



Tai Ping Carpets
Global Whistleblower Policy
2014

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Purpose and Scope

This *Global Whistleblower Policy* establishes the guidelines and procedures for Tai Ping Group (“the Company”), in regards to handling whistleblower claims.

The term, “Whistleblowing”, refers to a situation in which an employee reports a serious business-malpractice concern that he/she has become aware of, or genuinely suspects the Company has or could become involved in.

The *Global Whistleblower Policy* is designed to encourage employees to raise serious concerns, internally, in a responsible and effective manner, prior to seeking resolution outside of the Company. Furthermore, the *Global Whistleblower Policy* is intended to provide employees with the assurance that they may report concerns without fear of reprisal and/or victimization. Employees who step forward in good faith will be protected by the Company from retaliation. At the same time, the Company will ensure that all allegations are thoroughly investigated and that targets of said allegations have the opportunity to present relevant evidence, as well as to understand the nature of the claims against them.

By appropriately responding to employee allegations that the Company is not meeting its legal and ethical obligations, regarding Company business practices, the Company can better support an environment in which compliance is the standard.

The procedures in the *Global Whistleblower Policy* must be followed when allegations of financial impropriety or irregularity are made by an employee of the Company. The principles in the *Global Whistleblower Policy* apply to all employees of the Company and employees of subsidiaries, in all Departments, Regions, and Functions. Please note that certain Departments, Regions, or Functions may also have specific procedure to address their business needs.

The procedures in the *Global Whistleblower Policy* are subject to legal requirements and restrictions in the places in which we operate.

The Global Whistleblower Policy is not intended for the questioning of financial and/or business decisions made by the Company, nor is it intended to replace existing personnel policies.

All personnel issues should continue to be reported to the Human Resources Department, via existing local/global protocol and policy.

1. KEY DEFINITIONS

1.1 Whistleblower

A whistleblower, as defined by the *Global Whistleblower Policy*, is an employee of the Company who reports, to the specified party in the *Global Whistleblower Policy*, suspected activity regarding Company business practices that said reporting employee considers to be illegal or fraudulent. The Whistleblower is neither responsible for investigating the reported activity, nor for determining fault or corrective measures.

1.2 Target

The Target is an individual who has been implicated in the Whistleblower's reported allegations.

1.3 Advantage

"Advantage" refers to a gift, loan, fee, reward, commission, favor, contract, service, release/discharge of any loan, obligation, or other liability, and/or an offer of employment, and any other terms considered as "advantage" under the laws of the places in which the Company operates, as per the Company's *Global Code of Conduct*.

2. REPORTING RESPONSIBILITIES

- 2.1** It is the responsibility of all employees to comply with the Company's *Global Code of Conduct* and to report ethical violations and possible illegal or fraudulent activity, relating to Company business and financial practices, in accordance with the *Global Whistleblower Policy*. The *Global Whistleblower Policy* is intended for the reporting of ethical and legal concerns that are *not* personnel-related. All personnel issues should continue to be reported to the Human Resources Department, via local/global policy and procedure.
- 2.2** Examples of reportable activities are
- Violations of federal, state, or local laws.
 - Billing for services not performed/goods not delivered.
 - Falsified accounting and other possibly fraudulent financial reporting.
 - Actions that could cause serious damage to the Company's brand or reputation.
 - Actions that could result in material liability to the Company.
 - Conflicts of interest.
 - Soliciting or accepting an advantage from a client or supplier, without the permission of the Company.
 - Providing an advantage to a client or supplier, without the permission of the Company.
- 2.3** If an employee has knowledge of possible illegal or fraudulent activity, the employee should contact the Group CFO, directly. The Individual who is reporting the activity is neither responsible for investigating said activity, nor for determining fault or corrective measures.
- 2.4** Law enforcement should not be contacted until the Company has completed an internal investigation. An exception should be made if a theft or similar crime is discovered in the process of being committed. In this situation, authorities should be contacted in order to prevent the crime from being carried out.
- 2.5** Individuals who are making a report to the Group CFO should use sound judgment in order to avoid baseless allegations. An employee who **intentionally** files a false report of wrongdoing will be subject to discipline up-to and including termination of employment.
- 2.6** The Group CFO is ultimately responsible for investigating all reported activities, as well as for coordinating corrective action. All reports of possible illegal or fraudulent activity will be investigated promptly and handled in a sensitive manner.

