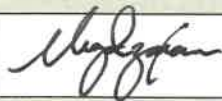

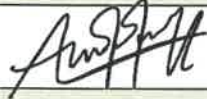






## TERMS OF REFERENCE

# BOARD WHISTLE-BLOWING COMMITTEE

<b>VEB/IG/L3-TOR/01</b>	
<b>Document Revision Number:</b> Rev. 01	<b>Revision Date:</b> 17/03/2022
<i>Approved by:</i>	
BOARD OF DIRECTORS	Board of Directors Meeting on 21/02/2022
<i>Approved by:</i>	
MEGAT ZARIMAN ABDUL RAHIM President	
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MOHAMMAD HAFIZ SAPARANI Head, Integrity & Governance Unit	
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<h2 style="margin: 0;">REVISION SUMMARY</h2>
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Date	Revision	Description of Revision	Prepared	Reviewed	Approved
17/03/2022	01	Inclusion of BWBC responsibilities in ensuring IGU is effective and able to function independently	Rozya Abdullah	Mohammad Hafiz Sapparani  Aminudin Hambali	Board of Directors  Megat Zariman Abdul Rahim
09/06/2020	00	New issue	Maszura Majid	Aminudin Hambali	Mohammad Hafiz Sapparani

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## 1.0 SCOPE AND PURPOSE

The primary objectives of the BWBC include the following:

- a) Supporting the Board on the inculcation of strong integrity culture and the promotion of good ethical practices and the highest standards of governance in VELESTO and its subsidiaries (“VELESTO Group”) and amongst the clients, vendors, suppliers, service providers and other business partners (“other stakeholders”); and
- b) Reviewing, investigating and disposing of complaints received against any member of the Board of Directors, senior management, employees of VELESTO and its other stakeholders.

The BWBC shall exercise its powers and carry out its duties and responsibilities in accordance with the BWBC Terms of Reference (“TOR”).

## 2.0 REFERENCES

N/A

## 3.0 DEFINITIONS AND ABBREVIATIONS

3.1	<b>BOARD</b>	Board of Directors of Velesto
3.2	<b>BWBC</b>	Board Whistle-Blowing Committee
3.3	<b>IGU</b>	Integrity Governance Unit
3.4	<b>IO</b>	Investigating Officer
3.5	<b>MACC</b>	Malaysian Anti-Corruption Commission
3.6	<b>Policies</b>	Anti-Bribery and Corruption Policy and Whistle Blowing Policy
3.7	<b>TOR</b>	Terms of Reference
3.8	<b>Velesto Group or Group</b>	Velesto Energy Berhad and its subsidiaries
3.9	<b>Velesto or Company</b>	Velesto Energy Berhad
3.10	<b>WBPP</b>	Whistle Blowing Policy and related Management System Procedures

## 4.0 RESPONSIBILITIES

The BWBC 's responsibilities include the following:

- a) To review the Anti-Bribery and Corruption Policy and Whistle-Blowing Policy and recommend for approval of the Board;
- b) Ensure that VELESTO Group has effective procedures for the purposes of receiving, processing, identifying, investigating, reviewing, evaluating, recommending in response to complaints, reports and/ or recommendations received.
- c) To ensure that VELESTO Group’s strategies and approved business plan are aligned to Anti-Bribery Policy;
- d) To monitor the implementation of the Integrity Governance Framework, Anti-Bribery and Corruption Policy and Whistle Blowing Policy related activities;
- e) To periodically review the Integrity Governance Framework, Anti-Bribery and Corruption Policy and Whistle Blowing Policy in response to organisation changes within VELESTO and changes to statutory provisions both domestically and globally;

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- f) To ensure the Integrity and Governance Unit ("IGU") functions are effective and able to function independently:
  - i) To evaluate and approve the appointment and removal of the Head of IGU;
  - ii) To review and approve the scope of work of IGU;
  - iii) To evaluate the annual performance of the Head of IGU;
  - iv) To review and approve the IGU Charter, Annual Budget and Annual Activities Plan;
  - v) To ensure that the person responsible for IGU has relevant experience, sufficient standing and authority to enable him to discharge his functions effectively;
  - vi) To ensure that IGU has sufficient resources and is able to access information to enable it to carry out its role effectively;
  - vii) To ensure that the personnel assigned to undertake IGU roles have the necessary competency, experience and resources to carry out the function effectively;
  - viii) To review the IGU plan, processes, the results of the assessment reviews, investigation undertaken and whether or not appropriate action is taken on the recommendations.
- g) To oversee issues of corruption, fraud, malpractice and unethical conduct within VELESTO;
- h) To review the corruption risk management activities and its reports;
- i) Review information received and exercise reasonable oversight over the implementation of the organisation's anti-bribery management system by Senior management and its effectiveness;
- j) Receive, review and investigate complaints obtained through the whistle-blowing mechanism including disposal of complaints received against VELESTO'S any member of the Board of Directors, its employees and other stakeholders;
- k) Designate an Investigating Officer ("IO") to investigate any complaints received through the whistle-blowing mechanism;
- l) To authorize the IO or VELESTO's Senior Management to lodge reports with the relevant authorities on any employee or director of VELESTO if necessary;
- m) Ensuring adequate and appropriate resources are made available for the effective operation of the anti-bribery management system and whistle-blowing mechanism;
- n) Reviewing and approving compliance activities of VELESTO Group;
- o) To provide periodic reports to the Board; and
- p) Carry out such other functions as defined by the Board.


