

WHISTLE BLOWING POLICY



Standard Operating Procedure for: Whistle Blowing		Document No: GIA/FEO/WB/13/443
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1.0 Overview

1.1 Overview of the Whistle Blowing Policy

1.1 Overview of the Whistle Blowing Policy

1. Far East Organization (the "Organization") is committed to a high standard of compliance with accounting, financial reporting, internal controls, corporate governance and auditing requirements and any legislation relating thereto.
2. In line with this commitment, this Whistle Blowing Policy ("the Policy") aims to provide a structured and formalised avenue for employees to confidently raise concerns without fear and reprisal and offer reassurance that they ("the Complainant") will be protected from reprisals for whistle blowing in good faith.
3. The term 'Whistle Blowing' describes incidents where an employee or a third party (such as vendors, customers, contractors and consultants) raises alleged misconduct/ wrongdoing within the Organization.
4. All levels of employees are responsible to comply with and to report misconduct/ irregularity or suspected misconduct/ irregularity in accordance with the Policy.
5. Any staff, who is aware of or suspect that any employee or member of management is or has committed any misconduct, may report immediately to the Head of Internal Audit or call the external independent hotline.

1.2 Objective of the Whistle Blowing Policy

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1. The primary objectives of the Policy are:
 - a) To set a strong tone of the Organization's zero tolerance towards dishonesty and corrupt practices
 - b) To provide formal avenues for employees to raise concern in a defined and secured manner to handle these concerns
 - c) To enable Management to be informed timely of any acts of misconduct for appropriate actions to be taken on a timely basis
 - d) To reassure employees that they will be protected from fear of reprisal for disclosing concerns in good faith in accordance with this Policy
 - e) To help foster and develop a culture of openness, accountability and integrity in our people
2. The Policy is intended to encourage and enable employees as well as third parties (i.e. vendors, customers, contractors and consultants) to achieve the following:
 - Display the highest standard of personal and corporate integrity/ethics
 - Comply with all applicable laws, rules and regulations
 - Be open and honest in all internal and external dealing thus developing collectively a culture of risk awareness, openness, transparency and trust

2.0 Background Information

2.1 Scope of the Whistle Blowing Policy

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1. This Policy deals with defalcation, impropriety, or wrongdoing by employees in the following situations, including but not limited to:

- Failure to comply with a legal or regulatory obligation.
- Fraud
- Failure to comply with internal policies and/or Company's Code of Conduct.
- Misappropriation of funds, securities, supplies or other assets.
- Trading in listed securities while having insider knowledge.
- Disclosure of confidential or proprietary information to external parties.
- Abuse of authority
- Unlawful, unethical or dishonest conduct.
- Corruption, bribery or blackmail.
- Intentionally mislead, deceive, manipulate, coerce or deceitfully influence any internal or external auditor with regards to the preparation, examination, audit or review of any financial statements or records of the Company.
- Participation in or condoning a reportable wrongdoing including concealment and willful suppression of any information relating to a wrongdoing or misconduct.

2. The Policy also deals with the protection of the confidential or anonymous reporting by employees of legitimate concerns in good faith regarding these matters.

3. The Policy does not apply to employee grievance matters including but not limited to the following areas:

- Performance appraisal (e.g. disagreement in performance rating.)
- Promotion
- Work relations with supervisors and fellow colleagues (e.g. disagreements on work matters, unfair/unequal distribution of workload, biasness/favouritism by supervisors etc.)
- Employee benefits and entitlements

For the above, the employee must seek redress under the Grievance Handling Process.

4. This Policy applies to any irregularity, or suspected irregularity, involving not only employees, members of management but also any third parties, i.e. vendors, contractors, consultants or customers, working for/ with the Organization.

5. Any investigative activity, if deemed necessary, will be conducted without regard to the suspected or alleged personnel's length of service and/or position/ title.

3.0 Reporting Procedures

3.1 Reporting Responsibility

3.1 Reporting Responsibility

1. It is the responsibility of **all levels of employees** to comply with and report misconduct or suspected misconduct in accordance with the Policy.
2. Any third parties, i.e. vendors, contractors, consultants or customers, working for/ with the Organization can also raise any concerns in accordance with the Policy.
3. No whistleblowers who in good faith report any incidents/ instances of misconduct shall suffer harassment, retaliation or adverse employment consequence.
4. An employee who retaliates against someone who has reported any incidents/ instances of misconduct in good faith is subjected to disciplinary action including termination of employment.
5. All reports must be made in good faith.
6. Abuse of the process will not be tolerated.
7. Malicious reporting will be seriously dealt with and subjected to disciplinary action including termination of employment.
8. Any anonymous report that is not substantiated with facts or evidence shall not be entertained nor investigated.

