



Syarikat Takaful Malaysia Keluarga Berhad

WHISTLEBLOWING POLICY

Version 1.1

April 2020

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1. Introduction

Syarikat Takaful Malaysia Keluarga Berhad (“**STMKB**”) and its group of companies (collectively “**Takaful Malaysia**”) is committed to the highest standard of compliance with regards to disclosure, transparency, accountability and integrity, as well as those set by relevant legislations.

The objectives of this Whistleblowing Policy (“**WP**”) are:

- (a) To provide an avenue for Whistleblower to raise concerns and define a way to handle any concerns of integrity and misconduct;
- (b) To ensure the Board of Director is kept informed at an early stage about acts of Misconduct or improprieties;
- (c) To reassure Whistleblower that they will be protected from punishment or unfair treatment for reporting concerns in Good Faith, as long as such reporting are in accordance with the procedures in this WP; and
- (d) To help develop a culture of openness, accountability and integrity within Takaful Malaysia.

The mechanism or steps that are incorporated in this procedure aim to address issues such as reporting, responsibility, confidentiality and effective investigation and resolution.

The procedures documented here endeavour 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.

The WP should be read together with the Fraud Management Policy and Anti-Corruption Framework. This WP and the Fraud Management Policy collectively govern the reporting and investigation procedures of improper activities or Misconducts of Personnel of Takaful Malaysia.

2. Scope

This WP applies to all Personnel of Takaful Malaysia. All Personnel of Takaful Malaysia is encouraged to raise genuine concerns about possible improprieties in matters of operations, financial reporting, compliance and other malpractices at the earliest opportunity, and in an appropriate way through the policies and procedures set out in this WP. The public is also welcomed to report any concerns to Takaful Malaysia using the reporting channel provided in this WP.

3. Definitions

Good Faith means making a report without malice or consideration of personal benefit whenever there is a reasonable basis to believe that the allegation is true based on evidentially substantiated information / documents available. For the avoidance of doubt, Good Faith is lacking when the reporting is reasonably verified to be malicious, vindictive, false and fake or made with motives.

Misconduct shall include the reporting of, amongst others, the following:

- (a) A suspected criminal offence in Malaysia or overseas;
- (b) Non-compliance with legal and regulatory requirements;
- (c) A financial or professional misconduct;
- (d) Any acts or omissions that may cause a risk to the health or safety of any individual;
- (e) Unfair treatment;
- (f) Improper conduct or unethical behaviour;
- (g) Any acts or omissions that contravenes any policies of Takaful Malaysia, including but not limited to, the Anti-Corruption Framework; and
- (h) Any attempts to suppress or conceal any information relating to any of the above.

Personnel	means all members of the Board of Directors (executive and non-executive), Shariah Advisory Body and employees of Takaful Malaysia;
Whistleblow / Whistleblowing	means a reporting by Whistleblower of an alleged Misconduct.
Whistleblower	means any Personnel or any members of the public that report a concern to Takaful Malaysia using the mechanism provided in this WP; and

4. Roles and Responsibilities

4.1 Board of Directors (“Board”)

- (a) The Board is responsible in approving this WP and delegates the responsibility of overseeing the implementation and reviewing of this WP to the Board Risk Committee (“BRC”).
- (b) The Board and BRC shall:
 - (i) Set the tone at the top that encourages reporting of Misconduct.
 - (ii) Guarantee the protection of Whistleblower if the reporting is made in Good Faith and in accordance with the procedures in this WP.
 - (iii) Ensure adequate resources are available to address all concerns raised by Whistleblower and for the concerns to be properly investigated and for appropriate action to be taken.
- (c) BRC shall review the quarterly summary report submitted by Legal and Compliance Department on the statistics of all cases reported and investigated by Internal Audit.

