

## **WHISTLE BLOWING POLICY**

### **1. INTRODUCTION**

In line with corporate governance practices as prescribed in the Malaysian Code on Corporate Governance 2021, the introduction of the Whistleblower Protection Act 2010 and the relevant provisions under the Malaysian Anti-Corruption Commission Act, 2009 (as amended), the Board of Directors and the management of Ambest Technology Berhad and its subsidiary companies ("**the Group**") are committed to the highest standard of integrity, openness and accountability in the conduct of its businesses and operations.

In this connection, the Group has developed a policy and framework on whistleblowing to facilitate the reporting of suspected and/or known Improper Conduct (as defined below) involving any employee or Director of the Group without being concerned with reprisal and/or retaliation (including victimization, harassment or discriminatory treatment, collectively known as "**Detrimental Action**" as defined below) against him/her, and such reported concerns shall be investigated and appropriate actions shall be taken if an Improper Conduct has been committed.

### **2. OBJECTIVES**

The objective of this policy is to outline the Group's commitment and framework for any person who wishes to make a whistleblowing report ("**Whistleblower**") to be able to raise genuine concerns in relation to any improper conduct by any employee or Director of the Group ("**alleged wrongdoer**") (including any misconduct, wrongdoings, corruption, fraud and/or abuse of power) at the earliest opportunity without being subject to reprisals and/or retaliation (including victimization, harassment or discriminatory treatment) and to have such concerns properly investigated and appropriate actions to be taken.

Apart from protecting the Whistleblower from any reprisal as direct consequence of making a complaint, it also aims to safeguard the Whistleblower's confidentiality and to treat both the Whistleblower and alleged wrongdoer fairly. The identities and personal information of the Whistleblower and the alleged wrongdoer shall be kept in strict confidential and reasonably practicable.

### **3. SCOPE & DEFINITION**

This Policy applies to all employees and third parties who are aware of or genuinely suspect that an employee or Director of the Group has engaged, is engaging or is preparing to engage in any Improper Conduct (as defined below).

An "**Improper Conduct**" is any act, omission or conduct that is unlawful, illegal, immoral, unethical, dishonest, improper or wrong, and may include, but is not limited to: -

- (i) a criminal offence;
- (ii) failure to comply with any law or regulation;
- (iii) a disciplinary offence including any action or omission which constitutes a breach of discipline in the Group as provided by law or in a code of conduct, a code of ethics or circulars or a contract of employment, as the case may be;
- (iv) failure to comply with any policy, guideline, procedure, advisory, directive and/or instructions issued by the Group;
- (v) misuse and/or misappropriation of the Group's funds or assets;
- (vi) an act or omission which creates a significant financial loss or costs to the Group or a substantial and specific danger or harm to the lives, health or safety of the employees or the public or the environment;
- (vii) unsafe work practices or substantial wasting of Group's resources;
- (viii) abuse of power or gross mismanagement within the Group;

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- (ix) fraud, corruption, bribery, blackmail, money laundering, sabotage, extortion, waste, wrongdoings, abuse;
- (x) sexual harassment;
- (xi) miscarriage of justice; and
- (xii) concealment/cover up of any of the above.

**4. POLICY & PROTECTION**

(i) Anonymity

It is the policy of the Group to allow the Whistleblower to either identify themselves or if they prefer, to remain anonymous when reporting suspected and/or known instances of Improper Conduct.

(ii) Assurance against Detrimental Action

It is the policy of the Group to provide assurance that the Whistleblower would be protected against any Detrimental Action from the Group.

Detrimental Action includes:

- a. Action causing injury, loss or damage;
- b. Intimidation, harassment, victimization or discriminatory treatment;
- c. Interference with the lawful employment or livelihood of any person, including discrimination, discharge, demotion, suspension, disadvantage, termination or adverse treatment in relation to a person's employment, career, profession, trade or business or the taking of disciplinary action; and
- d. a threat to take any of the actions referred to in paragraphs (a) to (c).

