

WHISTLE BLOWING POLICY

Standard Operating Procedure for: Whistle Blowing		Effective date: WB01 dated 2013-08-14
Originator: Pearl Foong Group Financial Controller	Reviewed by: Tjong Yik Min Group Chief Executive Officer	Approved by: YHSL Audit Committee YHSL Board of Directors

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1.0 Overview

1.1 Overview of the Whistle Blowing Policy

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1. Yeo Hiap Seng 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 a staff member raises alleged misconduct/ wrongdoing within the Organization.
4. All levels of employees are responsible to comply and to report misconduct/ irregularity or suspected misconduct/ irregularity in accordance with the Whistle Blowing Policy.
5. Any staff, who is aware or suspect any employee and member of management committing misconduct, may report immediately to the designated persons as indicated in Section 3.2 – Reporting Avenues.

1.2 Objective of the Whistle Blowing Policy

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1. The primary objectives of the Whistle Blowing Policy are:
 - a) To set a strong tone of Yeo Hiap Seng'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 or 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 Whistle Blowing 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, not limited to:
 - Dishonest or fraudulent acts
 - Forgery or alteration of any document or account belonging to a shareholder
 - Forgery or alteration of a check, bank draft, or any other financial document
 - Profiteering as a result of insider knowledge of securities activities
 - Misappropriation of funds, securities, supplies or other assets
2. The Policy also deals with the receipt, retention and treatment of complaints received regarding the Company's accounting, financial reporting, internal controls and auditing as well as governance matters, and the protection of the confidential or anonymous reporting by employees of legitimate concerns in good faith regarding these matters.
3. 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 Company.
4. 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

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1. It is the responsibility of **all level of employees** to comply with and report misconduct or suspected misconduct in accordance with the Whistle Blowing Policy.
2. Any third parties, i.e. vendors, contractors, consultants or customers, working for/ with the Company can also raise any concerns in accordance with the Company's Whistle Blowing 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 subject to discipline action including termination of employment.

3.2 Reporting Avenues

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1. Any employees who suspects or is aware of any employee or member of management committing misconduct can report directly via e-mail or telephone to any of the following designated persons in either of two channels as listed below.

The whistle blowers are to provide basic information such as:

- (a) The background (who, what, when, where, how) and observation noted
- (b) The reason and basis for raising the observation
- (c) Any available form of evidence to support the reported incident

2. In addition, employee who is in possession of prima facie evidence of misconduct by any employee or member of management that is believed to have constituting corruption, partake in any corruption activities or equivalent offence may report directly to the appropriate authority such as Corruption Practice Investigation Bureau (CPIB)

Channel 1 – Management

	Name	Designation	e-mail address	Telephone no.
1	Mr. Tjong Yik Min	Group CEO	yikmintjong@yeos.com	(65) 68496713
2	Mr. Yap Ng Seng	Group Deputy CEO	ngsengyap@yeos.com	(65) 68496712
3	Mr. Ong Chay Seng (for Malaysia and Indonesia subsidiaries only)	YHSM COO	chaysengong@yeos.com	(603) 77873651

3.2 Reporting Avenues (con't)**Channel 2 – Directors of the Board**

	Name	Designation	e-mail address	Telephone no.
1	Mr. Koh Boon Hwee	Chairman	bhkoh@singnet.com.sg	(65) 62359771
2	Mr. S. Chandra Das	Deputy Chairman & Lead Independent Director	cd@nur.com.sg	(65) 65369969
3	Mr. Chang See Hiang	Independent & Non-Executive Director	shchang@cshnp.com.sg	(65) 63339909
4	Mr. Chin Yoke Choong	Independent & Non-Executive Director	bycchin@singtel.com	(65) 68320776
5	Mr. Ngiam Tong Dow	Independent & Non-Executive Director	ntd@ngiamtd.com	(65) 67630021
6	Dr. Tan Chin Nam	Independent & Non-Executive Director	chinnam@aol.com	(65) 65773818
7	Mr. Wee Kheng Jin	Non-independent & Non-Executive Director	weekj@fareast.com.sg	(65) 68306221
8	Dato' Mohamed Nizam bin Abdul Razak	Independent & Non-Executive Director	nizam.razak@gmail.com	(603) 22812383
9	Encik Razman Hafidz bin Abu Zarim	Independent & Non-Executive Director	rhaz@norush.com.my	(603) 62031517
10	Dato' N. Sadasivan a/l N.N. Pillay	Independent & Non-Executive Director	skamc@po.jaring.my	(603) 20925006

3. A copy of all incidents received by any of the above persons are to be forwarded to the facilitator of the Whistle-Blowing & Loss Management Programs, Ms. Sau Ean Nee at e-mail address : eanneesau@yeos.com so as to allow her to consolidate all reported matters and a report submitted to the Audit Committee Chairman on a weekly basis.

3.3 Confidentiality

3.3 Confidentiality

1. Reports of misconduct or suspected misconduct 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 Company from potential civil liability.
2. Until the investigation is completed, employee(s) under investigation will be treated confidentially and 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 Board's decision on consultation with the Legal Counsel (where necessary).
3. Except for cases that are reported to external authority (e.g. CPIB, Police), the Company shall ensure the confidentiality and protection of staff who report on incidents/ instances of misconduct in good faith.
4. Any allegations that are proved to be unsubstantiated and have been made maliciously or knowingly to be false, will be viewed as a serious disciplinary offence.

4.0 Handling of Reported Misconducts and Complaints

4.1 Investigation of Complaints / Incidents of Misconduct

4.1 Investigation of Complaints/ Incidents of Misconduct

1. The Audit Committee Chairman will review and assess all reported complaints and incidents of misconduct, and determine the manner in which the incident should be investigated, using internal and/or external resources.
2. All investigations must be completed within 30 working days from the date when the Audit Committee Chairman commissions the investigative team so as to ensure the complaints or incidents reported are investigated in a timely manner.
3. The investigation report upon completion will be submitted to the Audit Committee Chairman for his endorsement and/or decision and these will be tabled at the quarterly Audit Committee meeting for any further course of actions.
4. The Chairman of the Audit Committee may at his discretion convene a special Audit Committee meeting to deal with any major and urgent incidents.

4.2 Investigation Report

4.2 Investigation Report

All investigation reports submitted to the Audit Committee Chairman shall consist 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 whether based on the finding there was 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).

4.3 Decisions and Actions Taken on Investigation Outcome

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1. The Company reserves the right to make any decision based on the findings and the recommended actions by the Audit Committee Chairman, Audit Committee and/or Board of Directors.
2. 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 Legal Counsel.
3. 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

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1. All level of employees throughout the Organization will be trained on the Whistle Blowing 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

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1. The Whistle Blowing Policy is communicated to all level of employees via email blast, uploaded onto the shared intranet, form part of the new joiner’s induction and be included in the code of conduct.
2. The Company’s Whistle Blowing Policy is also communicated to third parties, i.e. vendors, contractors, consultants or customers, via the Yeo Hiap Seng Limited’s official website.
3. Third parties are to be informed of the existence of the Whistle Blowing Policy when contracting with the Organization.