

## **Whistle-blowing Policy**

### ***Introduction***

Forum Pacific Inc. is committed to the highest possible standards of ethical, moral and legal business conduct. An important aspect of this is a mechanism to enable individuals to voice concerns in a responsible and effective manner. To this effect, where an individual discovers information which they believe shows serious malpractice or wrongdoing within the organisation, such information should be disclosed internally without fear of reprisal, and there should be arrangements to enable this to be done. This policy will address how this will be effected.

### ***Scope of the Policy***

This policy is designed to enable employees, directors, consultants and contractors (“individuals”) to raise “concerns” internally at a sufficiently senior level and to disclose information which the individual believes shows malpractice or wrongdoing which could affect the business or reputation of the Company. Any allegations which fall within the scope of the concerns identified below will always be seriously considered and investigated.

These concerns would include but are not restricted to:

- Fraud;
- Financial malpractice or impropriety;
- Failure to comply with legal requirements and company policy;
- Dangers to health and safety or the environment;
- Criminal activity;
- Improper conduct or unethical behaviour;
- Attempts to conceal any of the above.

Nevertheless, any significant issue which individuals may feel is in the Group’s interest to resolve, whether or not it technically falls within the definition above, should be reported internally in accordance with this policy. This further includes issues which are brought to management’s attention in writing.

The Whistle Blower’s role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finder of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the person investigating the matter.

### ***Safeguards***

This policy is designed to offer protection to individuals who make Disclosure provided the Disclosure is made:

- In good faith;
- In the reasonable belief of the individual making the disclosure that the concern tends to show malpractice or impropriety; and
- To an appropriate person.

## ***Confidentiality***

All such Disclosures will be treated in a confidential and sensitive manner. The identity of the individual making the allegation will be kept as confidential as possible so long as it does not hinder or frustrate any investigation. However, the investigation process may reveal the source of the information and the individual making the disclosure may need to provide a statement as part of the evidence required and be prepared (if required) to participate in any investigation proceedings that may follow.

## ***Anonymous allegations***

This policy encourages individuals to put their name to any Disclosures they make. Disclosures expressed anonymously are much less credible, but they may be considered at the discretion of the company.

In exercising this discretion, the factors to be taken into account will include:

- The seriousness of the issues raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

## ***Untrue allegations***

In making a Disclosure the individual should exercise due care to ensure the accuracy of the information. If an individual makes an allegation in good faith, which is not confirmed by subsequent investigation, no action will be taken against that individual. If however, an individual makes malicious or vexatious allegations, and particularly if he or she persists with making them despite the outcome of the investigation, disciplinary action may be taken against the individual. However, the intention is to provide full protection to any individual acting in good faith, as outlined in article 9 of this policy.

## ***Procedure for Making a Disclosure***

The purpose of this section is to ensure that all concerns are dealt with in a consistent manner. Wherever possible, individuals are encouraged to first report Disclosure issues internally following the procedure below. Only if the procedure is inadequate should an individual resort to reporting it to an external party.

## ***Raising a “concern”***

Individuals must raise their concern to any one of the Ethics Counselors. The Chief Corporate Counsel and the Company Secretary have been appointed as the Ethics Counselors and are authorized by the Board of Directors of the Company for the purpose of receiving all complaints under this policy and in ensuring appropriate action.

If the complaint is against any of the Ethics Counselors or is in any way related to the actions of the Ethics Counselors, the complaint should be passed to the CFO to act as the alternate Ethics Counselor.

Any complaints against the Chief Executive Officer (CEO) should be passed to the Chairman who will nominate an appropriate person to investigate the matter. The complainant has the right to bypass the above line management structure and take any complaint directly to the CEO. The CEO has the right to refer the complaint back to the Ethics Counselors or any other

appropriate person if he/she feels that they can more appropriately investigate the complaint without any conflict of interest.

### ***Investigation Procedure***

The purpose of this section is to establish a transparent and independent process for carrying out the investigation of Disclosures and concerns and to provide guidance for Ethics Counselors and others tasked in evaluating allegations and / or performing an investigation.

- Full details and clarifications of the Disclosure should be obtained from the individual making the allegation within the shortest practicable period. This should preferably be in writing. Although the complainant is not expected to prove the truth of the allegation, the complainant needs to demonstrate that there are sufficient grounds for concern.
- Each Disclosure that is made, whether openly, confidentially or anonymously, shall be reviewed by the concerned Ethics Counselor, who may, at his/her discretion, consult with any member of management, employee or external party who they believe would have appropriate expertise or information to assist him/her. The Ethics Counselor shall determine whether the complaint should be investigated by taking into account:
  - What is the alleged concern?
  - Who is the alleged wrongdoer?
  - How serious is the alleged concern?
  - How credible is the allegation of wrongdoing and what is the context in which allegations are made, or concerns reported?
  - What is the quality and accuracy of evidence provided?
  - Whether there is an indication of a weakness in the company's internal controls which requires remediation?
- If initial enquiries by the Ethics Counselor indicate that the concern has no basis, or it is not a matter to be pursued under this policy, it may be dismissed at this stage and the decision documented. The complainant should be advised of the decision at this point.
- Where initial enquiries indicate that further investigation is necessary, this will be carried through by the Ethics Counselor. The investigation will be conducted in a fair manner, as a neutral fact finding process and without presumption of guilt. The Ethics Counselor shall be free in his/her discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of the results. All discussions will be minuted.
- The Ethics Counselor should inform the member of staff against whom the complaint is made as soon as practically possible in accordance with any internal HR policy or procedure.
- If appropriate, the Ethics Counselors should consider the involvement of the company auditors and / or the police at this stage and should consult with the appropriate Executive Director.
- A judgment concerning the Disclosure and its validity will be made by the Ethics Counselor. This judgment will be detailed in a written report containing the findings of the investigations and reasons for the judgment. The report will be passed to the Audit Committee.
- The investigation shall be completed normally within 45 days of the receipt of the Disclosure.

- The Audit Committee will decide what action to take as well as preventive measures for the future. If the complaint is shown to be justified, the disciplinary or other appropriate company procedures will be invoked. The complainant should be kept informed of the progress of the investigations and, if appropriate, of the final outcome.
- If the complainant is not satisfied that their concern is being properly dealt with by the Ethics Counselor, he/ she has the right to raise it in confidence with any of the Executive Directors including the CEO.

### ***Protection***

a. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/ functions including making further Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Disclosure.

b. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.

c. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

### ***Criminal Activity***

If there is evidence of criminal activity, the Ethics Counselors may have to inform the police. The company will ensure that any internal investigation does not hinder a formal police investigation.

### ***Record Keeping***

The Ethics Counselors will keep confidential records of all documents relating to allegations of concerns and report back to the Audit Committee on a regular basis. All Disclosures in writing as well as all documents related to any investigation and the results of the investigation relating thereto shall be retained for a period of at least 7 years.

### ***Amendment***

This Policy may be amended or modified in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employees in writing.