3. CONFIDENTIALITY & NON-RETALIATION

- 3.1** The *Global Whistleblower Policy* is intended to encourage and enable individuals to raise serious concerns within the Company, prior to seeking resolution outside of the Company. Whistleblower protections are provided in two important areas; confidentiality and non-retaliation.
- 3.2** Depending on the information within a report*, the Group CFO and the Head of The Audit Committee may share information from within an emailed whistleblower report, with the local Human Resources Director, and/or the Company's legal counsel. Emails that are sent to the address, whistleblowerhotline@taipingcarpets.com will be automatically forwarded to the email inbox of the Group CFO, but **will not** be forwarded to any other Company email address, manually or automatically.
- 3.2** To the extent that it is possible, the confidentiality of the Whistleblower will be maintained. The Group CFO, Head of The Audit Committee, and/or anyone else who has gained knowledge of a report, via proper reporting methods, will not directly disclose the identity of the Whistleblower to the Target, unless authorized to do so, in writing, by the Whistleblower.
- 3.3** In some instances, the Whistleblower's identity may have to be disclosed, in order to conduct a thorough investigation, to comply with possible legalities, and/or to provide an accused individual their legal rights to defense. If this is the case, the Company will take all reasonable steps to ensure that the Whistleblower does not suffer retaliation or harassment.
- 3.4** An individual who, in good faith, reports possible illegal or fraudulent activity will not suffer harassment, retaliation, or adverse employment consequences.
- 3.5** A whistleblower who believes that they are being retaliated against must immediately contact the Group CFO*. The non-retaliation protection rights of a whistleblower do not include immunity for any personal wrongdoing that is alleged and investigated.
- 3.6** Any individual who retaliates against an employee who has reported a violation in good faith is subject to discipline, up-to and including termination of employment.

* Please see the section, *Reporting Process*, for detailed reporting-process instructions.

4. REPORTING PROCESS

- 4.1** Reports of ethical violations and possible illegal or fraudulent activity must be made in writing. Any employee with a legitimate concern of malpractice should inform the Group CFO by emailing the address, whistleblowerhotline@taipingcarpets.com. Any emails sent to this address will be automatically forwarded to the Company email inbox of the Group CFO.
- 4.2** If the Employee's concern involves the Group CFO, the Employee should email their report to the address, auditcommittee@taipingcarpets.com. Any emails sent to this address will be automatically forwarded to the Head of The Audit Committee (a subcommittee of the Board of Directors), at which point the Head of the Audit Committee will set up an inquiry of investigation, or will appoint an appropriate person to do so.
- 4.3** Employees are required to put their name on whistleblower reports; anonymous reports will not be considered. Employees who do not have access to a Company email account may email a report from their personal email account.

5. PROCEDURE FOR INVESTIGATION

- 5.1** When the Whistleblower's report is received, depending on to whom it was sent, the following action will be taken by either the Group CFO, or the Head of The Audit Committee;
- An email will be sent to the Whistleblower, acknowledging receipt of the report.
 - The Whistleblower will be informed as to whether any initial inquiries have been made
 - The Whistleblower will be informed as to whether or not the matter will be investigated further, and if not, why.
- 5.2** In conducting an investigation, precautions should be taken to safeguard against unfounded, inaccurate, or unwarranted accusations.
- 5.3** The investigation should include interviewing the employee who is reporting the allegations.
- 5.4** The target of any investigation should have the opportunity to present relevant evidence and to understand the nature of the allegations. The target must be notified by the person in charge of the investigation in which they are implicated, so they may exercise their right of access, correction, and objection to the reported allegations[†].
- 5.5** In order to prevent the destruction of evidence, the Target should not be notified of the allegations prior to the implementation of any necessary protective measure, should such measures be deemed necessary.
- 5.6** Regarding situations wherein the Whistleblower report alleges illegal activities, The Company will make every effort to cooperate with law enforcement authorities. As stated previously, law enforcement will be contacted when the Company has completed an internal investigation, barring the afore-mentioned exception.

[†] This is a mandatory legal requirement, in France.