



# **POLICY ON WHISTLE-BLOWING**

## **(As at 1 March 2021)**

## 1 Background

Malaysia Smelting Corporation Berhad and its subsidiaries, including Rahman Hydraulic Tin Sdn Bhd (“RHT”) and SL Tin Sdn Bhd (“SL Tin”) (collectively the “MSCB Group” or the “Group”) are committed to carrying on its businesses in accordance with the highest standards of professionalism, integrity, ethics, transparency and accountability. Accordingly, the Group has established a Whistle-blowing Policy (“Policy”) and is updated as follows.

## 2 Purpose and Scope

The objectives of the Policy are:

- i. to provide a safe and confidential avenue for any individual to report any genuine concerns on any suspected and or known misconduct, wrongdoings, corruption, fraud and or abuses;
- ii. Develop a culture of integrity and accountability within the Group; and
- iii. Assure potential whistle-blowers that they will be protected against reprisals and or retaliations for making a relevant report. Further, no disciplinary action(s) will be taken against the whistle-blower provided that the person does not maliciously, intentionally, knowingly or recklessly provide false information in the report.

This Policy lays down the procedures and guidance on:

- (a) the receipt, retention, and treatment of disclosures received by the Group regarding any unethical behaviour, actual or suspected fraud, misconduct, wrongdoings, corruption and or abuse, whether submitted by employees or third parties relating to the conduct of the Group’s businesses;
- (b) submissions by employees of the Group and other persons, on a confidential basis and in good faith concerning the abovementioned matters, as this provides additional protection to the whistle-blower who come forward with the relevant information;
- (c) the Group’s intention to discipline, up to and including termination of employment, any person determined to have engaged in retaliatory behaviour against the whistle-blower; and
- (d) other wrongful activities or wrongdoings.

## 3 Definitions

For the purpose of this Policy, the following terms are defined:

- (a) **Good Faith** - Good faith is evident when the report is made without malice or consideration of personal benefit and the employee has a reasonable basis to believe that the report is true. However, a report does not have to be proven to be true to be made in good faith. Good faith is lacking when the report is known to be malicious or false.
- (b) **Wrongdoing** - Examples of wrongdoing include, but are not limited to, fraud, including financial fraud or accounting fraud, violation of laws and regulations, violations of Group’s policies and procedures, dishonest and

unethical behaviours or practices, negligence of duty, and acts of corruption (such as accepting and receiving bribe/kickbacks, forging/falsifying documents, corruptly procuring the withdrawal of tender etc.).

- (c) **Whistle-blower** - Any director, officer, employee, contractor, supplier or customer of the Group and any other persons who makes, attempts to make or wishes to make, a report in connection with any wrongdoing with regards to the conduct of the Group's businesses.

The Policy presumes that employees will act in good faith and will not make false accusations when reporting wrongdoing by fellow colleagues. Any employee who knowingly or recklessly makes statements or disclosures that are not in good faith may be subject to discipline, which may include termination of employment.

#### 4 Reporting of a Wrongdoing

##### *(a) Who Can Disclose*

Any of the following Persons can make a disclosure:

- The Group's Directors, employees, including employees on contract terms, temporary or short-term employees and employees on secondment, where applicable;
- People performing services for or making supplies to the Group, including contractors, service providers and suppliers of goods;
- Members of the public who are natural persons, not being incorporated or unincorporated bodies.

The whistle-blower is encouraged to disclose their identity when making a report. This will enable the Group to undertake an investigation, if any. Anonymous reporting can be accepted but it may hinder any potential investigation into the matter(s) reported.

##### *(b) What To Disclose*

A disclosure may be made if it relates to, one or more of the following wrongdoings by any person in the conduct of the Group's businesses or affairs. The following list is not exhaustive:

- acceptance of favour;
- corruption, fraud;
- criminal offence;
- misuse of the Group's funds or assets;
- gross mismanagement within the Group; and
- financial irregularity or impropriety within the Group.
- an act or omission which creates a substantial or specific danger to the lives, health, or safety of the Group's employees, the public or the environment;

- failure to comply with the provisions of any relevant Acts of Parliament where the wrongdoer, knowingly, disregards or does not comply with such provisions; and
- knowingly directing or advising a person to commit any of the above wrongdoings.

This Policy excludes grievances, disclosures or concerns about:

- matters which are trivial or frivolous or malicious or vexatious in nature or motivated by personal agenda or ill will;
- personal grievances concerning an individual's term and condition of employment; or other aspects of working relationship, complaints of bullying or harassment, disciplinary or matters which should be dealt by the Human Resources department;
- matters pending or determined through the Group's disciplinary proceedings; and
- matters pending or determined through any tribunal or authority or court, arbitration or other similar proceedings.