4.2 Senior Management

- (a) Senior Management is responsible in implementing this WP.
- (b) Senior Management shall:
 - (i) Demonstrate Takaful Malaysia's commitment in promoting a culture of integrity and ethical behaviour among Personnel.
 - (ii) Uphold and promote this WP across all divisions or departments in Takaful Malaysia.
 - (iii) Provide adequate training and exposure on procedures in this WP.

4.3 Legal and Compliance Department

- (a) The Chief Compliance Officer (“**CCO**”) will compile initial reports made through all reporting channels of Takaful Malaysia.
- (b) The CCO shall vet all reports made by Whistleblower of alleged Misconduct to ensure genuineness of each report made by the Whistleblower.
- (c) All evidentially substantiated (on a balance of probability) cases will be referred to Internal Audit for investigations to be initiated and conducted according to the procedures set out in this WP.
- (d) The CCO shall notify the Board, BRC, and Group Chief Executive Officer immediately of any material cases that may result in reputational damage.
- (e) Legal and Compliance Department shall review this WP periodically for completeness and relevance, and shall provide timely notification to BRC.

4.4 Internal Audit

- (a) Observe and audit all Whistleblowing reports that Legal and Compliance Department compiled and verified for the purpose of accounting and preliminary vetting / verifying of the Misconduct reported.
- (b) Investigate Misconduct in accordance with the procedures set out in this WP.
- (c) Report to Audit Committee on the findings of the investigation as well as the actions taken.
- (d) Regularly update Legal and Compliance Department on the status of the investigation.

4.5 Whistleblower

- (a) Whistleblowers are expected to raise genuine concerns of Misconduct in Good Faith via E-form or a dedicated email-channel provided at Takaful Malaysia website. Alternatively, Whistleblower may report by writing a letter addressed to the Chief Compliance Officer of Takaful Malaysia.
- (b) While paragraph 4.5(a) of the WP provides for the official channel in which Whistleblower should make a complaint, Takaful Malaysia will nonetheless entertain complaints made

via other means, including via Takaful Malaysia's call centre, in order to ensure that a Whistleblower is not discouraged from making complaints.

- (c) The complaints obtained from these channels of reporting will be compiled and verified by the CCO, and observed and audited by Internal Audit.
- (d) There are also other channels and avenues for a Whistleblower to elevate reports to the regulatory bodies and local enforcement agencies such as Bank Negara Malaysia, Securities Commission and the Malaysian Anti-Corruption Commission (MACC).
- (e) A Whistleblower should note the following:
 - (i) any concerns should be raised as soon as possible.
 - (ii) all complaints of Misconduct should be based on objectively verifiable facts.
 - (iii) all documents pertaining to the complaint may be supplied along with the complaint, in order to support the complaint of Misconduct.
 - (iv) complaints may be made anonymously. However, anonymous complaints are discouraged, as it may be more difficult for Takaful Malaysia to investigate and to obtain the necessary clarification and/or evidence on these complaints. Complaints made anonymously may also result in the forfeiture of the rights and protections afforded to the Whistleblower in this WP.
 - (v) complaints should be made in Good Faith. Personnel who makes complaints that are malicious, vexatious, false and fake or with motives may be subjected to disciplinary actions.
 - (vi) complaints shall not be discussed or disclosed to any other person while the complaints are being investigated, in order to protect the integrity and confidentiality of the issues concerned.

5. Guiding Principles

5.1 How to Whistleblow?

- (a) Any Misconducts shall be made in writing via the channel mentioned in paragraph 4.5(a) of this WP.
- (b) Contents of the complaint shall include, amongst others, the following:
 - (i) A detailed summary of the incident.
 - (ii) The date(s) in which the incident occurs.
 - (iii) The reason(s) the Whistleblower is concerned with the incident.
 - (iv) Any supporting information and documents that are mentioned in the complaint.
- (c) If an allegation is made verbally, the receiver of the complaint shall put in writing the complaint made as soon as it is practical. This is to ensure that the complaint properly

reflects the concern that has been raised. The receiver shall request the Whistleblower to verify the content of the complaint that has been put in writing.

