

**ARA ASSET MANAGEMENT LIMITED**

**POLICY AND PROCEDURES FOR REPORTING POSSIBLE IMPROPRIETIES IN MATTERS OF FINANCIAL REPORTING OR OTHER MATTERS**

**1. DEFINITIONS**

The following words as used in this document shall have the meaning ascribed here:

- 1.1 **“this Document”** means this **“Policy”** and Procedures
- 1.2 **“ARA”** or **“the Company”** means **ARA Asset Management Limited**
- 1.2 **“the Group”** means **ARA Asset Management Limited** and its subsidiaries
- 1.3 **“the Board”** means the board of **ARA Asset Management Limited**
- 1.4 **“Possible Improprieties”** means any activity, breach of business conduct and ethics or omission by an employee of **the Group** or any concerns regarding accounting or auditing matters, internal controls or internal accounting controls and other operational matters that are questionable or not in accordance with generally accepted accounting practices or trade practices prescribed by **the Group**.
- 1.5 **“Obstructive Action”** means the use or attempted use of force, authority, intimidation, threats, undue pressure or any other action or behavior by any employee which tends to or in fact does obstruct, influence or otherwise interferes with another employee’s exercise of his right to report any **Possible Improprieties** or which may discourage other employees from so doing in the future.
- 1.6 **“Complaint”** means any complaint alleging either **Possible Improprieties** or **Retaliatory Action**.
- 1.7 **“Retaliatory Action”** means the use or attempted use of force, authority, intimidation, threats, undue pressure of any sort or any other negative or other inappropriate action, by any employee or officer of **the Group**, against any person who has filed a **Complaint**.
- 1.8 **“Receiving Officer”** means the Head of Group Risk Management & Internal Audit who reports directly to **the Board** on all matters arising under this **Policy** and he is responsible for the administration, implementation and overseeing ongoing compliance with the **Policy**.
- 1.9 **“Complaints Register”** means a register to record details of all **Complaints** lodged.

**2. SCOPE**

This **Policy** applies to all employees in **the Group**, including full-time, part-time and contract employees, as well as any other persons who may, in confidence, raise concerns about any **Possible Improprieties**.

**3. POLICY**

- 3.1 General

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It is the desire and aim of **the Company** to develop, promote and maintain high standards of corporate governance within **the Group**. This **Policy** aims to provide a clearly defined process for employees and any other persons to raise concerns about **Possible Improprieties** and **Obstructive Action** within **the Group**, which they become aware of, and to provide reassurance that they will be protected from reprisals or victimization for whistle-blowing in good faith and without malice.

This **Policy** is intended to cover serious concerns that could have an impact on **the Company** such as actions that: -

- May lead to alleged improper financial reporting;
- Are unlawful, fraudulent or corrupt;
- Are dishonest, including but not limited to theft or misuse of resources within **the Group**;
- Are not in line with a legal obligation, regulatory requirement or a policy of **the Group**;
- May pose dangers to the health and safety of an individual;
- Amount to professional or ethical malpractices;
- Deliberately conceal serious wrongdoings, malpractices or conflict of interest;
- May pose serious breach of fundamental internal controls;
- Otherwise amount to serious improper matters which may cause financial or non-financial loss to **the Group**, or damage to **the Group's** reputation; or
- Deliberately conceal information tending to show any of the above.

The above list is not exhaustive.

In pursuit of this objective, **the Company** adopts as its best practices the Code of Corporate Governance 2012 issued by the Council on Corporate Disclosure and Governance ("CCDG"), as may from time to time be amended.

3.2 Reporting of Possible Improprieties

**ARA** believes that it is in the best interest of **the Group** to promote an environment conducive for employees, in confidence, to raise or report genuine concerns about **Possible Improprieties** in matters of financial reporting or other matters (please refer to item 1.4 & 3.1) they may encounter, without fear of **Retaliatory Action**.

3.3 Authority to receive Complaints

It is hereby determined for the purposes of **the Group**; all Complaints shall be reported to the **Receiving Officer** of **the Company** either in person or in writing (please refer to item 4.2). The contact details of the **Receiving Officer** will be disseminated via **the Company's** internal memorandum.

3.4 Right to file Complaint

Every employee shall have unfettered right to file a **Complaint** and shall not be restricted in the exercise of such right.

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3.5 Prohibition of Obstructive Action

**The Company** objects to and does not tolerate nor condone any **Obstructive Action** being taken against any other employee who wishes or intends to, or who is in the process of filing a **Complaint**, and may institute disciplinary action or assist the said employee in taking a legal action, as it deems appropriate, against any employee or person found to have taken such **Obstructive Action**.

3.6 Prohibition of Retaliatory Action

**The Company** objects to and does not tolerate nor condone any **Retaliatory Action** taken against any employee who has filed a complaint alleging **Possible Improprieties** and may institute disciplinary action or assist the said employee, against any employee or person found to have taken such **Retaliatory Action**.

Any **Complaint** alleging **Retaliatory Action** shall be received, reviewed and investigated by **the Company** in the same manner as any complaint alleging **Possible Improprieties**.

