

	<b>Global Ferronickel Holdings, Inc.</b> <b>Whistle Blowing Policy</b>	ISSUE DATE:	April 29, 2015
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## I. Introduction

Global Ferronickel Holdings, Inc. ("FNI" or the "Company") and its subsidiaries are committed to the principles of good governance and to the achievement and maintenance of the highest standards of accountability and openness. In line with this commitment, this policy is issued to provide a system and channel for the proper submission, resolution of employees' concerns or complaints regarding the following:

- Violations of corporate governance principles
- Unethical and improper practices or fraud relating to financial reporting and audit and/or other related matters
- Non-compliances with laws, contractual obligations, regulatory requirements or corporate policies
- Suspicious practices relating to operations
- Any other acts that may have an impact on the company's operating results or financial position
- Offenses covered by the Company's Code of Conduct
- Concealment of any of the above

Employment-related concerns should be reported through normal channels such as your direct supervisor and/or HR.

Consistent with the Company's values of integrity, accountability, fairness and transparency, all employees (and contractors and subcontractors) are to ensure compliance with all applicable laws, rules, regulations and company manuals and policies, systems practice, and similar official corporate issuances (memos). In line with this, all employees should therefore make it their duty to disclose to the appropriate party any existing or potential violations and offenses that they are or may become aware of. The appropriate party is expected to objectively resolve matters raised to his attention and/or elevate the concern if resolution cannot be reached within his power. Additionally it is every employee's primarily responsibility to comply with the Company's policies, rules and regulations. The Contractors must also adhere to the Company's policies, rules and regulations.

This policy serves as a supplement to existing policies and procedures and is not intended to replace any mandates that the Company has previously released.

## II. Purpose

FNI is highly committed to high standards of ethical, moral and legal business conduct. In line with this, this policy aims to:

- increase awareness of maintaining internal corporate justice and regard this policy as an internal control mechanism
- provide a channel for employees and contractors to raise concerns; and
- provide assurance that they will be protected from retaliation or victimization if the concern is proven true.

## III. Definition of terms

**Existing policies and procedures** refers to the Corporate Governance Manual, Code of Conduct, Conflict of Interest Policy, Insider Trading Policy, Related Party Transactions Policy, Purchasing Policy, and other Company policies, and applicable laws, rules and regulations relating to corporate governance, as may be issued from time to time by the Company or any governmental or regulatory body having jurisdiction.

**Suspicious Accounting Matters** refers to any violations of generally accepted accounting principles and standards applicable to the Company which shall include, but are not limited to:

- ☐ Fraudulent or deliberate error in the preparation of the financial statements and maintenance of financial records

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- ☐ Misrepresentation or deliberate false statement by any officer or employee regarding a significant matter contained in the financial records, financial reports, and/or external/internal audit reports of the Company

**Suspicious Auditing Matters** refers to any serious violation, override or potential to override the Company's internal controls.

**Suspicious Operating Matters** refers to any serious violations as to the ethics of running day-to-day operations.

**Whistleblowing** refers to one who reveals wrongdoing within an organization to the public or to those in positions of authority.

**Whistleblower** refers to an employee, or group of employees, contractors, and/or subcontractors who, in good faith, raises a complaint/concern regarding illegal or unethical conduct or conduct.

**Complaint/Concerns** refers to a disclosure or a complaint regarding illegal or unethical conduct or conduct that violates existing policies and procedures, or constitutes a Questionable Accounting, Auditing, and/or Operating Matter or an offense covered by the Company's Code of Conduct.

**Witness** refers to a person other than a whistleblower who willingly cooperates in the investigations pertaining to a case.

**Case/s** refers to an individual complaint/concern maintained in the company's records.

**Appropriate Persons** refers to the immediate supervisor or manager. Should they be part of the impropriety, appropriate persons refer to higher management and/or the committee assigned to the investigation, appropriate person refers to the grievance committee. This committee shall ultimately be responsible for handling all complaints and concerns and reporting to the independent directors and shall hereafter be referred to as "The Committee".

**Retaliation** pertains to an act of reprisal, discrimination, harassment, intimidation or adverse action against a whistleblower or a witness.

#### IV. Guidelines

##### **Confidentiality**

All whistleblower information including the identity of the whistleblower, witnesses and employees named in the Complaint will be treated in a confidential manner, unless the Company is otherwise required or compelled by law to release information or the whistleblower chooses to forego his anonymity.

##### **Anonymous Reporting**

Complaints/concerns must be made or filed through any of the various reporting channels listed in the section below. To aid further investigation, this policy encourages the whistleblower to identify himself to the Committee conducting the investigation because appropriate follow up question and investigation may not be possible unless the source of information is identified. Alternatively, a whistleblower who makes or files a complaint/concern anonymously may opt to provide means by which he can be contacted without compromising the anonymity( e.g. send and/or receive mails through an anonymous email address, or communicate through anonymous text messages, and etc.)

##### **Protection from Retaliation**

Retaliation against any whistleblower or witness is prohibited and will be subject to disciplinary action up to dismissal depending on the magnitude of the situation in accordance with this Policy, other relevant Company policies and rules, and applicable laws. The Company shall make every effort to protect a whistleblower or witness who will identify himself.

##### **Allegations Made in Bad Faith**

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In case the investigation yields that a complaint/concern that the whistleblower and/or witnesses has made is baseless, untruthful, fabricate allegations and in bad faith, disciplinary action up to dismissal may be taken against them depending on the magnitude of the situation.

