the Human Capital Department to follow up with necessary actions in accordance with the Disciplinary Policy once the recommendations put forth in the FIR are approved by the ARC. The Human Capital Department shall inform the GCEO, Compliance Officer and/or Audit and Risk Committee of the status of the follow-up actions.

## 7.0 REFERRAL TO EXTERNAL ENFORCEMENT AUTHORITY

Referral of the investigation to the appropriate enforcement body for independent investigation or initiation of civil action will be executed with legal counsel, upon endorsement by the ARC.

## 8.0 CONFIDENTIALITY

### 8.1 Secrecy

- 8.1.1 To avoid the reputation loss of the person implicated and to protect the Company from potential civil liability, the recipient of the report made under this Policy, the whistleblower or any person who is involved in the investigation process **shall not** discuss or disclose information relating to disclosure or any part thereof, status or outcome of investigation, except where:

- (a) disclosure is made to those who are authorised under this Policy and have a legitimate need to know;
- (b) disclosure is required by law or by the legally binding requirements of any statutory authority; or
- (c) disclosure is made on a strictly confidential basis to a professionally qualified lawyer for the purpose of obtaining legal advice.

- 8.1.2 The whistleblower should be informed of the following:

- (a) do not contact the suspected individual in an effort to determine facts or demand restitution; and
- (b) do not discuss the case, facts, suspicions, or allegations with anyone unless specifically directed to do so by the Investigator/Investigation Committee, for the purpose of the investigation

- 8.1.3 No information concerning the status of an investigation will be given out other than as permitted under paragraph 8.2. The proper response to any inquiry is: "I am not at liberty to discuss this matter." Under no circumstance should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference. Unauthorised disclosure of information other than in accordance with this Policy may be subject to disciplinary action.

## 8.2 Status of Investigation

- 8.2.1 All inquiries concerning the status of the investigation from the person implicated, his or her attorney or representative, or the whistleblower should be made in writing and directed to the Compliance Officer or the GCEO.
- 8.2.2 A response to a written request for the status of the investigation will be provided within thirty (30) days from the date of such written request.

## 8.3 Safekeeping of records

- 8.3.1 A confidential record of each reported matter and related documents shall be marked "**CONFIDENTIAL**" and stored securely by the Compliance, Governance, Legal and Risk Management Department for no fewer than seven (7) years.
- 8.3.2 It is the responsibility of the Compliance, Governance, Legal and Risk Management Department to place documents on file under the names of each party (where appropriate) so that it will be immediately apparent if a particular person is involved frequently in complaints.

## 9.0 PROTECTION OF THE WHISTLEBLOWER

### 9.1 Good Faith and Protection Against Retaliation

- 9.1.1 Disclosure under this Policy must be raised in good faith and must not be based on office gossip nor must it be made for purposes of personal advantage or gain. Employees / third party should have reasonable grounds for believing or suspecting that there is wrongdoing or improper conduct within MARC. For the purposes of this Policy, "good faith" means the unequivocal belief in the veracity of the matter disclosed.
- 9.1.2 Any employee / third party who discloses wrongdoing or improper conduct in good faith and in compliance with the provisions of this Policy shall be protected against any act of retaliation. For the purposes of this Policy, "retaliation" is defined as any action or threat of action which is unjustly detrimental to the whistleblower because of his/her report, including, but not limited to, harassment, discrimination and acts of vindictiveness, direct or indirect, that are recommended, threatened or taken against the whistleblower.
- 9.1.3 MARC reserves the right to take disciplinary action against those who:
- (a) wilfully disclose any matter through the whistleblowing mechanism under this Policy, knowing the matter to be false; or
  - (b) make false reports with the intention to deceive or misinform.



## **9.2 Protection of Identity**

- 9.2.1 If the whistleblower requests to have their identity protected, the Investigator(s) will ensure the whistleblower is informed concerning the handling of a protected disclosure in an investigation. MARC and the Investigator(s) will not disclose his or her identity to any third party without his or her consent except where disclosure is required by law or by the legally binding requirements of any statutory authority or on a strictly confidential basis to a professionally qualified lawyer for the purposes of obtaining legal advice.

## **9.3 No Immunity**

Reporting under this Policy, however, in no way immunises or shields an employee against action following his or her intentional wrongdoing or improper conduct.

## **10.0 POWER TO ACCESS TO RECORDS AND PREMISES**

- 10.1 The GCEO or the Investigation Committee has:
- (a) the power and unrestricted access to all MARC's records and premises, whether owned or rented; and
  - (b) the authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any person who may use or have custody of any such items or facilities when it is within the scope of the investigation.
- 10.2 The Compliance Officer may have the power to access the records and premises provided it is approved in writing by the GCEO or one of the Board of Directors of MARC.

## **11.0 ADVICE FOR EMPLOYEE MAKING DISCLOSURE**

- 11.1 MARC acknowledges that making disclosures of impropriety is a difficult decision for an employee to make. As the issues that prompt the concern are likely to be complex, the employee should strive to be accurate in his or her observations and claims and keep formal records documenting relevant events.
- 11.2 Employees are encouraged to express their concerns at the earliest opportunity so that timely action can be taken.

**12.0 MONITORING AND REVIEW OF POLICY**

- 12.1 The ARC is responsible for the interpretation and supervision of the enforcement of this Policy.
- 12.2 The Policy will be reviewed and updated once every 3 years or as and when necessary.
- 12.3 MARC must diligently monitor these procedures to ensure that they meet the objectives of relevant legislations and remain effective for MARC, and, if necessary, implement changes subject to the approval of MARC's Board of Directors.
- 12.4 The Compliance, Governance, Legal and Risk Management Department will also monitor any patterns of disclosure of similar behavior, even if they involve different people, in order to take pro-active steps, such as publicity and education, in an endeavour to decrease the incidence of such improper or unlawful conduct.