A wrongdoing may occur in the course of the Group's business or affairs or at any workplace, i.e., any related workplace to the Group's business or affairs, for example, on MSCB's premises, at an event organised by MSCB, or during a conference attended by MSCB's employees in the course of his/ her work.

If the person making the disclosure is unsure whether a particular act or omission constitutes a wrongdoing under this Policy, the person is encouraged to seek advice or guidance from the Deputy Chief Executive Officer (Administration), the Group General Manager Internal Audit or the Group Human Resources and Admin Manager.

*(c) When To Disclose*

A whistle-blower is encouraged to come forward and make a report in good faith, providing any relevant information including documentary evidence that is within their knowledge and or possession to disclose a wrongdoing(s), which is likely to happen, is being committed or has been committed.

The whistle-blower needs to demonstrate that he/ she has reasonable grounds for the concerns. However, this person is not expected to first obtain substantial evidence of proof beyond reasonable doubt when making a disclosure. If this person knows as a matter of fact that there are serious risks that a wrongdoing is going to take place, such genuine concerns should be raised at that early stage.

Disclosures should be made as soon as possible after coming upon such information or document. Delaying the disclosure may be detrimental to any investigation, and makes it harder for MSCB to address and resolve the concerns.

*(d) How To Proceed*

To ensure clear and effective disclosure of wrongdoings, the following guidelines should be adhered to as far as possible when making a disclosure:

- A disclosure is to be made in writing through mail or email to the following :

Audit Committee Chairman  
Malaysia Smelting Corporation Berhad  
Lot 6, 8 & 9, Jalan Perigi Nanas 6/1  
Pulau Indah Industrial Park, West Port, Port Klang  
42920 Selangor, Malaysia  
Tel : +603 31023083 / Fax : +603 31023080  
Email : whistleblower@msmelt.com

- A disclosure should be factual rather than speculative, and contain as much specific information as possible to allow for proper assessment of the nature and extent of urgency of the disclosure. It shall include at least the following particulars:
  - if the whistle-blower is an employee of the Group, his/ her name, designation, employer, current address and contact numbers; or
  - if the whistle-blower is not an employee of the Group, his/ her name, name of employer and designation, current address and contact numbers;
  - description of the wrongdoing with as much details as reasonably possible, for instance, its nature, the date, time, and place of its occurrence and the identity of the alleged wrongdoer;
  - basis or reasons for his/ her concerns;
  - particulars of witnesses, if any; and
  - particulars or production of documentary evidence, if any.

The whistle-blower may be asked to provide further clarifications and information from time to time, for example, if an investigation is conducted.

All disclosures received will be logged into a Whistle-blower Tracking Record (see **Appendix 1**)

## 5 Confidentiality

The Group recognises that some individuals may wish to raise a concern in confidence under this Policy. The Group shall maintain confidentiality of the person making the disclosure to the fullest extent and reasonably practicable within the legitimate needs of law, and any ensuing evaluation or investigation. However, in some circumstances, it may be obvious who has raised the concern and filed the Report, or the investigation process may lead to the point where a statement is required or the individual is called to provide evidence. In situations where finding the truth is hindered by maintaining confidentiality, the Company does not guarantee complete confidentiality to the whistle-blower.

## 6 Anonymous Reports

Reports made anonymously are discouraged. In these circumstances, the Group reserves the right not to investigate or pursue the matter or take any further action in relation to the report where it is not able to due to insufficient information and or inability to clarify or confirm matters and issues relating to the report.

7 Investigation & Treatment of Reports

All reports which have sufficient details and or information will be investigated promptly by the Audit Committee (“AC”) Chairman. If required, the AC Chairman may obtain the assistance from other resources within the Group. The progress of the investigation will be reported to the AC no later than the next immediate scheduled meeting.

Upon completion of the investigation, an appropriate course of action will be recommended to the AC for deliberation. Thereafter, upon completion and finalisation of its deliberation on the matter, the AC will make a recommendation to the Board for implementation.

All reports received will be considered and addressed promptly, discreetly, thoroughly and professionally. Should the whistle-blower request that confidentiality be maintained, the Group will endeavor to maintain such confidentiality. Discussions and documentation regarding reports will be kept in strict confidence to the extent appropriate. If requested, the steps taken to address the report and the results of any action initiated may be communicated to the whistle-blower as far as it is reasonably practical to do so.

8 Submission of Reports

The AC shall appoint a Monitoring Officer (“MO”) who shall maintain a register of all concerns raised by whistle-blowers. The MO will produce an annual report to the AC which shall include a summary of the concerns raised, to which department they are related to, the post to which the concerns are related (unless this is confidential), results of the relevant investigation and the decision taken by the Board on the matter. The report will not contain any employees’ names.

