

VS Group Whistleblowing Policy and Procedure

Title: V.S. Whistleblowing Policy and Procedure		
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Whistleblowing Policy

1.0 Objective

The Board is committed to achieving and maintaining the highest standards of integrity, openness, probity and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner in compliance with the Whistleblower Protection Act 2010 and all other applicable laws and regulations.

1.1 Policy

- 1.1.1 The Whistleblowing Policy and Procedure (“Policy”) seeks to enhance corporate governance by helping to foster an environment where integrity and ethical behavior 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 take corrective actions before serious damage is caused.
- 1.1.3 The purpose of this Policy is to provide a formal, confidential channel to enable employees and external third parties to report serious concerns of any instances of possible fraud, corruption, misappropriation and other irregularities that could adversely impact the company or its subsidiaries, its employees, shareholders, investors, or the public without fear of detrimental action relating to reprisal or victimization.
- 1.1.4 Whistleblowing is a specific means by which an individual, whether employee or otherwise, can report or disclose through established channels, concerns about corruption and other wrongdoings including disciplinary offence (Improper Conduct) suspected or anticipated to take place, unethical behavior, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place or has taken place by an employee of the Company.

1.2 Scope

- 1.2.1 This Policy applies to V.S. Industry Berhad and its subsidiaries (“VS Group”) and to all employees, directors, and its business partners but not limited to consultants, contractors, and vendors of VS Group. It does not apply to V.S. International Group Limited and its subsidiaries, PT. V.S. Technology Indonesia and associate companies as these companies already have (or may in the future adopt) their own whistleblower policies.
- 1.2.2 This Policy supplements (and does not replace) all existing policies and procedures of VS Group relating to wrongful or improper conduct.
- 1.2.3 Only genuine concerns of a serious or sensitive nature should be reported under the whistleblowing procedures as stipulated in this Policy.

This Policy covers all reports made against any employee who has committed an Improper Conduct. It is not intended for petty, trivial, or frivolous complaints nor is it intended for complaints which are dealt with vide procedures which are currently put in place for **grievances**. Please refer to **VS-SOP/HR/025 Employee Grievance Procedure**.

The Complaint or Report should be made in good faith with a reasonable belief that the information relating to the same is substantially true. The Complaint or Report shall not be made for personal gain. A Complaint can be made even if the Whistleblower is not able to identify a particular person to which the Improper Conduct relates.

1.3 Oversight and Ownership of Policy

- 1.3.1 The Audit Committee (“AC”) has overall responsibility for this Policy and shall oversee the implementation of this Policy.
- 1.3.2 The AC has delegated day to day responsibility for the administration and implementation of the Policy to the Whistleblowing Unit (“WBU”). The use and effectiveness of this Policy shall be regularly monitored and reviewed by the Whistleblowing Unit.
- 1.3.3 The WBU shall comprise the following members: -
 - i. Head of Internal Audit;
 - ii. Head of Risk and Compliance; and
 - iii. Head of Human Resource

2.0 Reports of Improper Conduct

2.1 Lodging a Report of Improper Conduct

- 2.1.1 Whistleblowers including employees and external third parties are encouraged 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.
- 2.1.2 Whistleblowers shall make an anonymous or named basis, by e-mail or in writing properly sealed and marked private and confidential to:

Whistleblowing Unit (WBU)

V.S. Industry Berhad
No. 88, Jalan I-Park SAC 5, Taman Perindustrian I-Park SAC, 81400
Senai, Johor
DID: +607-552 8900 / +607-552 8901 Gen: +607-552 8888
Email: whistleblow@vs-i.com

3.0 Investigation

Refer to **Appendix 1** for the Whistleblowing Investigation Procedures

3.1 Log of Reports of Improper Conduct

- 3.1.1 All reports of Improper Conduct, findings of investigations and monitoring and corrective actions shall be centralized and logged by WBU. The AC Chairman shall be informed of any new reports of Improper Conduct (to the extent possible, without disclosure of identities of the Whistleblower and the person that allegedly committed that Improper Conduct).

- 3.1.2 The WBU shall discuss with the AC Chairman in confidentiality and provides his opinion on whether he believes the case is a frivolous claim or is a case where there are suspicious circumstances. Then the report shall be logged and the AC Chairman gives instructions for the conduct of preliminary investigations.

