

Masteel

MALAYSIA STEEL WORKS (KL) BHD
197101000213 (7878-V)

WHISTLEBLOWING POLICY

1. Purpose

This policy is intended to address Malaysia Steel Works (KL) Bhd (“**Masteel**” or “**the Company**”) and all subsidiary companies within the Masteel Group (“**the Group**”). The Group place the highest importance on fostering an environment where integrity and ethical business practices are practices at all times.

All employees of the Group play an important part in maintaining the highest level of corporate ethics within the Group and have a professional responsibility to disclose any known malpractices or wrongdoings (hereinafter referred to as “**Concerns**”). The structure adopted by the Group establishes a clear line of communication and reporting of concerns for employees at all levels and provides alternative lines of communication depending on the person(s) who is/are the subject of such concerns. This policy shall be read alongside with the Group’s Anti-Bribery and Anti-Corruption Policy, Code of Conduct, Code of Ethics and other applicable policies and procedures.

Whistleblowing Policy is implemented to:

- a) Provide an avenue for all employees and members of the public to confidently disclose any improper conduct or any action that is or could be harmful to the reputation of the Group and/or compromise the interest of stakeholders.
- b) Provide proper internal reporting channel to disclose any improper or unlawful conduct in accordance with the procedures as provided in this policy.
- c) Address a disclosure in an appropriate and timely manner.
- d) Provide protection for the whistleblower from reprisal as a direct consequence of making a disclosure and to safeguard such person’s confidentiality.
- e) Treat both the whistleblower and the alleged wrongdoer fairly.

Whistleblowing is an act of voluntary disclosure/reporting to the Management of Masteel for further action of any improper conduct committed or about to be committed by an employee, officer or management of Masteel. This policy shall also similarly apply to any vendors, partners, associates or any individuals, including the general public, in the performance of their assignment or conducting the business for or on behalf of the Group.

2. Scope

- 2.1 This Policy applies to all employees (whether permanent, contract, part-time or casual) of the Group.
- 2.2 This Policy covers all the reports made against any employee.
- 2.3 A report can be made by any employee who has knowledge of improper conduct committed by another employee and external party that has knowledge of an improper conduct committed by an employee.

3. Whistleblower

- 3.1 A person or entity making a protected disclosure is commonly referred to as a whistleblower. Whistleblowers provide initial information related to a reasonable belief that an improper or unethical activity has occurred. The motivation of a whistleblower is irrelevant to the consideration of the validity of the allegations.
- 3.2 The whistleblower's role is as a reporting party. They are not investigators or finders of fact, nor do they determine the appropriate corrective or remedial action that may be warranted. They do not have a right to participate in any investigative activities other than as requested by investigators.
- 3.3 However, the intentional filing of a false report, whether orally or in writing by itself is considered an improper act which the Group has the right to act upon.

4. Safeguards

- 4.1 In order for the whistleblower to be protected under the policy; the whistleblower must disclose his/her name and contact details. The disclosure must at least have:
 - a) details of person(s) involved,
 - b) nature of allegation,
 - c) background, date and history of where the incident took place, and
 - d) supporting factual evidence, if any.
- 4.2 Whistleblowers are protected against being dismissed or penalised by the Group, and Masteel will consider mitigating circumstances if the whistleblower him / herself is involved in the activity that he / she reports.
- 4.3 A whistleblower's right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the allegations or an ensuing investigation.
- 4.4 No civil, criminal or disciplinary action will be taken against the whistleblower.
- 4.5 The whistleblower and any person related to or associated with the whistleblower will be protected from any detrimental action in reprisal for making the disclosure.

5. Harassment or Victimization

- 5.1 Harassment or victimisation for reporting concerns under this policy will not be tolerated.
- 5.2 Complete protection will be given to whistleblower against any unfair practice not limited to retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or including any direct or indirect use of authority to obstruct the whistleblower's rights to continue to perform his/her duties including making further disclosure.

6. Confidentiality

- 6.1 Every effort will be made to treat the whistleblower's identity with appropriate regard for confidentiality. The identity of a subject should be maintained in confidence to the extent possible given the legitimate needs of the law and the investigation.
- 6.2 The Group gives the assurance that it will not reveal the identity of the whistleblower to any third party not involved in the investigation or prosecution of the matter. The whistleblower making the allegation will retain anonymity to all other employees and the public unless he or she agrees otherwise. Where concerns cannot be resolved without revealing the identity of the employee raising the concern (i.e. if the evidence is required in court), a dialogue will be carried out with the employee concerned as to whether and how the matter can be proceeded.
- 6.3 The only exception to this assurance relates to an overriding legal obligation to breach confidentiality. The Group is obligated to reveal confidential information relating to a whistle-blowing report if ordered to do so by a court of law.
- 6.4 The Group's assurance of confidentiality can only be completely effective if the whistleblower likewise maintains confidentiality.