The above shall not preclude any administrative, disciplinary and/or other action being taken against any person who has committed or abetted the commission of the possible impropriety which is the subject matter of the **Complaint** notwithstanding that the person is the complainant or a witness in the investigation though **the Company** would take into account the fact that he/she has cooperated by filing the **Complaint** or provided information or documents as a witness.

**4. PROCEDURES**

4.1 Procedures for handling Complaints

The procedures for the receipt, retention and treatment of a **Complaint** are set out below and shall be fully complied with.

4.2 Submission of Complaint

Every **Complaint** shall be in person or in writing and shall be lodged with the **Receiving Officer**, who in turn is required to promptly report to **the Board** of any such report.

The Complainant may also submit an email at [feedback@ara.com.hk](mailto:feedback@ara.com.hk) or the Contact Form through **the Company** website (<http://www.ara-asia.com>) and the email is sent directly to the **Receiving Officer**.

The Complainant must provide his particulars as follows:

- (a) Name
- (b) Designation
- (c) Department or Business Unit/Company
- (d) Contact Number and Email if available.

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This **Policy** requires employees or any other persons to put their names to allegations because appropriate follow-up questions and investigations may not be possible unless the source of the information is identified.

However, in cases of anonymous complaints where information provided is comprehensive and deemed sufficient by **the Board** to warrant an investigation, the **Receiving Officer** may decide to proceed with an investigation.

4.3 Confidentiality of Identity

Every effort will be made to protect the complainant's identity. The identity of the complainant shall be confidential save where:

4.3.1 the identity of the complainant is material to any investigation.

4.3.2 it is required by law, or by the order or directive of a court of law, regulatory body or by the Singapore Exchange or such other body that has the jurisdiction and authority of the law to require such identity to be revealed.

4.3.3 the **Receiving Officer** with the concurrence of **the Board** opined that it would be in the best interests of **the Group** to disclose the identity.

4.3.4 it is determined that the Complaint was frivolous, in bad faith, or in abuse of these policies and procedures and lodged with malicious or mischievous intent.

4.3.5 the identity of such employee is already public knowledge.

4.4 Registration of Complaints

The **Receiving Officer** shall maintain or caused to be maintained a **Complaints Register** for the purposes of recording all **Complaints** received, the date of such **Complaint** and nature of such complaint. **The Company** shall approve making the **Complaints Register** available for inspection upon any request by investigating authorities.

4.5 Dissemination of Documents

The Human Resource Department shall make available to all employees a copy of **this Document** including the latest update of the contact details of the **Receiving Officer**.

4.6 Determination by **the Board**

Upon receipt of any **Complaint**, **the Board** may:

4.6.1 determine whether circumstances warrant an investigation or review, by considering factors including, but not limited to, the severity of issue raised, creditability of the information and likelihood of confirming the information from attributable sources;

4.6.2 instruct the **Receiving Officer** to conduct further investigations or review;

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- 4.6.3 instruct the relevant management to take such remedial action as it deems appropriate;
  - 4.6.4 engage such third parties as **the Board** may determine, to take remedial, to commence or conduct further investigations or review, as deem appropriate;
  - 4.6.5 report the matter to the authorities if deemed necessary upon consultation with legal counsel; and/or
  - 4.6.6 take any other action as **the Board** may determine in the best interest of **the Group**.
- 4.7 Review and Investigation of Complaint
- Upon receipt of any **Complaint**, **the Board** may:
- 4.7.1 review and investigate the **Complaint**, and ensures that there is no conflict of interests on the part of any person involved in the investigations;
  - 4.7.2 inform complainant of the likely timeline for a final response;
  - 4.7.3 recommend any remedial or legal action to be taken, where necessary; and/or
  - 4.7.4 notify complainant of actions taken or reason(s) should it be decided that no action is to be taken.

**5. FRIVOLOUS OR MALICIOUS COMPLAINTS**

Any person who files a Complaint which is frivolous, in bad faith, in abuse of these policies and procedures, with malicious or mischievous intent will not be protected by this Document and may be subject to administrative and/or disciplinary action including but not limited to the termination of employment or other contract, as the case may be.

**6. CONSISTENCY WITH LAWS AND REGULATIONS**

**This Document** shall be read in conjunction with any laws, regulations, rules, directives or guidelines that the Stock Exchange Securities Trading Limited ("SGX-ST"), the Companies Guidelines Act, the Property Fund Guidelines and/or Securities and Future Act ("SFA") may from time to time prescribe or issue on the receipt, retention and/or treatment of complaints regarding accounting, internal accounting controls or auditing matters or any matters governed by this **Policy**.

In the event that any policy or procedure herein is inconsistent or in conflict with the laws, regulations, rules, directives or guidelines as prescribed by SGX-ST, the Companies Act, the Property Fund Guidelines and/or SFA or any part thereof, the laws, regulations, rules, directives or guidelines as prescribed by SGX-ST, Companies Act and/or SFA shall prevail to the extent of such inconsistency or conflict.

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**7. MAINTAINING THIS POLICY**

The **Receiving Officer** is responsible for ensuring the maintenance, regular review and updating of this **Policy**. Revisions, amendments and alterations to this **Policy** can only be implemented via approval by **the Board**. Changes will be notified in writing to the employees when they occur.

Revised Policy effective as at the 12<sup>th</sup> day of June 2017