

LS 2 Holdings Limited

Whistleblowing Policy

1. Background

The Whistleblowing Policy (“Policy”) is established to facilitate the development of controls that will aid in the detection and prevention of fraud against LS 2 Holdings Limited and its subsidiaries (“LS 2” or “Company”). It is the intent of LS 2 to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and the conduct of investigations.

2. What is whistleblowing

The employees are expected and committed to abide by the principles of the prevailing Code of Conduct (“Code”) which can be found on www.LS2.sg and maintain and demonstrate the highest professional standards and ethical conduct in the performance of their duties and accountable to its affairs, they are encouraged to bring to the attention of Management any violations of the Code; and/or any unethical or unlawful business conduct or dealings, with the intention for necessary corrective actions to be taken to address the violations.

3. Who is the whistleblower

A whistleblower may be an employee or external party who, in the course of his/her duties or personal engagement with the Company or employee, has witnessed or who has knowledge that another fellow employee has previously engaged, is currently engaging or will be engaging in practices that will be in violation of the Code, or unethical or unlawful business conduct or dealings, and decides to highlight these practices to Management with a view that necessary corrective actions will be taken to prevent to occurrence of such undesired practices.

A whistleblower need not have to be directly or indirectly affected by or have a personal interest in the outcome of the actions giving rise to the whistleblowing. So long as an employee has a genuine concern and reasonable grounds to believe that the actions of a fellow employee is in breach or will be in breach of the Code or principles of ethical conduct and fair dealing, he can be a whistleblower

However, the whistleblower must act in good faith at all times and this Policy is meant to protect genuine whistleblowers from any unfair treatment as a result of their report, it strictly prohibits frivolous and bogus complaints. This Policy is not a means by anyone including disgruntled employee can abuse, wreak revenge on or sabotage another without any just cause or to hold an employee at ransom.

4. Purpose and Scope

LS 2 is committed to maintaining a high standard of integrity in its business conduct and corporate governance.

LS 2 do not tolerate any malpractice, impropriety, statutory non-compliance or wrongdoings by staff in the course of their work. This Policy is intended to provide a framework to promote responsible and secure whistleblowing without fear of reprisal, discrimination or adverse consequence.

All employees and external parties, such as shareholders, consultants, suppliers, customers, contractors and other stakeholders, may use the procedures set out in the Policy to report any concern or complaint regarding questionable accounting or auditing matters, internal controls, disclosure matters, conflict of interest, insider trading, collusion with competitors, serious breaches of Group policy, unsafe work practices or any other matters involving fraud. Corruption and employee misconduct.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Company.

5. Reportable Incidents

The potential activities that could potentially give rise to whistleblowing include but are not limited to:

- a) Theft, damage or misappropriation of Company's properties, using Company's properties for own benefits or any unlawful purpose, or unlawful dissemination or disclosure of Company's confidential and/or proprietary information, know-how and trade secrets to outside parties
- b) Engage in fraudulent activities as follows:
 - Falsification or alteration of Company's records, accounts or financial information
 - Submission of fictitious invoices and claims for reimbursement of expenses
 - Failure to account or misuse of Company's monies in possession
 - Intentionally to disseminate information which is untrue or misleading
- c) Engage in activities prohibited by law; or activities in breach of any legal or contractual obligations
- d) Unlawful or unethical conduct, such as violence, threatened violence, bullying, bribery or acceptance of monies, gifts (except those which are allowed under XXX Gift policy?) or monetary benefits in exchange for personal favours
- e) Making statements or remarks which are defamatory or cause disruptions to racial harmony
- f) Sexual harassment or adopting discriminatory practices
- g) Trading in the shares of LS 2 while in possession of materially confidential and price-sensitive information including the procuring or providing of such information to any third party to deal in such shares
- h) Disclosing to other persons securities or investment related activities engaged in or contemplated by the Company
- i) Misuse, including downloading and disseminating of information which will infringe third party's copyright; information that is derogatory or offensive to a third party;
- j) Engage in activities or practices that will pose a danger to the health and safety of others
- k) Breach of LS 2 Group policies or the Code of Conduct
- l) Any other similar or related irregularity

6. Whistleblowing Reporting and Communication Channels

All employees and external parties are encouraged to report their concern and state their names to their allegation to **Audit Committee Chairman; Mr Tan Siang Leng, Tan.SiangLeng@LS2.sg** who will handle all reported cases.

For concerns raised anonymously which may difficult to act upon effectively, however, reported cases may be considered by taking into account of its severity and credibility and likelihood of confirmation of the allegation from attributable sources and information provided.

All reported cases will be reviewed within reasonable timeframe depend on completeness of information provided, and after due consideration and inquiry, a decision will be taken on whether to proceed with a detailed investigation.

All reports of incidents, including information or evidence provided, on matters relating to whistleblowing will be handled discreetly and every effort will be made to maintain confidentiality of the information provided, within the limits of the law.

7. Whistleblower Protection and Safe guards

LS 2 prohibits discrimination, retaliation or harassment of any kind against a whistleblower who submit a complaint or report in good faith. If any whistleblower is being subjected to any form of discrimination, retaliation or harassment, whistleblower shall immediately make a report to Audit Committee chairman.

However, for any frivolously, maliciously allegation, personal interest gain, wreak revenge on or sabotage on another person, institutional disciplinary action may be taken against the whistleblower. Whistleblowers making such allegations may also be subject to legal actions by the individuals accused of fraudulent conduct.

LS 2 has the right to report such incidences of false and malicious allegation to external regulatory authorities for further investigation.

8. Handling of Complaints

The Receiving Officer, may after a deliberation with AC members direct the complaints to the relevant operating unit or department to address it, or lead the investigation to ensure a prompt and appropriate investigation and resolutions.

All information disclosed during the course of investigation will remain confidential, except as necessary or appropriate to conduct the investigation and to take any remedial action, in accordance with any applicable laws and regulations.

LS 2 reserves the right to refer any concerns or complaints to appropriate external regulatory authorities. Employee who fail to cooperate in an investigation, or deliberately provide false information and conceal the fact intentionally during an investigation, shall be subject to strict disciplinary action up to and including immediate dismissal.

After investigation, LS 2 determines that a violation has occurred and allegation is true, immediate remedial action commensurate with the severity of the wrongdoings will be taken against the involved party.

9. Termination

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the designated representatives from Human Resources and the Legal Department and, if necessary, by outside counsel, before any such action is taken. The Chairman of the Audit Committee does not have the authority to terminate an employee. The decision to terminate an employee is made by the employee's management. Should the Chairman of the Audit Committee believe the management decision inappropriate for the facts presented, the facts will be presented to executive level management for a decision.

10. Administration

The Chairman of the Audit Committee is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed.

11. Policy Review

The policy shall be reviewed annually or whenever it required, where the Policy may be modified to maintain compliance with applicable laws and regulations.

The review will be carried out by Internal Auditor and subjected to the approval of the AC board.