In addition, the Group provides assurance that no disciplinary action can be taken against the Whistleblower who is an employee of the Group as long as he/she does not provide false information in the report "*purposely, knowingly or recklessly*" i.e. the report is basically malicious in nature.

A Whistleblower who makes a report of Improper Conduct in good faith and who has been subjected to Detrimental Action may lodge a complaint using form provided in Appendix 2 and the same procedures for investigation of Improper Conduct shall apply to any complaints of Detrimental Action.

(iii) Confidentiality

The Group shall treat all reports or disclosures as sensitive and will only reveal information on a "need to know" basis or if required by law, court or authority.

The identity and particulars of the Whistleblower shall also be kept private and confidential unless the Whistleblower chooses to reveal his/her identity.

Where the Whistleblower has chosen to reveal his/her identity when making such a report, written permission from the Whistleblower would be obtained before the information is released.

**5. REVOCATION OF POLICY & PROTECTION**

The protection to the Whistleblower as stated above may be revoked by the Group if:-

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- (i) the Whistleblower himself has participated in the Improper Conduct;
- (ii) the Whistleblower wilfully or maliciously made his disclosure, knowing or believing the information is false or untrue;
- (iii) the disclosure is frivolous or vexatious;
- (iv) the disclosure is made with the intention or motive to avoid dismissal or other disciplinary action; or
- (v) the Whistleblower, in the course of making the disclosure or providing further information, commits an offence under the Whistleblower Protection Act 2010.

**6. PROCEDURE FOR REPORTING IMPROPER CONDUCT**

If a Whistleblower suspects that Improper Conduct has occurred, the Whistleblower may make a report by directly contacting the Group Internal Audit Department and completing and submitting the "*Report of Improper Conduct*" form ("Whistleblowing Form") provided in Appendix 1.

This can be done in writing, by telephone and e-mail. The disclosure should be addressed to:

**The Audit Committee Chairman**

**Ambest Group Berhad**

Address: No. 9 & 11, Jalan Damar, 11960 Batu Maung, Pulau Pinang.

Phone: +604 255 3536

Email: [whistleblowing@ambest-tech.com](mailto:whistleblowing@ambest-tech.com)

In the event there is a need to contact someone other than the Group Audit Committee, a Whistleblower may report directly to the Group Independent Chairman at +604 255 3536 or via email to: [whistleblowing@ambest-tech.com](mailto:whistleblowing@ambest-tech.com).

**7. INVESTIGATION AND ACTIONS**

- (i) All reports submitted pursuant to this Whistleblowing Policy will be investigated promptly by the Group upon the receipt of the report by the Audit Committee Chairman.

The Audit Committee Chairman shall have the authority to:

- (a) determine the legitimacy of the report;
  - (b) dismiss the report if it is found to be frivolous, vexatious and/or does not contain any element of Improper Conduct;
  - (c) direct further actions or enquiries; and
  - (d) determine the appropriate party to conduct the investigation, i.e. external expertise (to be appointed) or management or Group Internal Audit of the Group.
- (ii) If the Audit Committee Chairman is the subject person of the whistleblowing report, he/she shall abstain from making any recommendation or conducting any investigation and refer the matter to the Audit Committee immediately.
- (iii) All investigations shall be conducted in a fair and unbiased manner.

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- (iv) Upon completion of investigation, appropriate course of action will be recommended to the Audit Committee of the Group for their deliberation and decision.
- (v) If the Improper Conduct involves breach of statutory provisions, an official report will be lodged to the relevant regulatory authorities.
- (vi) Anyone who is found to have committed an Improper Conduct following a Whistleblower's report resulting in certain action(s) being taken against him/her but is of the view that he/she has been treated unfairly, may submit an appeal to the Board of Directors of the Group to review the decision made by the Audit Committee.

**8. REVIEW OF THE POLICY**

This Policy shall be reviewed periodically by the Audit Committee to ensure that it continues to remain relevant and appropriate.

