

## **WHISTLEBLOWING POLICY**

### **1) PURPOSE**

- 1.1 The purpose of this policy is to enable all IILM Employees, contractual counterparties, consultants and service providers to the IILM and other stakeholders to report in confidence to IILM any concerns or suspicions of any illegal, unethical or questionable practices they may be aware of.
- 1.2 This policy also provides specific operational procedures on whistleblowing and witness protection, including the protections afforded to Whistleblowers and Witnesses.
- 1.3 This policy provides for the adoption of appropriate internal procedures for handling reportable concerns made by Whistleblowers and also provides for steps to be taken to address frivolous reports made in bad faith that may impact the cordial and harmonious relationship among IILM Employees.

### **2) DEFINITIONS**

2.1 Except as otherwise expressly provided herein or unless the context otherwise requires –

“Abuse” means theft, waste or improper use of IILM assets in any IILM related activity, either committed intentionally or through negligence.

“Board Audit Committee” or “BAC” is the IILM committee as described in by-law 6 of the IILM By-Laws.

“Board Executive Committee” or “BEC” is the IILM committee as described in Articles 21 and 22 of the IILM Articles of Agreement.

“Coercion” or “coercive practice” means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party, to improperly influence the actions of a party.

“Collusion” means an arrangement between two or more parties designed to achieve an improper purpose, including improperly influencing the actions of another party or effecting any coercive practice.



“Conflict of interest” means any situation in which a party has interests that could improperly influence that party’s performance of official, IILM-related duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations.

“Corruption” or “corrupt practice” means the offering, giving, receiving or soliciting, directly or indirectly, anything of value to improperly influence the actions of another party.

“Evidence” means any physical object, record, document (in any form), testimony, or other information that tends to establish the existence or non-existence of an allegation or fact.

“False or malicious allegations” means allegations that are knowingly, deliberately or recklessly inaccurate or misleading, to gain some competitive advantage, effect a Coercive practice or cause harm to a person or entity.

“Fraud” or “fraudulent practice” is any action or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

“Good faith” is the unequivocal belief in the veracity of the reported incidents, i.e. the fact that the Employee reasonably believes the transmitted information to be true.

“Integrity violation” is any act which violates IILM’s Code of Conduct as currently established in the IILM Staff Rules or as may be further provided in future amendments and includes, abuse, coercion, collusion, conflict of interest, corruption, and fraud, as defined herein.

“Management Committee” is the senior management team of the IILM which comprises: Chief Executive Officer, Executive Director (Legal & Compliance), Executive Director (Business Operations), and Executive Director (Finance and Administration).

“Misconduct” includes, but is not limited to, the failure to observe the Rules of Conduct as set out in the IILM Staff Rules.

“Retaliation” is misconduct comprised of any detrimental act, direct or indirect, recommended, threatened or taken against a whistleblower, witness or person associated with a whistleblower or witness in a manner material to the complaint because of the report or cooperation with an IILM investigation by the whistleblower or witness. It includes, but is not limited to harassment, discriminatory treatment, assignment of work outside the



corresponding job description, inappropriate performance appraisals or salary adjustments, or the withholding of an entitlement.

“Employee” means any former and current staff of the IILM.

“Subject of an investigation” means a person who is alleged to have engaged in an Integrity violation and/or misconduct that the Whistleblowing Committee or any other authority is investigating, and includes any person accused of retaliation under this policy.

“Whistleblower” is any person who, in good faith and voluntarily, reports, or is reasonably believed to be about to report, or is believed to have reported a suspected integrity violation or misconduct. Such a person may be an Employee and may also be any other person providing the IILM with services.

“Whistleblowing Committee” or “WBC” is the committee that is responsible for the implementation of this policy and shall comprise the Executive Director, Legal and Compliance (EDLC); the Internal Audit Officer; and the Risk Officer. In the event that the Subject of investigation is a member of the Management Committee, the BAC shall be the “Whistleblowing Committee” or WBC.

“Witness” means any person who is not the subject of an investigation but who provides Evidence at the request of WBC or BAC regarding a matter under investigation.