#### **Elevation**

The manner of an investigation will vary depending upon the gravity of circumstances for each complaint made.

The matters raised may:

1. be investigated internally by the Grievance Committee;
2. be referred to the relevant public or regulatory bodies;
3. be referred to the External Auditor; and/or
4. be subject to an independent inquiry.

#### **Complaints/Concerns**

Any complaint/concern must be made to or filed to the Committee through any of the various reporting channels. The policy provides options for the whistleblower to report via different channels such as independent hotline, anonymous email address, verbal and/or anonymous text message and other means as deemed appropriate by the whistleblower. However, the whistleblower is encouraged to leave a means for the committee to communicate with him for any follow up questions regarding the complaint/concern otherwise the investigation won't commence.

A whistleblower shall preferably file his complaint/concern in writing making it easier for the investigation to take place and ultimately, have a faster resolution. The whistleblower shall use a Complaint/Concern Form (CCF), a template which shall be made for this purpose and shall be made available in the website.

Any written complaint shall be handled by the Committee which shall assign a case number and ensure that official records are established and maintained.

A complaint/concern may also be made verbally to appropriate persons either in person or by calling a hotline which shall be established for this purpose. For complaints/concerns made verbally or through the hotline, the appropriate person shall:

- Seek to understand and capture all information surrounding the situation and ask follow up questions accordingly
- Document all relevant information captured in the conversation in the CCF
- Ask for supporting documentations or evidence in support of the complaint (e.g., e-mails, text message, reports, etc.)
- Assure the whistleblower that his identity will be kept confidential
- Ask the whistleblower if he is willing to sign the transcript of the relevant discussions between the whistleblower and the appropriate person, as prepared by the latter and/or to be identified in the course of the investigation.

#### **Case Retention**

Cases shall be kept and maintained by the Grievance Committee for all reported complaints/concerns for a period of at least five years. Open cases shall be closed within six months from the filing of the CCF. In the event a reported irregularity leads to an investigation, the party responsible for leading/conducting the investigation shall ensure that all relevant information relating to the case is retained, including actions taken for a period or whatever other period may be specified by any relevant legislation, whichever is more applicable.

### **V. Investigation process**

#### **Guidelines for the Committee with regards to Evaluation**

The Grievance Committee shall conduct a review of the complaint to determine its sufficiency, and whether it pertains to a matter within the scope of this Policy. In the event that the Committee finds that the complaint/concern pertains to a matter outside the scope of this Policy, it should endorse the matter to the appropriate unit and advise the whistleblower accordingly.

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The Committee shall also determine whether the complaint will be pursued or not. The latter means that if despite efforts to obtain additional information, the Committee should still find the complaint insufficient for further action, they shall advise the whistleblower.

#### **Guidelines for the Committee with regards to Sufficiency and Credibility of the Complaint**

The complaint/concern must contain at least the following information:

- the full name or names and position of the person/s charged;
- a specification of the charge or charges
- a brief statement of the relevant and material facts, the act, approximate date or period, and place of the commission/omission of the act by the persons involved and such other matters that will assist the Committee to identify the nature of the
- violation or offense
- any evidence or supporting documents that the whistleblower may have to substantiate his claim

The name of the person charged shall not be disclosed or reported to anyone who does not have the need to know it while the investigation is pending.

Anonymous complaint/concern raised shall only be entertained if there are sufficient facts and evidence cited in the CCF that would lead the Committee to conclude that the charge is not made in bad faith and intended to harass the person charged.

If the complaint/concern made is deemed insufficient because of the whistleblower's failure to provide sufficient information under the items listed above, the Committee shall advise the whistleblower. Therefore it is stressed that the whistleblower is encouraged to leave a means for the Committee to communicate with him for any follow up questions regarding the complaint/concern. If he cannot be contacted, such insufficiency may constrain the Committee to close the case and not to take further action on the complaint as the lack of information prevents the proper conduct of investigation.

A withdrawal of the complaint from the whistleblower shall not stop the committee from proceeding with the investigation of the case if there is sufficient evidence to warrant further investigation.

#### **Guidelines for the committee for proper investigation**

The following factors shall be considered by the investigative body in the handling of a complaint covering matters within the scope of this policy:

- a. substance of the allegations and/or complaints raised
- b. probability that the allegation and/or complaints raised are true
- c. sufficiency and significance of details and evidence submitted; and
- d. possible sources of additional evidence
- e. possible root causes from all angles

Upon completion of the investigation, the Committee shall submit to FNI's management a written report on the findings, including a summary of the evidence gathered and a conclusion as to whether or not the complaint is substantiated. Subsequently, Management should give their response and any disciplinary actions to be taken. On completion of these necessary steps, the Committee shall close the case records.

In the event that an employee who is under investigation resigns from the Company pending the completion of the investigation or final resolution of the case against him, his resignation shall be without prejudice to the outcome of the investigation or final resolution of the case. Any benefit due the resigning employee shall be withheld pending the outcome of the investigation or final resolution of the case. Depending on the nature of the impropriety, the Company reserves the right to hold the resignation and/or file a case against the person/s charged.



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**VI. Review**

This Policy may be amended at any time in order to reflect the requirements of applicable law, rules and regulations, and/or actions taken by the Company's Board of Directors or Shareholders.

**VII. Effectivity**

This Whistle Blower Policy was approved by the Board of Directors at its meeting held on April 29, 2015. It shall take effect on April 29, 2015.



Global Ferronickel Holdings, Inc.