- (d) Personnel shall be given training on how to report Misconducts that occur internally within Takaful Malaysia. Such training shall cover information concerning:
 - (i) why should a Personnel Whistleblow.
 - (ii) how to identify and report Misconducts.
 - (iii) what are the protections afforded to Whistleblower under this WP and relevant legislation.

5.2 How are complaints being handled?

- (a) Internal Audit shall be responsible to conduct investigation on any complaints made.
- (b) The Head of Internal Audit Division shall assign a qualified auditor to be the Investigation Officer for each complaint received, to conduct the investigation.
- (c) In the course of investigation, the Investigation Office shall:
 - (i) Arrange interviews with any persons whom the Investigation Officer deems necessary and appropriate for the purpose of the investigation.
 - (ii) Discuss the complaint, investigation procedures and proposed actions to be taken with the Head of Division / Department of the accused, or such other relevant Division / Department e.g. Shariah, Human Resources etc., if the Investigation Officer deems necessary.
- (d) Where appropriate and as instructed by the Head of Internal Audit, the Investigation Officer shall consider the following actions to be taken:
 - (i) Transfer the complaint to Human Resources Division / Department for further investigation, if for example, the complaint concerns a breach of any of Takaful Malaysia's code of practices or Employee Handbook.
 - (ii) Report the complaint to police or relevant statutory authorities (e.g. Bank Negara Malaysia etc.), if the complaint appears to contain criminal elements.
 - (iii) Refer to an external auditor for further investigation.
 - (iv) Form an independent inquiry.
- (e) Internal Audit shall keep the Legal and Compliance Department updated on the status of the investigation, in order for them to discharge their functions as set out in this WP.

6. Protection of Whistleblower

- 6.1 Disclosure under this WP 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. The Whistleblower should have reasonable grounds for believing or suspecting that there is Misconduct within Takaful Malaysia.
- 6.2 Any Whistleblower who discloses wrongdoing or improper conduct in Good Faith and in compliance with the provisions of the procedure in this WP shall be protected against any act of retaliation.
- 6.3 For the purposes of reporting herein, “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.
- 6.4 Takaful Malaysia reserves the right to take disciplinary action against those Personnel who:
- (a) wilfully disclose any matter through the whistleblowing mechanism under this WP, which he / she reasonably believing the matter to be false; or
 - (b) make reports with the intention to deceive or misinform.
- 6.5 The Investigation Officer may inform the Whistleblower on the status of an investigation.
- 6.6 All Whistleblower’s identity will be kept confidential. Takaful Malaysia and the Investigation Officer 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.
- 6.7 Where Takaful Malaysia and the Investigation Officer are required to disclose the identity of the Whistleblower, the Investigation Officer is required to notify the Whistleblower before revealing their identity and if possible, before the disclosure of identity, Investigation Officer will discuss with the Whistleblower and adopt the next best way to proceed with the matter.
- 6.8 It is the responsibility of Takaful Malaysia to establish a secure information management system to protect the identity of the Whistleblower. This would give confidence to the any other Whistleblower to report any Misconduct.

7. Monitoring and Reporting Requirements

- 7.1 Legal and Compliance Department shall maintain a record of all complaints made by Whistleblower of Misconduct, so that an assessment can be made for BRC to review and recommend further improvement actions to existing procedures.
- 7.2 Legal and Compliance Department shall submit a quarterly detailed report to BRC on all cases investigated. Legal and Compliance Department are also required to conduct assessments on the complaints received in order to observe emerging trends.
- 7.3 Legal and Compliance Department shall conduct periodical reviews of this WP and is committed to conduct the review at least once every three years to assess the performance, efficiency and effectiveness of this WP. The reviews should also investigate whether this WP has been appropriately implemented and enforced. The outcome of the review shall be a guidance for future improvements.