7. Anonymous reporting

This policy encourages employees to put their names to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously will be explored appropriately, but consideration will be given to:

- The seriousness of the issue raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

8. Procedures

8.1 Process for Disclosure

8.1.1 Impropriety

It is important to note that in determining whether to report impropriety conduct, harm is not only measured in terms of monetary value lost, or damage to a particular business or project, but harm may also be done to the integrity and reputation of the Group itself.

This policy covers:

- (i) Improprieties or irregularities in matters of financial reporting;
- (ii) Auditing matters including disclosures or subversions of any internal or external audit process;
- (iii) Suspected fraud, theft, or embezzlement;
- (iv) Unlawful activities such as corruption, bribery or blackmail, including the activities of offering, payment and acceptance of any gratification in return of favourable treatment or business advantage;
- (v) Misuse of the Group's funds or assets;
- (vi) Deliberately or accidentally steal, damage, or misuse the data stored within the Group's computer systems and throughout the organization;
- (vii) Failure to comply with a legal or regulatory requirement;
- (viii) Breach of confidentiality;
- (ix) Miscarriage of justice;
- (x) Breach of the Group's Code of Ethics or Code of Conduct; or non-compliance with Group policies and procedures;
- (xi) Sexual assault, sexual harassment, including mild annoyances;
- (xii) Conduct of unfair competition internally or externally, by using of an individual's position or opportunity arising from/ available within the Group and that the gains/ advantages of the individual are conditional on the losses of others, where the gains/ advantages are made in ways which are illegitimate or unjust;
- (xiii) Dangers to health and safety of employees or the public or the environment; and

(xiv) Concealment of any or a combination of the above.

In cases of suspected criminal activity, including but not limited to fraud, it may be referred to the police at any stage of the investigation and will then be investigated by an external investigator.

8.1.2 Reporting

Managers, officers and employees in supervisory roles shall report to the reporting person stated below any allegations of suspected improper activities — whether received as a protected disclosure, reported by their subordinates in the ordinary course of performing their duties, or discovered in the course of performing their own duties — when any of the following conditions are met:

- (i) The matter is the result of a significant internal control or policy deficiency that is likely to exist at other units within the Group or across the internal control system;
- (ii) The matter is likely to receive media or other public attention;
- (iii) The matter involves the misuse of the Company's resources or creates exposure to a liability in potentially significant amounts;
- (iv) The matter involves allegations or events that have a significant possibility of being the result of a criminal act (e.g., disappearance of cash or asset);
- (v) The matter involves a significant threat to the health and safety of employees and/or the public; or
- (vi) The matter is judged to be significant or sensitive for other reasons.

Such disclosures, including those relating to financial reporting, unethical or illegal conduct, may be reported directly to:

- Head of Internal Audit, [Tel no. 03-77811611 & email address: klfung@masteel.com.my]
- Audit Committee Chairman, [email address: rthean@hotmail.com]

Employment-related concerns can be reported to:

- Head of Human Resources [Tel no. 03-77811611 & email address: smithyong@masteel.com.my]; or
- the Managing Director /Chief Executive Officer (“MD/CEO”).

Disclosures can be verbal or in writing using the Whistleblower Reporting Form as set out in the Appendix A and forwarded in a sealed envelope to the abovementioned contact person(s) labelling with a legend such as “To be opened by the Audit Committee Chairman or Head of Internal Audit only”.

8.1.3 Timing

The earlier a concern is expressed, the easier it is to take action.

8.1.4 Evidence

The whistleblower is not expected to prove the truth of an allegation; however, his/her written testimony will be required as evidence.

8.1.5 Handling of a reported allegation

The action taken by the Group in response to a report of concern under this policy will depend on the nature of the concern. The Audit Committee shall receive information on each report of concern and follow-up information on actions taken.

8.2 Investigator

The Head of Internal Audit (or Audit Committee Chairman, if appropriate) shall be the named Investigator unless otherwise assigned by the Audit Committee based on reasons stated below.

Investigators must be appear impartial and independent to all parties concerned, have a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards.

Investigations should be launched only after preliminary consideration that establishes the allegation, if true, constitutes an improper act¹, and either:

- The allegation is accompanied by information specific enough to be investigated, or
- The allegation has or directly points to corroborating evidence that can be pursued. Such evidence may be testamentary or documentary.

The Investigator is required to report all concerns raised, the status of all pending and on-going investigations, and any action taken or to be taken as a result of the investigations to the Audit Committee.

¹ Matters that do not meet this standard may be worthy of management review, but should not be undertaken as an investigation of an improper conduct or malpractice.

8.3 Investigation Subjects

A subject is a person who is the focus of investigative fact-finding either by virtue of an allegation made or evidence gathered during the course of an investigation. The decision to conduct an investigation is not an accusation; it is to be treated as a neutral fact-finding process. The outcome of the investigation may or may not support a conclusion that an improper act was committed and, if so, by whom.

The identity of a subject should be maintained in confidence to the extent possible given the legitimate needs of the law and the investigation.

Subjects have a duty to cooperate with investigators to the extent that their cooperation will not compromise self-incrimination protections under state or federal law. Subjects have a right to consult with a person or persons of their choice. This may involve representation, including legal representation.

