

# Whistle Blower Policy

**Seafront Resources Corporation (SPM)**, its affiliates and subsidiaries (SPM Group) are committed to do business according to the highest ethical legal standards pursuant to its Code of Ethics and Business Conduct and its Manual on Corporate Governance. Its officers and employees are required to practice honesty and integrity in fulfilling their duties and responsibilities. All employees are expected to comply with applicable laws and company policies, rules and regulations in order that the Company's good name and interests be secured.

Whistleblowing involves the disclosure of information that an officer or employee believes to be evidence of contravention of any law, rule or regulation, company policy, code of business conduct and ethics, or involves fraud, corruption, abuse of authority or mismanagement.

## **Rules of Procedure:**

### **A. Authority for Whistleblowing Policy**

Pursuant to the Manual on Corporate Governance<sup>1</sup>, SPM Board shall establish a suitable Framework for Whistleblowing that allows officers and employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The SPM Board should be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement.

The Compliance Officer should ensure that the process of handling whistleblowing related cases be properly made in accordance with the guidelines set in this policy. At the discretion of the Compliance Officer, he shall advise the Management and the concerned committee on matters considered material and serious in nature.

### **B. Scope of the Policy**

This Whistleblowing Policy intends to address the following issues:

- ) acts which constitutes a breach of law;
- ) possible incidents of fraud or corruption;
- ) acts in violation of the Company's Code of Ethics and Business Conduct and Manual on Corporate Governance;
- ) acts that infringe Company policies.

### **C. Procedures for Raising Concern**

1. The employee or the whistleblower should initially raise concerns with his immediate manager or his superior if he has reason to believe that he will get fair

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<sup>1</sup> Clause 8.2.3 of the 2017 Manual on Corporate Governance

and objective treatment. Otherwise, in cases where the immediate superior is the subject for complaint, employee may raise concern with Human Resource (HR) Department.

2. Where there is probable cause, HR Department and/or superior will direct employee or the whistleblower to disclose in writing his identity and offer underlying real evidence in support of an allegation. The employee must put his concern in writing supported by information and relevant documents to enable the HR or the Superior to elevate matter to the Compliance Officer who will assess the reasonableness or validity of his allegations and for the protection of parties who may be involved.
3. If the accusation has semblance of validity and corroborated with evidence, the Compliance Officer will recommend further investigation of the case by convening the Investigating Committee. Otherwise, the Compliance Officer may recommend its dismissal and deem the matter closed
4. The Investigating Committee should be composed of representatives from:
  - ) HR Department
  - ) Legal Department
  - ) Executive Officer to be assigned by the President
5. The Company should initiate action on the whistleblower's concerns within a period of ten (10) business days from receipt of the claim or complaint.
6. The Investigating Committee will cause notice to be given to all persons involved, hear the evidence of all the parties, evaluate and weigh the evidence, make recommendation and submit the same to the President for final decision. Nonetheless, pending investigation by the Investigating Committee, the Internal Audit Department may upon request of the Investigating Team, initiate special audit to establish or validate the claims of the parties involved.
7. The Compliance Officer must report to the BOD, through the Audit Committee the result of the investigation made and the appropriate action taken by Management.
8. All concerns will be treated in confidence. Complaints or concerns given anonymously will be ignored unless there is a document or other corroborating evidence given together with the anonymous allegation.

#### **D. Support for Whistleblower**

1. Management will provide full protection to the whistleblower as it recognizes the conflict, troubles, distress and obstacles his disclosure may bring. However, if the accusations or claims turn out to be frivolous, false, deceitful, or malicious, then the whistleblower will subjected to appropriate disciplinary action.

2. SPM, its affiliates and subsidiaries will not tolerate any form of harassment by the alleged perpetrator and will take appropriate action to protect the whistleblower.
3. Any officer or employee who threatens, intimidates, retaliates and the like, against the whistleblower shall be subjected to disciplinary action that may include termination from employment.

## **EFFECTIVITY**

This policy becomes effective upon approval of the Board.<sup>2</sup>

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<sup>2</sup> This Policy will be presented to the appropriate Board Committee and will then be endorsed to the Board of Directors for Approval / Ratification.