**9. REGISTER AND QUARTERLY REPORTING**

A complete register of all reports received by the Group pursuant to this Whistleblowing Policy, together with details of the investigation conducted (if any) shall be properly maintained by the Group and presented to the Audit Committee on a quarterly basis.

The register together with the quarterly reports shall be made available for inspection at any time by the internal and external auditors as well as any regulatory authorities, provided that the identity of the Whistleblowers shall be protected and redacted at all times, unless the Whistleblower has consented in writing to the disclosure of his/her identity or if such disclosure is required by law, a court of competent jurisdiction or a lawful authority.

Where appropriate, the lessons learnt from the investigation of the reported Improper Conduct shall be shared with Management and Heads of Division/Department (provided that the identity of the Whistleblowers shall be protected and redacted at all times) such that appropriate measures and additional internal controls can be taken and/or implemented to ensure that such incidents can be avoided/deterred in future.

**PROCEDURES ON WHISTLEBLOWING**

**A. HANDLING WHISTLEBLOWING REPORTS**

- (i) The Internal Auditor shall assist the Audit Committee Chairman ("**AC Chairman**") to maintain a record of all the Whistleblowing reports received by the Group.
- (ii) Once a Whistleblowing report is received, the Internal Auditor shall upon instruction by the AC Chairman conduct preliminary investigations to establish whether the report has merits and can be substantiated based on information made available by the Whistleblower.
- (iii) The Internal Auditor will do his best to draw an unbiased conclusion from facts given to him by the Whistleblower or any other information gathered during the course of investigation.
- (iv) If the case necessitates further action on the part of the Human Resource (HR) department, a copy of a summary report will be provided to HR.

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- (v) The Internal Auditor shall prepare a summary report and present it to the Group's Audit Committee.
- (vi) The Internal Auditor will provide the AC Chairman his opinion on whether he believes the case is a frivolous claim or is a case where there are suspicious circumstances. The AC Chairman use his/her discretion to decide if the case warrants further investigation. If the AC Chairman concurs with the opinion of the Internal Auditor that there is merits to the Whistleblowing report, he may give instructions to the Internal Auditor to conduct preliminary investigations.
- (vii) Upon logging a report of Improper Conduct, the Internal Auditor will provide the Whistleblower an acknowledgement of receipt of the report of the Improper Conduct within five (5) working days from the date of receipt.
- (viii) Subsequently, if necessary, the following persons may be consulted (to the extent possible, without disclosure of identities of the Whistleblower and the alleged wrongdoer) to assist and to provide relevant advice in relation to their respective areas in the case of a report relating to:
  - a. Internal/external legal adviser(s) for any alleged breach of any law or corporate fraud policy; and
  - b. the Group Human Resources for any alleged breach of the Code of Ethics and Conduct.

**B. PRELIMINARY INVESTIGATION**

- (i) Upon instructions of the AC Chairman, the Internal Auditor will conduct a preliminary investigation on the alleged Improper Conduct to determine whether there are merits to initiate a full investigation.
- (ii) The findings of the preliminary investigation and recommendation shall be referred to the AC Chairman for a decision on whether to close the case or to proceed to a full investigation of the allegations. The AC Chairman may decide to consult with the members of the Audit Committee or convene an Audit Committee meeting before making a decision.
- (iii) Upon review of the findings of the preliminary investigation, the AC Chairman may:
  - (a) instruct the matter to be closed in the event the preliminary findings clearly indicate that there are no circumstances that warrant a full investigation; or
  - (b) instruct the Internal Auditor to commence a full investigation in the event the preliminary findings clearly indicate suspicious circumstance and where the MD/CEO is not involved, the AC Chairman may delegate the oversight of the investigation and review of results of the investigation to the MD/CEO; or
  - (c) refer the matter to the Audit Committee to determine the next cause of action in case where the MD/CEO or the Internal Auditor is involved. In such cases where the report involves the MD/CEO or the Internal Auditor, the Audit Committee may select other personnel (having due regard to suitable seniority and any circumstances that may give rise to conflict of interests) or an independent third party to investigate the allegations; or
  - (d) in cases where the preliminary findings disclose a possible criminal offence, the consultation with the Audit Committee and/or legal advisors (internal and/or external), decide if the matter should be referred to the relevant authorities, such as the police or the Malaysian Anti-Corruption Commission ("**MACC**") for further action; or