### **3) SCOPE**

2.1 This policy applies to all IILM Employees. However, the Whistleblower or initiator could be an IILM Employee, counterparty, and any other person providing services to the IILM.

2.2 The scope of this policy extends to the following, non-exclusive concerns:

- (i) Fraud and corruption;
- (ii) Violation of regulations such as those on money laundering, terrorism financing, financial embargoes and protection of client interests;
- (iii) Unethical behaviour or dishonest acts; or
- (iv) Unacceptable or fraudulent market practice.

### **4) POLICY STATEMENT**



### **General Principles**

- 3.1 The basic rights of any person implicated by the reported incidents must be respected, whilst ensuring that the procedures provided for are effective.
- 3.2 The IILM will pursue all reasonable steps to protect Whistleblowers and Witnesses acting in good faith and ensure that they are not subject to any Retaliation.
- 3.3 Any person who reports a suspected Integrity violation or Misconduct may remain anonymous or request that his or her name be kept confidential by the Whistleblowing Committee.
- 3.4 Genuine whistleblowing is encouraged, and Whistleblowers are required to report in a manner that will facilitate effective investigation, which in general encourages open and confidential, rather than anonymous, reporting. Whistleblowers who choose to report on an anonymous basis should, in a timely manner, provide enough information concerning the basis of the allegations and sufficient detail or supporting Evidence so that the matter can be pursued responsibly. Even where anonymous allegations are sufficiently detailed or supported to permit an investigation to be conducted, no final finding of Misconduct will be made based solely on the anonymous allegations without independent corroboration by the Whistleblowing Committee.
- 3.5 Any person who reports false or malicious allegations of Integrity violations or Misconduct will not be considered a Whistleblower. Employees who make false and malicious allegations are subject to disciplinary action in accordance with the Disciplinary Procedure in the Staff Rules. Individuals or entities, including contractors, suppliers, or consultants, who report false and malicious allegations may have their contract(s) terminated and/or be declared ineligible to participate in IILM-supported activities.
- 3.6 Employees are obligated not to participate in any Misconduct pursuant to the Staff Rules. Whistleblowers and Witnesses who are Employees and who have committed Integrity violations or Misconduct may not avoid disciplinary action by reporting the Integrity violations or Misconduct and seeking protection under this Policy. However, depending on the circumstances and degree of cooperation with any Whistleblowing Committee investigation, such reporting will be taken into consideration when determining the appropriate disciplinary action.

### **Reporting Obligations**

- 3.7 An Employee is required to report any suspected or presumed incidents of Integrity violations, Misconduct or infringement of the IILM's rules, policies or guidelines, or any action that could reasonably be harmful to the policy mandate or reputation of the IILM (hereinafter "Irregularities").
- 3.8 No approvals or authorisations are needed by an Employee to report a suspected Integrity violation or Misconduct.
- 3.9 An Employee is required to cooperate in good faith with any official investigation, audit or similar request related to the allegation.
- 3.10 No Employee may use their position to prevent other Employees from exercising their rights or complying with their obligations as indicated above.

### **Reporting Procedures**

- 3.11 Any report or allegation may be made anonymously or otherwise by submitting sufficient written material through an email or a sealed envelope labelled "Confidential" detailing such allegations with relevant Evidence and addressed it to:

**Email:** [wbc@iilm.com](mailto:wbc@iilm.com)

**Postal address:**

The Internal Auditor  
International Islamic Liquidity Management Corporation  
Level 43, Vista Tower, The Intermark, 348 Jalan Tun Razak, 50400,  
Kuala Lumpur, Malaysia.

- 3.12 Only the members of the Whistleblowing Committee will have access to the email address.

### **Anonymity and Confidentiality**

- 3.13 Allegations of Integrity violation or any other serious Misconduct may be reported by any means at the disposal of the Whistleblower and are to be described as accurately as possible, with any available Evidence included in such submission.
- 3.14 In all circumstances, the IILM will protect the identities of Whistleblowers and Witnesses from unauthorised disclosure during and after an investigation in accordance with this Policy.