3.2 Reporting Avenues

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1. Any employee who reasonably suspects or is aware of any employee or member of management committing misconduct should report directly to the Head of Internal Audit or to the external independent hotline. The reporting avenues of the external independent hotline are detailed in Appendix A.
2. The whistle blowers shall provide basic information such as:
 - (a) The background (who, what, when, where, how).
 - (b) The reason and basis for raising the observation.
 - (c) Any available evidence to support the reported incident.
3. Any employee who is in possession of prima facie evidence of misconduct by any employee or member of management who is reasonably believed to have partaken in any corrupt activities or equivalent offence is encouraged to immediately report using the above reporting avenues prior to making any direct report to the external authorities such as CPIB, where appropriate.

3.3 Confidentiality

3.3 Confidentiality

1. Reports of misconduct or suspected misconduct via the external independent hotline will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. This is important to avoid damaging the reputation of suspected person(s), but subsequently found innocent of wrongful conduct, and to protect the Organization from potential civil liability.
2. Until the investigation is completed, the identity of the employee(s) under investigation will be kept confidential and treated fairly. On the completion of the investigation, the name of the alleged employee(s) may or may not be disclosed depending on the nature, extent and circumstances of the incident and is subject to the respective Chief Executive Officer's decision in consultation with the Legal Counsel (where necessary).
3. Except for cases that are reported to the appropriate external authorities (e.g. CPIB, Police, Ministry of Finance), the Organization shall ensure the confidentiality and protection of staff who report on incidents/ instances of misconduct in good faith.

4.0 Handling of Reported Misconducts and Complaints

4.1 Reporting via external independent hotline

4.1 Reporting via external independent hotline

- 1. In all cases, a unique reference number will be provided to the whistle blower.
- 2. The whistle blower will be given the option to remain anonymous. If the whistle blower wishes to remain anonymous, our consultant attending to the external independent hotline will not reveal the identity of the whistle blower to the Organization without the prior consent of the whistle blower unless required by Order of Court, law or regulation.
- 3. All incidents received are documented and a report shall be submitted to the Whistle Blowing Evaluators (“WBE”). The composition of WBE is set out below for the respective organizations:

	FEO	FEHT
Composition of WBE	<ul style="list-style-type: none"> a) Head of IA b) Head of HR c) Head of Legal d) Group GM 	<ul style="list-style-type: none"> a) Head of IA, in consultation with AC Chairman

- 4. For Far East Hospitality Trust (“FEHT”), the WBE shall assess the nature, validity and extent of the reported incidents and discuss the follow up actions to be taken (including whether an investigation should be performed for any of the reported incidents) with the Audit Committee.
- 5. For the private entities of Far East Organization (“FEO”), the WBE shall assess the nature, validity and extent of the reported incidents and discuss the follow-up actions to be taken. However, if the alleged misconduct reported involves member(s) of senior management, the Whistle Blowing Program Facilitator (an independent director who chairs the WBE Program) shall be notified and consulted immediately. The Whistle Blowing Program Facilitator shall review the assessment and recommendations proposed by WBE and authorise any proposed course of action.

4.2 Reporting via Head of Internal Audit

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1. All reported incidents will be logged by the Head of Internal Audit and will be evaluated by the WBE accordingly for further action.

4.3 Reporting via external authorities

4.3 Reporting via external authorities

1. If the alleged misconduct is reported to the external authorities, the Organization may have limited access to the investigation conducted by the external authorities of the reported incident. In such cases, the Audit Committee of FEHT, or WBE, shall keep track of the reported incident upon notification of such reported incident by the external authorities.

4.4 Investigation of Complaints / Incidents of Misconduct

4.4 Investigation of Complaints/ Incidents of Misconduct

1. Regardless of the nature/quantum of the reported incident, the WBE shall review, assess and investigate all reported complaints and incidents of misconduct in accordance with the Policy. If the external auditor of the Organization or FEHT (as applicable), in the course of performance of his duties as an auditor, has reason to believe that a serious offence involving fraud or other dishonesty is being or has been committed against the Organization or FEHT (as the case may be) by any of their respective officers or employees, the external auditor shall immediately report the matter to the Minister for Finance pursuant to section 207(9A) & (9D) of the Companies Act, Cap. 50 of Singapore.
2. An internal or external team can be formed or appointed to carry out an investigation as determined by WBE, Whistle Blowing Program Facilitator or the Audit Committee.