#### 4.1 AUTHORITY

The BWBC shall have authority to:

- a) Carry out its duties and responsibilities as guided by the Integrity Governance Framework, Anti-Bribery and Corruption Policy, Whistle Blowing Policy and other related policies and procedures of VELESTO;
- b) Seek, obtain and access any information it requires from any employee and director of VELESTO in order to perform its duties;
- c) Obtain external legal or, professional advice on any matter within its terms of reference;
- d) Call any employee or director to be questioned at a meeting of the BWBC as and when required; and
- e) To lodge reports on its own or to authorise the IO or Senior Management of VELESTO to lodge reports with the relevant authorities.

The BWBC shall act and dispose of the investigation relating to complaints against any member of the Board of VELESTO, employees of VELESTO and its other stakeholders with the exception if the matters involve the Chairman of the Board or the President of VELESTO.

For matters involving the Chairman of the Board or President of VELESTO, the matter shall be discussed at a Board meeting without the presence of the Chairman of the Board or President of VELESTO respectively, as deemed appropriate.

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## 5.0 PROCEDURE DETAILS

- a) All complaints shall be directed to the Head of IGU. Complaints can be made via VELESTO's SharePoint @ NEST, website, direct email i.e. [whistleblower@velesto.com](mailto:whistleblower@velesto.com), telephone or any electronic media, or face-to-face meeting.
- b) For a complaint involving the Head of IGU, the complaint shall be directed to the Chairman of the BWBC.
- c) A register of all complaints received shall be submitted to the BWBC on regular basis.
- d) All complaints must be either in writing duly signed (unsigned will be considered) by the whistle-blower or verbally in person by the whistle-blower or in any electronic media. Where a verbal complaint is received, it shall be reduced in writing and recorded accordingly.
- e) The procedures on disclosure of any wrongdoing by a whistle-blower are stipulated in Whistle Blowing Procedure.

### 5.1 MEETING

- a) The BWBC shall convene a meeting every 6-month or twice a year for IGU reporting.
- b) The Chairman of BWBC shall call for a meeting as and when necessary.
- c) The quorum for the BWBC shall be a majority of the members of the BWBC.
- d) Each member of the BWBC is entitled to one (1) vote on all matters deliberated at the meeting. In case of an equality of votes, the Chairman of the BWBC shall be entitled to a second or casting vote.

### 5.2 COMMUNICATION TO THE BOARD

- a) The IO shall maintain a record of proceedings for each and every complaint and investigation carried out.
- b) The IO shall prepare a report on the outcome of any investigation made in all cases, to each member of the BWBC for deliberation and decision.
- c) IGU shall prepare a report on BWBC activities to the Board at each of its quarterly meetings.

### 5.3 CIRCULAR RESOLUTION

A resolution in writing signed by a majority of the members shall be valid and effectual as if it had been passed at a meeting of the BWBC. Any such resolution may consist of several documents in like form, each signed by one (1) or more members. The expression "in writing" or "signed" includes approval by legible confirmed transmission such as facsimile, e-mail, or any other forms of electronic communication.

### 5.4 SECRETARIAT

- a) The Head of IGU shall be the Secretary of the BWBC
- b) With the approval of the Chairman of BWBC, the Head of IGU may call for any IGU members to assist in the recording of the information in the BWBC meeting.
- c) The Secretary of the BWBC shall be responsible for the preparation of the agenda, in consultation with the Chairman of the BWBC, and for the distribution to all members, the papers to be deliberated at the meeting.
- d) Minutes of each meeting shall be circulated to all members for comments 14 days after each meeting.

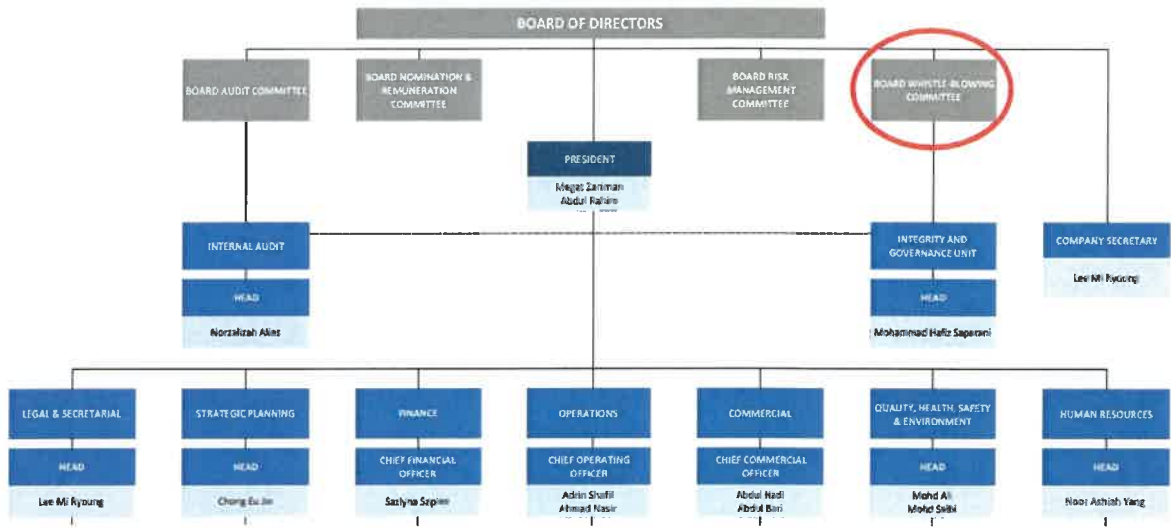
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## 5.5 APPOINTMENT PROCESS

The term of office and the performance of the BWBC as a whole and individual BWBC members are evaluated by the Board annually to determine whether BWBC and its members have carried out their duties in accordance with their terms of reference.

## 6.0 PROCESS FLOW DIAGRAM

### 6.1 BWBC REPORTING STRUCTURE



## 7.0 FORMS

N/A