- 3.15 Except to the extent required to pursue disciplinary procedures under the Staff Rules, the Whistleblowing Committee and/or any other designated investigative authority will maintain the confidentiality of any information provided by Whistleblowers and Witnesses where such information has not been disclosed to parties outside of the Whistleblowing Committee, and which is:
- (i) not made publicly known prior to the time of disclosure by the Whistleblower or Witness; or
  - (ii) made generally available after disclosure through no action or inaction of Whistleblowing Committee or IILM.
- 3.16 The Whistleblowing Committee will use all available means, including physical, electronic and procedural controls, to maintain the confidentiality of information obtained from Whistleblowers and Witnesses.
- 3.17 Only the members of the Whistleblowing Committee (where such an Employee is not the Subject of an investigation) will have access to relevant confidential files and records, and the authority to determine whether such files and records, unedited or redacted, may be shared with other parties on a need-to-know basis. Authorised Employees who have actual conflicts of interest or who have recused themselves from an investigation will not be privy to any information on such investigation.
- 3.18 Employees involved in an investigation in any capacity are required to preserve and protect the confidentiality of information related to investigations, including the identity of the subjects of investigation, witnesses, or other parties concerned.
- 3.19 All Evidence, reports, and Witnesses' statements shall be considered confidential information. The Internal Audit Officer, who serves as the secretariat for all confidential information involving whistleblowing, shall retain such confidential information in a secured place indefinitely.
- 3.20 All confidential information shall be properly secured against their wilful or inadvertent destruction. Such confidential information shall be kept in a manner that makes it reasonably accessible to the members of the Whistleblowing Committee.

## **5) RESPONSIBILITIES**



## **Governance**

- 4.1 Any whistleblowing involving a Subject of investigation who is not a member of the Management Committee shall be submitted to a Whistleblowing Committee comprising the Executive Director (Legal and Compliance); the Internal Audit Officer; and the Risk Officer. The Executive Director (Legal and Compliance) shall be the chairman of the committee while the Internal Audit Officer will be the secretary.
- 4.2 Any report of Integrity violation or any other serious Misconduct made through any of the mediums enumerated in Clause 3.12 shall be investigated promptly by the Whistleblowing Committee in a meeting to be conveyed by the secretary within 48 hours of the receipt of the report. In the event that the secretary fails to convene the meeting within the stipulated time, the chairman shall promptly convene a meeting within 24 hours.
- 4.3 Upon conclusion of an investigation, the Whistleblowing Committee shall submit its report, which must contain findings and recommendations, to the Management Committee for its review and final recommendation to the Chief Executive Officer for his decision.
- 4.4 The Chief Executive Officer or such other designated person will inform the Employees of the decision taken which is required to be implemented promptly without further delay. Notification on any investigation and the subsequent action taken shall be made to the Board Audit Committee in its regular meetings.
- 4.5 In the event that the Subject of investigation is a member of the Management Committee, the BAC shall be the "Whistleblowing Committee".
- 4.6 If the investigation was carried out by the BAC, the report, containing the findings and recommendations, shall be submitted to the Chairman of the Governing Board. Within such reasonable time as may be decided by the Governing Board, the Governing Board shall decide on the appropriate action at its normal meetings or through a circular resolution to be approved by a simple majority vote of all members of the Governing Board.
- 4.7 The WBC or BAC's report will indicate its investigative findings as to whether retaliation occurred including recommendations for remedial action. Within fifteen calendar days of receipt of WBC or BAC's report, the Chief Executive Officer or the Governing Board as

the case may be will decide whether to accept the findings and remedial actions contained in the report and approve the appropriate remedial actions to be taken.

