

## WHISTLE-BLOWER POLICY

*The Company is committed to the highest standards of ethics in compliance with all applicable laws, rules and regulations as it conducts its business as a good corporate citizen. This commitment and standard of conduct governs the company's relationships with customers, suppliers, shareholders, competitors, the communities it operates, and with employees themselves at every organizational level.*

*The Codes which the Company adopted include policies and guidelines that are consistent with the principles and values which the Company promotes when performing services for, or on behalf of, the Company. The Codes set out the behavior that directors, officers, employees and suppliers should adhere to in the conduct of day-to-day undertakings which is embedded in the mission statement of "living the company's shared values of integrity, passion for excellence and love for work and family spirit in everything we do".*

### **I. Purpose**

*The purpose of the Whistle-blower Policy is to provide formal mechanism for employees as well as suppliers and even third parties to submit reports on improper activities and/or suspected violations perpetrated by the company's directors, officers and employees as well as the suppliers with regard to the Company Policies, Employee Code of Conduct, Revised Manual on Corporate Governance and Securities and Regulation Code. Reports submitted by whistle-blowers through available channels which include web portal, email or postal service whether anonymous or identified will be investigated according to the protocols established in this policy. Complaints made in good faith shall be protected by keeping the information confidential including the identity and source of information to the extent required by law. The policy should also consider means to protect whistleblower from retaliation and fairness in the handling of a disclosure or complaint.*

### **II. Definition of Terms**

*"Improper activity or conduct" refers to any activity perpetrated by company's directors, officers, employees, and suppliers which is a violation of the Company's Employee Code of Conduct; a violation of the Revised Manual on Corporate Governance; violation of the Securities Regulation Code; fraudulent reporting practice including internal controls, accounting, auditing and financial matters; misappropriation of assets and other unethical behavior.*

*"Whistle-blower" refers to a person making a disclosure of information that may be an evidence of improper activity or conduct.*

*"Whistle-blowing" refers to a situation where a person (an employee or third party, etc.) decides to report serious concerns about any suspected misconduct, malpractice or irregularity which he has become aware of or genuinely suspects that the Corporation has been or may become involved in.*

### **III. Reporting of Any Illegal, Improper Conduct or Unethical Behavior**

*Any person (including employees, suppliers and even third parties) who has knowledge of suspected illegal, improper or unethical behavior committed by any directors, officers, employees and even suppliers especially in the conduct of business with the company are encouraged to report and disclose information or raise serious concerns relevant to suspected or observed misconduct, malpractice, or irregularity in a responsible and effective manner through confidential reporting channel.*

*Whistle-blowing matters may include but are not limited to:*

- 1. Violation of the Employee Code of Conduct and Revised Manual on Corporate Governance*
- 2. Violation of Securities Regulation Code and other relevant laws including breach of legal and regulatory requirements*
- 3. Malpractice, impropriety or fraud relating to internal controls, accounting, auditing and financial matters*

4. *Misappropriation, misuse or abuse of company's assets*
5. *Improper conduct or unethical behavior prejudicial to the interest of the Corporation*
6. *Deliberate concealment of any of the above*

#### **IV. Protection and Confidentiality**

*The Company shall make every effort treating all disclosures in a confidential and sensitive manner after receipt of any reports concerning about any of the above whistle-blowing matters. The identity of the whistle-blowers (individual employee or supplier and even third parties) making genuine and appropriate allegation under this Policy are assured of fair treatment. Whistle-blowers who raise an issue in good faith should not be at risk of suffering any form of retribution as a result even if it is subsequently found that the whistle-blower was mistaken.*

*Specifically, employees who made disclosures in good faith and with reasonable belief that improper activity has been committed are also assured of protection against unfair dismissal, demotion, any form of harassment or discrimination; current or future bias on performance evaluation; victimization or unwarranted disciplinary action, even if the concerns cannot be fully substantiated or turns out to be untrue. If the whistle-blower is not an employee but a supplier of goods or services, the whistle-blower shall not be denied future business with the company solely on the basis of having made the disclosure.*

*The company reserves the right to take appropriate actions against anyone who initiates or threatens to initiate retaliation against those who have raised concerns under this Policy. In particular, directors, officers and employees who initiate or threaten retaliation will be subject to disciplinary actions, which may include suspension and/or summary dismissal.*