The aim of the report is to ensure that:

- The relevant department learns from the mistakes resulting in the wrongdoing and does not repeat the mistakes; and
- There is consistent approach throughout the Group.

Other than members of the AC and the MO, the register may be viewed by any party after obtaining the express permission of the AC.

9 Being Informed and Having The Opportunity to Be Heard

The whistle-blower and the alleged wrongdoer(s) are expected to give their full cooperation in any investigation or any other process carried out pursuant to this Policy.

The alleged wrongdoer may be asked to attend a meeting(s) to discuss the allegations and must take all reasonable steps to attend the meeting. The other attendees of the meeting(s) will be decided by the AC Chairman. The alleged wrongdoer will be given an opportunity to answer the allegations at the meeting(s), and their answers will be recorded in the minutes of the meeting. The meeting may be adjourned for the Group to obtain any advice or proceed with further investigations. A meeting may not necessarily be held within the early stages of an investigation.

In the event the whistle-blower is implicated or discovered to be or have been involved in any wrongdoing, they may also be investigated so as to complete the fact-finding process. An investigation is not, and shall not be, treated as a reprisal against the whistle-blower. It is to facilitate decision making. The whistle-blower may then be asked to attend a meeting(s) to discuss the allegations and must take all reasonable steps to attend that meeting. The other attendees of the meeting(s) will be decided by the AC Chairman. The whistle-blower will be given an opportunity to answer the allegations at that meeting, and their own answers will be recorded in the minutes of that meeting. That meeting may be adjourned for the Group to obtain further advice or proceed with further investigations.

The whistle-blower and, if applicable, the alleged wrongdoer(s) will be notified in writing the decision on the wrongdoing (e.g., whether the wrongdoing occurred or not; or whether the alleged wrongdoer is guilty or not), and the basis thereof.

#### 10 Handling/ Discussion of an Investigation

- (a) No information concerning the status of an investigation will be given out. The proper response to any inquiry is: *“I am not at liberty to discuss this matter”*
- (b) Under no circumstances should any reference be made to “the allegation,” “the crime,” “the fraud,” “the forgery,” “the misappropriation,” or any other specific reference.
- (c) The whistle-blower should be informed of the following:
  - Do not contact the suspected individual in an effort to determine facts or demand restitution; and
  - Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the AC.
- (d) In circumstances where the whistle-blower decides to escalate the same concern to any enforcement authority e.g.: Malaysian Anti-Corruption Commission, the Police, Companies Commission of Malaysia, Inland Revenue Board, Bank Negara Malaysia, Securities Commission, etc, the Group has the absolute discretion to halt investigations and to await the outcome of the investigations by the relevant authority. In this circumstance, the whistle-blower should notify the AC Chairman that he or she has escalated the same concern to an enforcement authority specifying the authority.

#### 11 Protection of Whistle-blowers

The Group will not discharge, discipline, demote, suspend, threaten, or in any manner discriminate against any person who submits in good faith a disclosure, or provides assistance to the Audit Committee, Management or any other person or group investigating a disclosure.

Retaliation against any employee who files a report or voices a concern under this Policy is strictly prohibited. Any employee of the Group, including Senior Management and Directors determined to have engaged in retaliatory behaviour may be subjected to disciplinary action. In addition, the Group will not tolerate any efforts made by any other person or group, to ascertain the identity of any person who makes a good faith allegation in confidence. Any employee who in good faith, believes that

he or she has been subjected to any behaviour that violates this Policy should immediately report such behaviour to the AC.

Investigations, however, are costly, time consuming and a potentially damaging process. Therefore, any employee who knowingly files misleading or false reports will not be considered for coverage by this Policy and may be subject to disciplinary action determined by the Group.

Further and provided that the report is made in good faith, the Group will take all reasonable steps to ensure that the whistle-blower will, in relation to the report, be protected against:

- Action causing injury, loss or damage to the whistle-blower;
- Intimidation and harassment;
- Unlawful interference with the employment of the whistle-blower; and
- Any threat of the above.

Where necessary and at the discretion of the Group, the protection mentioned herein can be extended to any person related or associated with the whistle-blower.

## 12 Consequences of Wrongful Disclosure

If the whistle-blower is an employee of the Group has, or is found to have:

- committed a wrongdoing;
- taken serious risks which would likely cause a wrongdoing to be committed;
- made a disclosure not in accordance with the requirements of this Policy (for instance, dishonest, mischievous or malicious disclosures); or
- participated or assisted in any process pursuant to this Policy otherwise than in good faith;

the corrective actions to be taken against that person will be determined by the Board based on the recommendation of the AC which may include disciplinary measures, formal warning or reprimand, demotion, suspension or termination of employment or services with the Group or monetary or other forms of punishment.



