

SFA SEMICON WHISTLE BLOWING POLICY

Policy Statement

The Corporation upholds the values of integrity and highest standards of ethics in all aspects of its business activities, in line with its commitment towards good governance and proper stewardship of all assets and resources of the organization.

Officers and employees at all levels are expected to conduct themselves with honesty, impartiality and probity. In line with these principles, the Company lays down guidelines on whistle blowing as a governance mechanism to prevent incidents of financial impropriety, graft and other malpractices that may compromise its financial condition, its corporate reputation and business sustainability for the future.

Objective

The Corporation adopts this whistle blowing policy to ensure that (a) its employees, officers, directors; (b) officers and employees of its suppliers and contractors; and (c) other interested parties to report and disclose any wrongdoing or malpractice within the Corporation without fear of retaliation, subsequent discrimination, disadvantage or termination.

The Policy provides guidelines that ensure the proper treatment and action on credible and verifiable information from whistle blowers who provide testimony and evidence of abuses and improper behavior that cause financial and related losses on the Company.

It also aims to encourage the same persons of interest to feel confident in reporting any serious or valid concerns at the earliest opportunity and to receive feedback on any action taken. It further aims to provide protection to legitimate whistle blowers from retaliation, persecution, harassment and other forms of unjust disciplinary actions, such as constructive dismissal, transfers and criminal complaints.

Definition of Terms

1. Whistleblowing is the formal filing and reporting of information, including relevant documents and other evidence, that are made in good faith about suspected incidents of impropriety and corrupt and other questionable practices that undermine the Company as a corporate institution and its business.
2. Violations that are the subject of whistle blowing include the following:
 - Financial impropriety, graft and dishonest actions that lead to pecuniary and material gain by an individual employee or officer
 - Criminal and civil law offenses
 - Breach of the Code of Business Conduct and Ethics and internal policies
 - Breaches of internal audit procedures, purchasing rules and financial matters that can lead to financial losses
 - Violations of confidentiality rules that may result in the disclosure of trade secrets and material information that may give unfair advantage to outsiders and competitors and otherwise may be derogatory to the good name of the Company.

By exclusion, the whistle blowing program does not cover employee complaints or grievance, supervisory practices and other human resource issues as these are covered under different systems in the organization.

3. A whistleblower as defined by this policy is an employee, officer, director, or an employee of a supplier of SFA Semicon Philippines Corporation who reports an activity that he/she considers to be illegal or dishonest.

Policy Guidelines

1. Whistle blowing reports shall be treated in strictest confidence and sensitivity to all concerned. The identity of whistle blower identity shall be kept confidential, insofar as possible. However, his/her identity may have to be disclosed to conduct a thorough investigation, in compliance with provisions of the law, and to provide accused individuals their legal rights of defense.
2. He or she is assured of continued protection against unfair harassment or any disciplinary action even if subsequent investigations do not substantially prove culpability of the questioned employee or officer.
3. The remedies that may result from a whistle blowing investigation are administrative in scope and effect. However, legal cases may be filed in the suitable court of law should the incidence of impropriety and wrongdoing be deemed within the purview of such appropriate laws of the country.
4. The whistle blower must exercise sound judgment to avoid baseless allegations. Any person who intentionally files a false report of wrongdoing will be subject to disciplinary actions including termination. The right of a whistleblower for protection against retaliation does not render him immune from any personal culpability for false testimony and relevant legal remedies under Philippine laws.

Procedure

1. The whistle blowing report, complete with information on the nature of the violations and pertinent details, shall be made in writing. Documentary evidence, images and other forms of proof that support the alleged incidence of impropriety should be submitted with the letter to be contained in a sealed envelope.
2. The whistle blowing report should be submitted to the Head of HR&GA Team for investigation on such incidences.

Policy Implementation

All reports of illegal and dishonest activities will be promptly submitted to the Head of the HR&GA Team who is responsible for investigating and coordinating corrective action.

If an employee has knowledge of or a concern of illegal or dishonest and/or fraudulent activity, the employee is to contact the Head of the Human Resources either through his email address.