*Management shall support all employees and other whistle-blowers and encourage them to raise concerns without fear of reprisals.*

#### **V. Reporting Channel, Documentation and Investigation Procedure**

##### **Reporting Channel**

*A whistle-blower who has legitimate malpractice concern can raise the matter directly to the Governance Committee through the following channels:*

- a.) *sending an email to a designated email address using the web portal*
- b.) *sending letter addressed to the Governance Committee in a sealed envelope clearly marked "Strictly Private and Confidential – to be opened by Addressee Only" to ensure confidentiality or*
- c.) *sending emails to [governancecommittee@abrown.ph](mailto:governancecommittee@abrown.ph)*

*Persons or units within the organization who receive disclosures (in whatever form, including verbal disclosure) shall, however, forward or relay the disclosures and/or reduced into writing and forwarded to the Governance Committee for proper conduct in accordance with this policy.*

*The Governance Committee will decide whether an investigation should be conducted or special fact-finding committee be created, if warranted, depending on the gravity, sensitivity or complexity of the issue as reported.*

*If the report concerning misconduct is done anonymously, the complaint maybe considered. However, if it is very difficult to assess whether or not an anonymous letter is genuine or malicious and evidence given can't be readily obtained, it will not necessarily start an investigation. If within reasonable efforts such needed information can be gathered in order to allow the Company to deal with the matter properly, the Governance Committee within reasonable time will conduct an investigation, if so warranted.*

### Reporting Format and Supporting Documentation

*Disclosures can be made in writing or by using the standard form (Whistle-blower Report Form) attached to this policy. Verbal disclosures must be reduced to some form of writing and persons receiving verbal disclosures who wish to continue further for appropriate action must reduce the same into writing. A whistle-blower shall have the option to identify itself and/or sources of his information, if any or withhold his identity.*

*Disclosures must allege the specific facts that have lead the whistle-blower to believe that an improper activity or conduct has been or is being committed. The specific information in the disclosure and supporting documentation, if any, will allow the Governance Committee for proper assessment of the need, nature, extent and urgency of investigation. The disclosure should be supported by evidence or at least, includes sufficient details which can be validated and used as basis for conducting an investigation.*

### Investigation Procedure

*Without prejudice to the provisions of the Employee Code of Conduct on the procedure of handling administrative cases and/or of the Revised Manual on Corporate Governance on the evaluation of purported violations of the Manual as well as providing due process to the directors, officers and employees, the procedures herein promulgated will be used by the Governance Committee in its investigation of reported improper activity or conduct.*

*The format and length of an investigation will vary depending upon the nature and particular circumstances of each complaint made. The matters raised may be investigated internally; be referred to the external auditor or form the subject of an independent inquiry.*

*The Chair of the Governance Committee will write to the complainant whenever reasonably practicable of the concern being received:*

- a.) by acknowledging that the complaint or issue being raised has been received;*
- b.) by advising whether or not the matter is to be investigated further or if so what the nature of the investigation will be and*
- c.) by giving an estimate of how long the investigation will take to provide a final response telling the complainant whether initial inquiries have been made or whether further investigation will take place and if not, provide a reason for discontinuance.*

*The Governance Committee shall create an investigating team to verify the complaint. The investigating team or special fact-finding committee may be composed of the Human Resource Department - Head, Vice President -Administration, Vice President - Finance or other officer as the Governance Committee deemed fit who shall provide findings of the result of the investigation and recommend sanctions after due process if warranted of such result subject to the approval by Governance Committee and Executive Chairman.*

*In the event that the complaint involves a member of the investigating team or special fact-finding committee as mentioned above, the said member shall inhibit himself from taking part of the evaluation, investigation and reporting of that particular complaint.*

*Investigation shall be carried out in accordance with company policies and best practices in investigation without compromising the civil rights of any person.*

### Record Retention

*Records shall be kept for all reported misconducts, malpractices and irregularities by relevant parties in the company. In the event a reported misconduct leads to an investigation, the party responsible for conducting the investigation shall ensure that all relevant information relating to the case is retained including details of corrective action taken and maybe included in the employee's 201 files or supplier's accreditation files.*

## VI. Monitoring and Compliance

*Violation or non-compliance with this policy may result to disciplinary action without prejudice to any criminal and civil liabilities which the company or authorities may file for violation of existing laws.*

