

WHISTLEBLOWING POLICY

1) POLICY STATEMENT

- a) HSB Reclaimed Rubber Sdn. Bhd. is committed to the highest standard of integrity, accountability and work ethics in the conduct of its business operations in line with the Board Code of Conduct and good corporate governance practices.
- b) In order to achieve and maintain these standards and ethical behavior at work through the Policy, HSB Reclaimed Rubber Sdn. Bhd. encourages its employees and stakeholders (amongst others, shareholders / suppliers / customers) to make any disclosures openly and honestly about unethical behavior, malpractices, illegal acts or failure to comply with regulatory requirements without fear of reprisal and that concerns / complaints raised will be treated fairly and properly.
- c) In this regard, HSB Reclaimed Rubber Sdn. Bhd. has in place a Whistleblowing Policy that sets out the channels and procedure for reporting improper conduct involving the employees and the protection accorded to Whistleblowers.
- d) All disclosures made under this Policy will be dealt with in a confidential manner. Disclosures received under anonymity will be not entertained to prevent invalid malicious reporting, poison letters, exploitation and victimization.
- e) HSB Reclaimed Rubber Sdn. Bhd. views false and malicious allegations in any form or manner and the parties responsible may be subject to appropriate disciplinary action, including legal action where applicable as this policy is further enhanced with the Whistleblower Protection Act 2010.

2) SCOPE / TYPES OF IMPROPER CONDUCT

The policy is applicable to the Board of Directors and Members, employees and stakeholders of HSB Reclaimed Rubber Sdn. Bhd.

In this policy, "whistle-blowing" is a specific means by which employees and stakeholders can report or disclose through established channels, concerns about unethical behavior, malpractices, misconduct, illegal acts or failure to comply within the regulatory requirement and / or the Board Code of Conduct that is taking place / has taken place / may take place in the future.

Parties can report a whistleblowing complaint if they are aware of any improper conduct, including but not limited to either of the following concerns or wrongdoings by any person in the conduct of the business shall be reported:-

- a) Criminal offence or any breach of the laws of Malaysia or unlawful act such as fraud, bribery and corruption, theft, embezzlement, and blackmail;
- b) Acceptance of gifts / favour beyond the threshold allowed by the Company;
- c) Misuse and / or misappropriation of Company's confidential information, funds, securities, supplies or other assets;
- d) Giving false or misleading information (including suppression of any material facts or information);
- e) Impropriety (including financial and operational, etc.) within Company;
- f) Abuse of authority and/or gross management for personal gain within Company (including serious potential breach to the interest of society and environment);
- g) Act or omission which creates a substantial and specific danger to the lives, health or safety of the employees, stakeholders or the public or the environment;
- h) Sexual harassment; and
- i) The deliberate concealment of any of the above matter or other acts of wrong doing.

3) OUTCOME

- a) There will be no adverse consequences for anyone who reports a whistle-blowing concern in good faith. However, any individual found responsible for making allegations maliciously or in bad faith may be subject to disciplinary action.
- b) The following actions may be taken after investigation into such a case have been completed:
 - Disciplinary action (up to and including dismissal) against the wrongdoer dependent on the results of the investigation; or
 - Disciplinary action (up to and including dismissal) against the whistleblower if the claim is found to be malicious or in bad faith; or
 - No action to be taken if the allegation proves to be unfounded.

4) PROTECTION

- a) A whistleblower will be accorded with protection of confidentiality of identity, to the extent reasonably practicable.
- b) In addition, an employee who whistle-blows internally will also be protected against any adverse and detrimental actions for disclosing any improper conduct committed or about to be committed within the Company, to the extent reasonably practicable, provided that the disclosure is made in good faith. Such protection is accorded even if the investigation later reveals that the whistleblower is mistaken as to the facts and rules and procedures involved.

5) COMMUNICATION CHANNELS

- a) Parties submitting the complaints via e-mails, faxes or letters, should disclose their names, contact number, details of person(s) involved, nature of allegation, when and where the incident took place and provide evidence, if possible.
- b) Reports or disclosures under this policy can be made by through email or mail addressed to the respective levels (Managing Director / Audit Committee / HR Manager / Company Secretary) as below:-

i) Name : Teh Long Chai
 Designation : Company Director
 E-mail : esther@lsrr.com.my
 Telephone : 04 - 5011777
 Mailing Address : Plot 191, Lorong Perindustrian Bukit Minyak 13, Kawasan Perindustrian Bukit Minyak, 14100 Bukit Mertajam, Penang

ii) Name : Loh Seong Yew
 Designation : Company Secretary
 E-mail : sec.lsyassoc@gmail.com
 Telephone : 04-2107210
 Mailing Address : 163-D-4, Wisma Seri Perak, Jalan Perak, 10150 Georgetown, Pulau Pinang.