

A. INTRODUCTION

Philippine Realty and Holdings Corporation (the "Company") is committed to achieving and maintaining the highest standards of openness, integrity and accountability. Employees at all levels are expected to conduct themselves with integrity, impartiality and honesty. It is every employee's responsibility and in all interest of the Company to ensure that any inappropriate behavior that compromise the interest of the shareholders, investors, customers and the wider public does not occur.

B. PURPOSE

In line with the Company's Values and Code of Conduct, the business integrity is non-negotiable. The Company is committed to conducting its business to maintain good corporate image and raise the standard of corporate governance.

Whistleblowing refers to a situation where an employee decides to report serious and sensitive issues and/or concerns about any suspected misconduct, malpractice or irregularity which he/she has become aware of.

This Policy is formulated to encourage employees to raise serious concerns internally, in a responsible and effective manner. The content of this Policy is applicable to all employees of the Company and its subsidiaries and/or controlled entities.

C. POLICY STATEMENT

This Policy is intended to assist employees in disclosing information relevant to suspected misconduct, malpractice or irregularity through a confidential reporting channel. It is not designed to further any personal disagreements, question financial or business decisions taken by the Company nor should it be used to reconsider any staff matters which have been addressed under the grievance procedure already in place.

Whistle-blowing matters may include but are not restricted to:

- 1. Malpractice, impropriety or fraud relating to internal controls, accounting, auditing and financial matters (e.g. financial fraud accounting manipulation, noncompliance with internal controls procedures, misappropriation of assets or fraudulent statements).
- 2. Violation of the rules and regulations of the Company or the Code of Business Conduct and Ethics.
- 3. Improper conduct or unethical behavior likely to prejudice the standing of the Company
- 4. Breach of legal or regulatory requirements.
- 5. Endangerment of the health and safety of an individual and/or damaged caused to the environment.
- 6. Unlawful activity and/or criminal offenses.
- 7. Deliberate concealment of any of the above.

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D. CONFIDENTIALITY

The Company will treat all disclosures and/or communication anonymous and confidential. The identity of the employee making genuine and appropriate allegation under this Policy are assured of fair treatment. In addition, employees are also assured of protection against unfair dismissal, victimization or unwarranted disciplinary action, even if the concerns raised turned out to be unsubstantiated.

The Company reserves the right to take appropriate actions against any employee who initiates or threatens to initiate retaliation against those who have raised concerns under this Policy.

The management will support all employees and encourage them to raise concerns without fear of reprisals.

E. PROCEDURES

- Employee who has a legitimate malpractice concern (e.g. misconduct, grave abuse of authority, misuse of assets and etc.) can raise the matter directly to the members of the Audit Committee. The Audit Committee will review the complaint and decide how the investigation should proceed. The Audit Committee may nominate or designate an appropriate investigating officer or set up a special committee to investigate the matter independently.
- 2. Disclosures can be made in writing and should be sent to the Chairman of Audit Committee. Employees are required to put their name to any disclosures they make. Anonymous complaints are usually not considered.

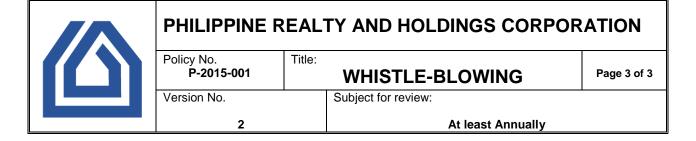
Below is the sample mailing format:

Strictly Private and Confidential – to be opened by Addressee Only

Chairman, Audit Committee
Philippine Realty and Holdings Corporation
5th Floor Unit 512-513, East Tower, PSE Centre
Exchange Road, Ortigas Center, Pasig City

3. The Company does not expect the employee to have absolute proof or evidence of the misconducts, malpractices or irregularities reported. The report must show reasons for the concerns and full disclosures of any relevant details and supporting documentation.

The Company will hold a disciplinary offense for any employee who seeks to prevent a communication of malpractice concerned reaching to the designated person, or to impede any investigation which he/she or anyone on his/her behalf may make.



- 4. The format and length of an investigation will vary depending upon the nature and particular circumstances of each complaint made. The disclosures made by a concerned employee may:
 - i. be investigated internally:
 - ii. be referred to an Independent Auditor; and/or
 - iii. form the subject of an independent inquiry.

The Chairman of the Audit Committee or the person designated to investigate the complaint will write to the complainant whenever reasonably practicable of the concern being received:

- i. acknowledging that the concern has been received;
- ii. advising whether or not the matter is to be investigated further and if so what nature of the investigation will be; and
- iii. giving an estimate of how long the investigation will take to provide final response telling the complainant whether any initial inquiries have been made, and whether further investigation will take place, and if not, why not.

F. REPORTS MADE IN BAD FAITH

If an employee makes a false report maliciously, with a hidden motive, or for personal gain, the Company reserves the right to take appropriate actions against the employee to recover any loss or damage as a result of the false report. In particular, the employee may face disciplinary action, including dismissal, where appropriate.

G. ANONYMOUS REPORTS

The Company takes reporting of misconducts, malpractices and irregularities seriously and wants to conduct warranted investigations of both potential and actual violations thus, it is preferred that these reports are not made anonymously. However, it is recognized that for any number of reasons, employees may not feel comfortable reporting potential violations directly to the Chairman of the Audit Committee. In these cases, anonymous reports may be submitted to the HR Department.

H. RETENTION OF RECORDS

Records shall be kept for all reported misconducts, malpractices and irregularities by the relevant parties in the Company. In the event a reported irregularity leads to an investigation, the party responsible for leading and/or conducting the investigation shall ensure that all relevant information relating to the case is retained, including details of corrective action taken. The period of retention is ten (10) years or any period that may be specified by a regulating body (i.e. SEC, PSE, BIR or etc.), whichever is longer.

I. <u>REVIEW</u>

This Policy will be reviewed at least annually or more frequently, if necessary. Any need for change shall be reported to the Audit Committee for approval.