

## WHISTLEBLOWING POLICY

### INTRODUCTION

Chemical Industries of the Phils., Inc. (the “Company”) is committed to achieving and maintaining the highest standards of openness, probity and accountability. Employees at all levels are expected to conduct themselves with integrity, impartiality and honesty. It is every employee’s responsibility and in all interest of the Company to ensure that any inappropriate behavior that compromise the interest of the shareholders, investors, customers and the wider public does not occur. It is also critical to maintain a good corporate image and raise the standard of corporate governance of the Company. To this end, the Company has devised a whistleblowing policy (the “Policy”).

### DEFINITION OF TERMS

**Whistleblowing** – situation/disclosure of and/or giving of evidence to information that a whistleblower reasonably believes constitutes any suspected misconduct, malpractice or irregularity which he has become aware of or genuinely suspects that the Company has been or may become involved in.

**Whistleblower** – employee/person who discloses a complaint or concern in good faith and based on his/her reasonable belief.

**Employees** - persons employed by the Company as officers or rank-and-file, whether permanent, temporary, co-terminus or directly hired contractual.

### PURPOSE

The purpose of formulating the Policy is to

- increase the awareness of maintaining internal corporate justice and regard this as a kind of internal control mechanism;
- provide the employees of the Company with avenues or reporting channels and guidance on whistleblowing;
- encourage employees to raise serious concerns internally, in a responsible and effective manner, rather than overlooking a problem or blowing the whistle outside.
- protect the whistleblower from possible reprisal, intimidation or harassment of any kind.

### POLICY

This Policy is intended to assist individual employees to disclose information relevant to suspected misconduct, malpractice or irregularity through a confidential reporting channel. It is not designed to further any personal disputes, question financial or business decisions taken by the Company nor should it be used to reconsider any staff matters which have been addressed under the grievance procedure already in place. Whistleblowing matters may include but are not confined to:–

<b>CATEGORY</b>	<b>DESCRIPTION</b>	<b>EXAMPLES</b>
<b>Misconduct or Policy Violation</b>	Acts that violate moral or civil law, Code of Conduct, company policies or contractual agreements; miscarriage of justice	<ul style="list-style-type: none"> <li>• Violation of Code of Conduct or good governance policies</li> <li>• Unauthorized Control Overrides</li> <li>• Abuse of authority</li> <li>• Breach of legal or regulatory requirements</li> </ul>
<b>Theft, Fraud or Misappropriation</b>	Fraudulent appropriation of funds or property entrusted to one's care but owned by the Company or other person	<ul style="list-style-type: none"> <li>• Stealing</li> <li>• False representation</li> <li>• Misappropriation of funds</li> </ul>
<b>Conflict of Interest</b>	Situations which may impair the objectivity of a person due to self-interest vs. Company or public interest	<ul style="list-style-type: none"> <li>• Inappropriate relations or questionable transactions with customers, suppliers, business partners</li> <li>• Misuse of customer/company or resources for personal gain or interest</li> </ul>
<b>Financial Reporting concerns</b>	Deliberate misstatement in recording, reporting, or non-reporting transactions or results of operations	<ul style="list-style-type: none"> <li>• Misstatements in financial reports</li> <li>• Deliberate incorrect accounting</li> <li>• Irregularities in application of accounting standards</li> </ul>

## **PROTECTION AND CONFIDENTIALITY**

It is the Company's policy to make every effort treating all disclosures in a confidential and sensitive manner after employee reports concern about any of the above matters. The identity of the whistleblower making genuine and appropriate allegation under this Policy are assured of fair treatment. In addition, whistleblowers are also assured of protection against unfair dismissal, victimization or unwarranted disciplinary action, even if the concerns raised turned out to be unsubstantiated.

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, employees who initiate or threaten retaliation will be subject to disciplinary actions, which may include summary dismissal. Management will support all employees and encourage them to raise concerns without fear of reprisals.

## **PROCEDURE**

### **1. Reporting Channel for the Company**

Employee who has a legitimate malpractice concern can raise the matter directly with the Chief Compliance Officer (CCO) or member of the Corporate Governance Committee. The CCO/CGC member will review the complaint and decide how the investigation should proceed. Depending on the circumstances, the Corporate Governance Committee may consider nominating an appropriate investigating officer or set up a special committee to investigate the matter independently.

### **2. Reporting Format and Supporting Documentation**

Disclosures can be made in writing or by using the standard form (Whistleblower Report Form) attached to this Policy. While the Company does not expect the employee to have absolute proof or evidence of the misconducts, malpractices or irregularities reported, the report should show reasons for the concerns and full disclosure of any relevant details and supporting documentation.

The disclosure should be sent to the Chairman/Secretariat of the Corporate Governance Committee at 7/F Chemphil Building A, Arnaiz Ave Makati City, Philippines in a sealed envelope clearly marked "Strictly Private and Confidential – to be opened by Addressee Only" to ensure confidentiality, or through sending emails to [cip\\_cgc@gmail.com.ph](mailto:cip_cgc@gmail.com.ph). Employees should ensure all the attachments to the emails should have passwords in order to ensure confidentiality. Employees are required to put their name to any disclosures they make. Anonymous complaints are usually not considered.

The Company will hold it a serious disciplinary offence for any person who seeks to prevent a communication of malpractice concerned reaching to the designated person, or to impede any investigation which he or anyone on his behalf may make.

### 3. Investigation Procedure

The format and length of an investigation will vary depending upon the nature and particular circumstances of each complaint made. The matters raised may:

- i. be investigated internally;
- ii. be referred to the External Auditor; and/or
- iii. form the subject of an independent inquiry

Chairman of the Corporate Governance Committee or the person designated to investigate the complaint will write to the complainant whenever reasonably practicable of the concern being received:

- i. acknowledging that the concern has been received;
- ii. advising whether or not the matter is to be investigated further and if so what the nature of the investigation will be;
- i. giving an estimate of how long the investigation will take to provide a final response telling the complainant whether any initial inquiries have been made, and whether further investigation will take place, and if not, why not.

### **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.

### **ANONYMOUS REPORTS**

As the Company takes reporting of misconducts, malpractices, and irregularities seriously and wants to conduct warranted investigations of both potential and actual violations, it is preferred that these reports are not made anonymously. However, it is recognized that for any number of reasons, employees may

not feel comfortable reporting potential violations directly to the Chairman of the Corporate Governance Committee. In these cases, anonymous reports may be submitted to the HR Department.

#### **RECORD RETENTION**

Records shall be kept for all reported misconducts, malpractices, and irregularities by the relevant parties in the Corporation. In the event a reported irregularity leads to an investigation, the party responsible for leading/conducting the investigation shall ensure that all relevant information relating to the case is retained, including details of corrective action taken for a period not exceeding six years (or whatever other period may be specified by any relevant legislation).

#### **APPROVAL, IMPLEMENTATION AND REVIEW OF POLICY**

The Corporate Governance Committee has the overall responsibility for implementation, monitoring and periodic review of this Policy.

This policy shall take effect immediately upon approval of the Board of Directors.