The investigation team shall have full access to examine, retain and remove all or any portion of the content of any files, desks, cabinets and other storage facilities on the premises in connection with the incident being investigated.
3. The WBE will propose a time line for the investigation of the reported incident to be performed and completed on a timely basis.
4. The WBE will track the progress and outcome of the investigation for reporting to the Whistle Blowing Program Facilitator and Chief Executive Officer or the Audit Committee.

4.5 Investigation Report

4.5 Investigation Report

1. All investigation reports submitted to the Whistle Blowing Program Facilitator and the Audit Committee by WBE, as applicable, may include but not limited to the following:
 - (a) Name of suspected person(s)
 - (b) Place of where the incident happened
 - (c) Date and time of the incident, in so far as they can be ascertained
 - (d) Date, time and manner of discovery
 - (e) The nature of the weakness in the security arrangements and/ or internal controls and procedures
 - (f) Arrangements made to prevent recurrence of similar incidents
 - (g) Estimated amount of the damage to the company as a result of the incident
 - (h) Details of the employee/ member of management involved; and based on the findings, assess whether there is any negligence or fraud; and to what degree was the staff responsible or accountable
 - (i) Statement stating whether the incident should be reported to the authorities (e.g. police)
 - (j) Whether the loss or damage is covered by insurance
 - (k) Any further suggested actions to be taken/ conclusion (e.g. criminal)

2. WBE shall report to the Whistle Blowing Program Facilitator or the Audit Committee on the status of incidents received and the progress of investigation on a timely basis. A quarterly summary report will be prepared by the WBE and submitted as follows:
 - (a) For FEO private entities to the Whistle Blowing Program Facilitator and Chief Executive Officer (“CEO”); and
 - (b) For FEHT to the Audit Committee.

4.6 Decisions and Actions Taken on Investigation Outcome

4.6 Decisions and Actions Taken on Investigation Outcome

1. For Far East Hospitality Trust (FEHT), the Audit Committee of FEHT reserves the right to make any decision based on the findings and the recommended actions by the WBE.
2. For private companies under the FEO Group, CEO or Senior Executives appointed by CEO reserves the right to make any decision based on the findings and the recommended actions from the Whistle Blowing Program Facilitator or WBE.
3. The course of actions to be taken against an employee under investigation depends on the nature, extent and magnitude of the allegation as well as the seniority and authority of the said employee.
4. If an investigation results in a recommendation to terminate the employee, the decision to terminate will be made in conjunction with Group Human Resources and, if necessary, the Group Legal Counsel. This applies to all employees under the payroll of FEO. For FEHT, the decision will be made by the AC.
5. If the reported incident is found to be valid, the staff implicated shall be dealt with according to the severity of the case; including reporting the case to the external authorities (e.g. Police, CPIB, Ministry of Finance).
6. Actions will be taken against employee(s) who are “related in the course of work” to the employee implicated in the incident and proven to be aware but did not report the incident to the Company.

5.0 Administration

5.1 Training on Whistle Blowing

5.1 Training on Whistle Blowing
<ol style="list-style-type: none">1. All levels of employees in the Organization will be trained on the Policy procedures.2. The training will also be included in the orientation for all new joiners in the Organization.

5.2 Communication to all Employees and Third Parties

5.2 Communication to all Employees and Third Parties
<ol style="list-style-type: none">1. The Policy shall be communicated to all levels of employees and third parties including vendors, contractors, consultants or customers.2. Third parties are to be informed of the existence of the Policy and external hotline system when contracting with the Organization.

Appendix A: Whistle Blowing Reporting Avenue Details

1. The reporting avenues of the external independent hotline are detailed below:
 - (a) Hotline operation at 1800-336-5764 from 9:00am to 5:30pm (Singapore time), Mondays to Fridays, excluding public holidays. Calls received outside the operating hours will be diverted to a voice recording machine.
 - (b) Internet reporting at URL <http://kpmgethicsline.com.sg/>.
2. The reporting channels are available 24 hours a day, 365 days a year. Different linguistic needs of employees, including English, Chinese, Bahasa Indonesia and Bahasa Malay will be catered for.
3. Whistleblowers can also choose to report complaints or incidents of misconduct directly to the Head of Internal Audit at:

Email address: whistleblowing@fareast.com.sg

Telephone: 6735 9939

Appendix B: Whistle Blowing Process Flowchart

Whistle Blowing