*Strict observance of these guidelines is therefore enjoined.*

### The Offense and Disciplinary Action

*Violation of this Whistle-blowing Policy by the employees can be classified depending on the degree of violation. Some violations may constitute also violation of Section 3 of the Article I and Article V of the Employee Code of Conduct which are Type D and Type C offense, respectively.*

#### False Reports

*If an employee makes a false report maliciously, with an ulterior motive, or for personal gain, the company reserves the right to take appropriate actions against the employee to recover any loss or damage as a result of the false report. In particular, the employee may face disciplinary action, including dismissal, where appropriate.*

*Section 3 of Article V (Offenses Against Decency, Good Custom, Honor and Morality) of the Employee Code of Conduct: Making false, vicious, or malicious statement concerning any employee. (Type C offense)*

TYPE OF OFFENSE	LEVEL OF OFFENSE	DISCIPLINARY ACTION
C	1st	Six (6) working day suspension
	2nd	Fifteen (15) working day suspension with warning for dismissal
	3rd	Dismissal

#### Initiate or Threaten of Retaliation

*If an employee initiates or threatens to initiate retaliation against those who have raised concerns under this Policy will be subject to disciplinary actions, which may include suspension or summary dismissal.*

*Section 3 of Article I (Offenses Against Person) of the Employee Code of Conduct: Any act constituting threat, intimidation or coercion against any person, or in any manner unduly interfering with ..... other employees from performing their work..... (Type D offense)*

TYPE OF OFFENSE	LEVEL OF OFFENSE	DISCIPLINARY ACTION
D	1st	Thirty (30) working day suspension with warning for dismissal
	2nd	Dismissal

*Likewise, if a director and/or officer is found to be in violation of this policy and/or securities laws, the Governance Committee in consultation with the Compliance Officer shall recommend to the Chairman of the Board, for further review and approval of the Board, the penalty for such violation depending on the gravity of the offense which can either be reprimand, suspension or removal from office.*

*If the suppliers violate any company policies or in cahoots with employees that violated the company's policies as well as the Employee Code of Conduct, Revised Manual on Corporate Governance and related laws, the Governance Committee shall recommend to the Board for appropriate action.*

## **VII. Policy Review**

*The Governance Committee shall review and assess periodically the adequacy of this Policy for consideration by the Board of Directors. Any provisions may be amended and shall be effective upon due notice given to directors, officers and employees of the company.*

**ANNEX A: WHISTLE-BLOWER REPORT FORM**

WHISTLE-BLOWER REPORT FORM  
(CONFIDENTIAL)

*The Company is committed to the highest standards of ethics in compliance with all applicable laws, rules and regulations as it conducts its business as a good corporate citizen. This commitment and standard of conduct governs the company's relationships with customers, suppliers, shareholders, competitors, the communities it operates, and with employees themselves at every organizational level.*

*The Whistle-blower Policy has been established to provide formal mechanism for whistle-blowers to submit reports on improper activities and/or suspected violations through available channels which shall be protected by keeping the information confidential including the identity and source of information to the extent required by law. The policy also considers the means to protect whistleblower from retaliation and fairness in the handling of a disclosure or complaint.*

*If you wish to make a written report, please use the report form below. Once completed, this report becomes confidential. You may send the report, marked "Strictly Private and Confidential – to be opened by Addressee Only" and addressed to the Chairman of the Governance Committee, by post to the relevant address below or by email to [governancecommittee@abrown.ph](mailto:governancecommittee@abrown.ph)."*

To:

**THE GOVERNANCE COMMITTEE**

*A Brown Company, Inc.*

*Principal Address: Xavier Estates, Airport Road, Balulang, Cagayan de Oro City*

*Liaison Office: 3304-C West Tower, PSE Centre, Ortigas Center, Pasig City*

*We encourage you to provide your name with this report. Concerns expressed anonymously are much less powerful but they will be considered as far as practicable.*

*Name:*

*Address:*

*Tel No:*

*Email:*

*Date:*

*The names of those involved (if known) and nature of involvement:*

*The names of those possible witnesses and nature of involvement:*

*Details of concerns:*

*Please provide full details of your concerns: Names, dates and places and the reasons for the concerns (continue on separate sheet if necessary) together with any supporting evidence/documents. Please provide also an approximate figure of how much is involved.*