8.4 Initial Inquiries

Initial inquiries will be made to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved without the need for investigation.

8.5 Further Inquiries

The amount of contact between the whistleblower and the Investigator will depend on the nature of the issue and the clarity of information provided.

Further information may be sought from or provided to the person reporting the concern.

If an investigation leads the Investigator to conclude that a crime has probably been committed, the results of the investigation shall be reported to the Police or other appropriate law enforcement agency.

If an investigation leads the Investigator to conclude that the suspect has engaged in conduct that may be a violation of the Group's Code of Ethics or Code of Conduct, the results of the investigation shall be reported to the Head of Human Resources or MD/CEO in accordance with the applicable procedures for company conduct and the administration of discipline. Any charges of misconduct brought as a result of an investigation under this policy shall comply with the established disciplinary procedures.

Consultation with the Audit Committee is required before negotiating or entering into any restitution agreement resulting from the findings of an investigation.

9. Duties and Responsibilities of Audit Committee

The Audit Committee is committed to investigate and address all cases of reported misconduct. The Audit Committee shall:

- Receive and filter complaints;
- Determine actions to be taken;
- Assign investigations;
- Ensure closures and conclusion;
- Report to the Board of Directors for further action; and
- Report to the relevant authorities.

The Audit Committee shall determine the channel for investigation and follow-up action. In order to ensure independence to the inquiry, the Audit Committee shall assign the Head of Internal auditor as the investigator, unless for reasons of conflict of interest, inadequate competence, or enhancing corporate governance, may form an Investigation Committee.

The Investigator shall determine the resources required to complete the investigation within a time set.

The Audit Committee shall delegate the authority to the Investigator on unrestricted access to the Group's records and premises, whether owned or rented, without prior knowledge or consent of any person who has custody of any such records when it is within the scope of the investigation.

The whistleblower may seek follow-up information about an investigation of a report or any consequent action taken. Subject to legal limitations, the whistleblower will be kept informed of the final outcome of the investigation.

10. Grievance Mechanism

Masteel has developed a grievance mechanism to address concerns and complaints that come from the internal and external stakeholders in order to achieve proper and fast problem-solving process in an effort to achieve continuous corrective action as well as effective and efficient problem prevention. The grievance mechanism can be used to report violations of company policy, including human rights, as well as any other areas of stakeholder concern. External stakeholders may submit grievances through contact information available on Masteel website at <http://www.masteel.com.my/contact/> whilst internal stakeholders may contact their direct supervisor and the Human Resources department. Masteel commits to the transparent handling of grievances and to remedy affected parties where it has been identified and caused or contributed by adverse impacts. The grievance procedures are as follows:

I. Review

The grievance will be forwarded to the relevant Head of Department to assess and determine the eligibility to the grievance procedures. If the grievance is supported by reasonable evidence, the Head of Department shall arrange for investigation within 7 days from the grievance received.

II. Investigation

A meeting will take place and the Head of Department may, at this stage, request additional evidence to be provided. Written statements together with oral representations will be considered as appropriate. The party who is the subject of a grievance has the right to see the allegations against them in full and have the opportunity to respond.

III. Resolution

The Head of Department shall take settlement action as soon as possible and the grievances should be resolved by prioritising the principle of deliberation to reach a consensus (win-win solution).

IV. Appeal

If any party remains dissatisfied with the outcome and wishes to pursue the matter further, they may raise the grievance with the next level of management. An appeal can only be made on the basis that, the application of the procedure was flawed or, that new evidence has come to light.

11. Monitoring and Periodic Review of Policy

The Audit Committee is responsible for the interpretation and supervision of the enforcement of this Policy.

The Group must diligently monitor these procedures to ensure that they meet the objectives of relevant legislations and remain effective for the Group, and, if necessary, implement changes subject to the approval of the Group's Board of Directors.

The Group will review this policy once every two (2) years to assess its effectiveness.

This Whistleblowing Policy was reviewed and approved by the Board of Directors on 31 May 2024.

Whistleblower Reporting Form

Whistleblower's Contact Information			
Name			
NRIC / Passport No.		Staff No.	
Designation / Occupation			
Division / Department			
Contact No.		Email Address	
Suspect's Information			
Name			
Designation			
Division / Department			
Details of Allegation			
Date and Time			
Location			
Incident/Details of Allegation			
* Please submit supporting documents if available.			
Declaration			
I declare that all information provided in this Form is true, correct and complete to the best of my knowledge, information and belief.			
I hereby agree that the information provided herein to be used and processed for investigation purposes and further agree that the information provided herein may be forwarded to a department / authority / enforcement agency for purposes of investigation.			
Signature :			
Date :			

The Company ensures that all reported information is protected under the Personal Data Protection Act (PDPA). The identity of the reporter will remain confidential. The Company reserves the right to use the reported information in legal proceedings as necessary.

For Office Use Only

Record No.		
Receipt Information	Person receiving this report	
	Date Received	
Investigation required? <i>(If No, please state the reasons)</i>		
Investigation Done By		
Investigation Result		
Action Taken / Consultation		
Reported to the Board on		
Signed Off By		