3.2 Investigation Procedures

- 3.2.1 Upon logging a report of Improper Conduct, the WBU will provide the Whistleblower an acknowledgement of receipt of the report of the Improper Conduct within two (2) working days of receipt.
- 3.2.2 The WBU will conduct a preliminary investigation of every report of Improper Conduct received and the findings shall refer to the AC Chairman to determine whether there are merits to initiate a full investigation or close the case.
- 3.2.3 If the matter is closed, the WBU will inform the Whistleblower that the matter is closed.
- 3.2.4 If the matter is to be referred to the authorities such as the police or the Malaysia Anti-Corruption Commission (“MACC”), subject to any legal requirements or prohibitions, the WBU will inform the Whistleblower that the matter has been referred to the authorities.
- 3.2.5 If a full investigation is to be carried out, the WBU will inform the Whistleblower of the conduct of a full investigation and the Whistleblower shall give his full cooperation during the conduct of the investigation.
- 3.2.6 In the event a full investigation is to be conducted, the WBU and/or any other persons identified by the AC Chairman shall conduct the investigation and endeavor to complete such investigation within three (3) months. Any extension of the time required for the completion of the investigation shall be subject to the AC Chairman’s approval.
- 3.2.7 In the event a full investigation is being conducted, all employees shall give their full cooperation to any investigation conducted. All proceedings in the investigation or enquiry shall be carried up in strictest confidentiality and fully documented.
- 3.2.8 In the event a full investigation is to be conducted, the WBU may decide to engage external resource(s), including but not limited to legal counsel, forensic professionals, and expert witnesses to conduct investigations. Justifications and details of engagement of such external resources are considered highly sensitive and confidential information, with access restricted to the AC and WBU.

The terms of appointment of the said external resource(s) shall be approved by the AC Chairman.

- 3.2.9 All information, documents, records and reports relating to the investigation shall maintain confidentiality to the extent reasonable to protect the whistleblowers’ identity.

3.3 Findings of Investigation

- 3.3.1 Upon the conclusion of an investigation, the investigation report shall be reviewed and determined whether the allegation could be substantiated or not.

- 3.3.2 In the event the allegation is substantiated, the WBU shall identify and recommend the corrective actions and/or disciplinary actions to be taken to mitigate the risks of such Improper Conduct recurring.
- 3.3.3 A final report together with the corrective actions undertaken by Management (if any) shall be presented to the AC Chairman.
- 3.3.4 Subject to any prohibition in law or any legal requirements, the WBU will inform the Whistleblower that the investigation has been completed and the findings have been presented to the AC 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

3.4 Decision

- 3.4.1 The AC Chairman shall review the final report and decide whether the allegation was substantiated.
- 3.4.2 Any Improper Conduct which could be adequately dealt with internally, it shall then be passed on to the relevant officer or authorized personnel for appropriate disciplinary actions in compliance with the Group's established procedure and policies.
- 3.4.3 Where any prima facie Improper Conduct was established, legal consultation shall be made and legal advice shall be obtained for the next course of actions.

4.0 Whistleblower Protection Act 2010 ("ACT")

4.1 Confidentiality & Protection

- 4.1.1 In June 2010, the Whistleblower Protection Act 2010 ("the Act") was passed by Parliament and came into force on 15th December 2010. The Act protects persons making disclosures of Improper Conduct in the public and private sector from civil and criminal action. In addition, the Act allows for proper investigation to be carried out by an enforcement agency set up by the Federal Government, State Government or local government ("Enforcement Agency").
- 4.1.2 The Company will treat all information received from the whistleblowers confidentially. The whistleblowers would be protected against detrimental action relating to reprisal and/or retaliation from their superiors or Head of Department, the management, and the Company in accordance with Whistleblowers Protection Act 2010.
- 4.1.3 The identity of the whistleblowers should not be revealed or disclosed by the WBU members or the AC Chairman.
- 4.1.4 If a whistleblower reasonably believes that he is being subjected to detrimental action relating to reprisal, including harassment and victimization, as a consequence of whistleblowing, he may consult or report to the AC Chairman.
- 4.1.5 However, a whistleblower who knowingly or recklessly makes statements or disclosures that are not in good faith or made with malicious intent may be subject to disciplinary procedures, which may include termination.

VS GROUP WHISTLEBLOWING POLICY AND PROCEDURE

APPENDIX 1 WHISTLEBLOWING INVESTIGATION PROCEDURES