#### **Reporting and Investigating Retaliation**

- 4.8 Any Whistleblower who reports an irregularity or allegation in good faith and in compliance with the provisions of this Policy shall be protected against any acts of Retaliation.
- 4.9 Whistleblowers who make a report in bad faith, particularly if it is based knowingly on false or misleading information, shall not be protected and shall be subject to disciplinary measures.
- 4.10 Whistleblowers who believe that they have been subject to Retaliation as a consequence of reporting a suspected Integrity violation, Misconduct or of cooperating with a Whistleblowing Committee investigation must notify the Whistleblowing Committee of their concern.
- 4.11 A report of Retaliation will not interfere with investigation of the primary allegation of integrity violation or misconduct.
- 4.12 All reports of Retaliation received by the Whistleblowing Committee must be investigated and addressed promptly while affording all parties reasonable fair-hearing before making any determination.
- 4.13 Reports of Retaliation by any member of the Management Committee may be submitted as an allegation of Misconduct directly to the BAC.
- 4.14 The WBC or BAC, as the case may be, will review reports of Retaliation to determine whether they are (i) credible; (ii) verifiable; and (iii) material. The investigating authority, WBC or BAC, is not required to investigate reports of Retaliation reported more than one year after the date on which the Whistleblower or Witness becomes aware of the alleged Retaliation.
- 4.15 If WBC or BAC determines that an Employee did experience Retaliation for having reported a suspected Integrity violation or Misconduct or for having cooperated with an WBC or BAC investigation and that the Employee's action related to the investigation was a contributory factor in the Retaliation, the burden of proof will shift to the Subject



of an investigation of the IILM to show by clear and convincing evidence that the same action would have been taken in the absence of the Employee's whistleblowing or cooperation.

- 4.16 Upon conclusion of an investigation concerning Retaliation, which shall be concluded within 14 calendar days, WBC will provide a report on its preliminary determination to the Employee and to the Chief Executive Officer. If the investigation was carried out by the BAC, the report will be submitted to the Chairman of the Governing Board. The WBC or BAC's report will indicate its investigative findings as to whether Retaliation occurred including recommendations for remedial action. Within fifteen calendar days of receipt of WBC or BAC's report, the Chief Executive Officer or the Governing Board as the case may be will decide whether to accept the findings and remedial actions contained in the report and approve the appropriate remedial actions to be taken.
- 4.17 The Chief Executive Officer or such other designated person will inform the Employee of the decision taken which is required to be implemented promptly without further delay.

#### **Protection for Whistleblowers and Witnesses who are Employees**

- 4.18 Whistleblowers and Witnesses who are Employees will be accorded administrative protection during the course of investigation and review as necessary to safeguard them from potential Retaliation. Such interim protection may include, but is not limited to, temporary reassignment and if appropriate, placement on paid administrative leave for an initial period not to exceed one month. If the investigation is still ongoing, an extension of such leave may be approved by the Chief Executive Officer for the period necessary to complete the investigation.
- 4.19 If the Employee believes that there is a direct and imminent threat to his or her personal security or to the security of his or her family, he or she can raise the concern with Whistleblowing Committee, which will provide guidance to the Employee on the appropriate security measures.
- 4.20 When the Whistleblowing Committee has decided under paragraph 4.10 of this Policy that retaliation has occurred, the appropriate remedial actions will include relief or other corrective measures for the Employee who has been subject to Retaliation.

- 4.21 Whistleblowers or Witnesses who are Employees and have claimed Retaliation may appeal within thirty calendar days of receipt of a decision of the Whistleblowing Committee made under paragraph 4.18 of this Policy, directly to Whistleblowing Committee for a reconsideration of its decision.
- 4.22 The Whistleblowing Committee may notify the Whistleblower about the result of the investigation and measures, to the extent legally permissible having regard to the rules on banking secrecy and privacy of personal data or other legal constraints.

### **Rights of Persons Implicated**

- 4.23 Any Employee implicated by reports of irregularities must be notified in good time of the allegations made against them, provided that this notification does not impede the progress of the procedure for establishing the circumstances of the case.
- 4.24 In any event, findings referring to an Employee specifically by name may not be made upon the completion of the above-mentioned procedure, unless that Employee has had the opportunity to put forward their comments in keeping with the principle of respect for the right to be given a fair hearing.
- 4.25 After having heard the implicated Employee, or after having requested the latter to put their case in writing if, for objective reasons, it is not possible to hear them directly, the Whistleblowing Committee shall decide on the measures required in the IILM's interest.
- 4.26 Since the reporting of irregularities and/or the ensuing procedure will involve dealing with personal data, such data shall be managed in accordance with the provisions of the Personal Data Protection Act 2010 of Malaysia.