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- (e) determine any other course of action that the AC Chairman deems fit having regard to the circumstances of the matter reported and the fairness of the conduct of any investigation.
- (iv) If the matter is closed or if the matter has been referred to the appropriate authorities, subject to any legal requirements or prohibitions, the Internal Auditor will inform the Whistleblower on the matter accordingly.

**C. FULL INVESTIGATION**

- (i) In the event a full investigation is to be conducted, the Internal Auditor and/or any other persons identified by the AC Chairman shall conduct the investigation and endeavour to complete such investigation within two (2) months. Any extension of the time required for the completion of the investigation shall be subject to the AC Chairman's approval.
- (ii) In the event a full investigation is being conducted, all Employees shall give their full cooperation to any investigation conducted.
- (iii) In the event a full investigation is to be conducted on a report of Improper Conduct by the MD/CEO or the Internal Auditor and the Audit Committee decides to appoint an external independent party to conduct or to assist in conducting the investigation, the terms of appointment of the said external independent party shall be approved by the Audit Committee/Board of Directors.
- (iv) All information, documents, records and reports relating to the investigation of an Improper Conduct shall be kept securely to ensure its confidentiality.

**D. FINDINGS OF INVESTIGATION**

- (i) Upon the conclusion of an investigation in a case where the MD/CEO is not implicated, the investigation report shall be reviewed by the MD/CEO. Upon the review of such investigation report, the MD/CEO shall determine whether the allegation could be substantiated or not. In the event the allegation is substantiated, the MD/CEO will identify and recommend any corrective action required to be taken to mitigate the risks of such Improper Conduct recurring and recommend if disciplinary action is to be taken against the alleged wrongdoer.
- (ii) Upon the conclusion of an investigation in a case where the MD/CEO or the Internal Auditor is implicated, the Audit Committee shall review the investigation report. Upon the review of such investigation report, the Audit Committee shall determine whether the allegation could be substantiated or not. In the event the allegation could be substantiated, the Audit Committee will identify and recommend any corrective action required to be taken to mitigate the risks of such Improper Conduct recurring and recommend if disciplinary action is to be taken against the alleged wrongdoer.

**E. DECISION**

- (i) In a case where the MD/CEO has reviewed the investigation and made a determination as to whether the allegation was substantiated or not, a final report together with recommendation of the MD/CEO will be tabled to the Audit Committee. The Audit Committee will review the final report and decide on the corrective action required to be taken and/or the disciplinary action required to be taken (if any).
- (ii) In a case where the Audit Committee reviewed the investigation and made a determination whether the allegation was substantiated or not, a final report together with the recommendations of the Audit Committee will be tabled to the Board of

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Directors. The Board of Directors will review the final report and decide on the corrective action to be taken and/or the disciplinary action to be taken (if any)

- (iii) Subject to any prohibition in law or any legal requirements, the Internal Auditor will inform the Whistleblower that the investigation has been completed and the findings have been presented to the Audit Committee 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.

**F. CORRECTIVE ACTION**

- (i) The Management shall carry out the decisions of the Board of Directors in relation to the findings of the investigation.
- (ii) Where applicable, the Management shall institute the appropriate controls to prevent any further wrongdoings or damage to the Group.

**G. DISCIPLINARY ACTION**

Any disciplinary action against any Employee, the CEO or the Internal Auditor shall be carried out in accordance with the procedures for disciplinary action stipulated in the Human Resources Operations Manual/Code of Ethics and Conduct.