



Tai Ping Carpets
Global Whistleblower Policy
2018

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Purpose and Scope

This policy establishes the guidelines and procedures for Tai Ping Carpets (“the Company”), in regards to handling whistleblower claims.

The term, “Whistleblowing”, refers to a situation in which any person (either internal or external to the Company) reports a serious business-malpractice concern that he/she has become aware of, or genuinely suspects the Company has or could become involved in.

This Policy is designed to provide an official communication channel for the employees to raise their legitimate concern of malpractice (examples are outlined in Section 2.2) to the Audit Committee of the Company prior to seeking resolution outside the Company. Furthermore, this 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 legitimate 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.

Employees who are approached by non-employees, including contractors, consultants and customers, that expressed the concerns to our business practices, should refer them report the matters through this formal communication channel.

By this Policy, the Company will provide its support to investigate any legitimate allegations raised and conclude if these allegations will give rise to any non-compliance of the Company’s business practices or legal and ethical obligations.

In particular for allegations of financial impropriety or irregularity, the Company encourages strictly follow through by procedures under this Policy.

This Policy is neither 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 through the existing local/global protocol and policy.

1. KEY DEFINITIONS

1.1 Whistleblower

A whistleblower, as defined by this policy, is any person internal or external to the Company who reports suspected activity regarding Company business practices that said reporting parties 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

In this Policy, "Advantage" refers to a gift, loan, fee, reward, favor, contract, service, release/discharge of any loan, obligation, or other liability, and/or an offer of employment.

2. REPORTING RESPONSIBILITIES

- 2.1 It is the responsibility of all employees to comply with the Company's *Global Code of Conduct* and to ensure that the Company's core business principles and key business values are maintained. The 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 policies and procedures.
- 2.2 Examples of reportable activities include, but are not limited to, the following:
- 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 the Advantage from a client or supplier, without the permission of the Company.
 - Providing the Advantage to a client or supplier, without the permission of the Company.
 - Unauthorized transactions
- 2.3 Law enforcement should not be contacted until the Company has completed an internal investigation. If a theft or similar crime is discovered in the process of being committed, authorities should be contacted in order to prevent the crime from being carried out.
- 2.4 Whistleblower 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.
- 2.5 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 Whistleblower Policy is intended to encourage and enable individuals to raise serious concern 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 All concerns will be treated confidentially. The identity of the Whistleblower will not be revealed without his or her consent. However, they may need to come forward as a witness or provide a statement as part of the evidence. In order not to jeopardize the investigation, the Whistleblower is required to keep confidential the fact that he or she has reported.
- 3.3 To the extent that it is possible, the confidentiality of the Whistleblower will be maintained. Anyone who has gained knowledge of a report, via proper reporting methods will not disclose the identity of the Whistleblower to the Target, unless authorized to do so, in writing, by the Whistleblower.
- 3.4 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.
- 3.5 The Company will take all measures to ensure, an individual who, in good faith, reports possible illegal or fraudulent activity will not suffer harassment, retaliation, or adverse employment consequences.
- 3.6 A whistleblower who believes that they are being retaliated against must immediately email to the whistleblower hotline. The non-retaliation protection rights of a whistleblower do not include immunity for any personal wrongdoing that is alleged and investigated.
- 3.7 Any individual who is proven to retaliate against an employee who has reported a violation in good faith is subject to discipline, up-to and including termination of employment.

4. UNTRUE REPORT

- 4.1 Whistleblower will not be at risk of suffering any form of reprisals as a result proven that he or she is acting in good faith and reasonable manner.

- 4.2 On the other hand, if a Whistleblower makes an untrue allegation maliciously, with an ulterior motive, he or she may face disciplinary action. Tai Ping also reserves the right to take appropriate actions against any relevant person, including the Whistleblower, to recover any loss or damage caused by the untrue allegation.

5. REPORTING PROCESS

- 5.1 Reports of ethical violations and possible illegal or fraudulent activity must be made in writing and provide supporting documentation where possible. Any Whistleblower with a legitimate concern of malpractice should inform the Chairman of the Audit Committee or the Internal Audit Manager by:

Mailing to
Tai Ping Carpets Limited,
Unit 1801 – 1804, 18/F, 909 Cheung Sha Wan Road,
Cheung Sha Wan, Kowloon, Hong Kong
Attention to Chairman of Audit Committee / Internal Audit Manager

Or electronic mail

whistleblowerhotline@taipingcarpets.com

To maintain strict confidentiality, these correspondences will only be accessible by the Chairman of Audit Committee and the Internal Audit Manager.

- 5.2 Employees are required to put their name on Whistleblower reports; anonymous reports will not be considered. Employees who do not have access to a Tai Ping email account may email a report from their personal email account.
- 5.3 A log of all allegations received will be maintained and reported to the Audit Committee on a regular basis notwithstanding whether the issue is finally being dealt with under the Whistleblower Policy.
- 5.4 The progress of investigation into any allegation covered by the Whistleblower Policy will be periodically reported to the Audit Committee until the matter has been resolved to the satisfaction of the Audit Committee

6. PROCEDURE FOR INVESTIGATION

- 6.1 When the Whistleblower's report is received, the Internal Audit Manager, after consulting with the Chairman of Audit Committee, will first review the allegation received to assess whether the matter has any substance and falls under the preview of this Whistleblower Policy. The following action will be taken;
- 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.
- 6.2 In conducting an investigation, precautions should be taken to safeguard against unfounded, inaccurate, or unwarranted accusations.
- 6.3 The investigation should include interviewing the Whistleblower who reports the allegations.
- 6.4 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.
- 6.5 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.
- 6.6 The format and length of an investigation will vary depending on the nature and particular circumstances of each reported case. Where appropriate, the matters raised may:
- be investigated internally
 - be referred to local regulatory authorities
 - be referred to the appropriate committee of Tai Ping
 - be referred to the external auditor