

alternergy

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Policy on Whistle-Blowing





1) INTRODUCTION

- 1.1 Alternergy Holdings Corporation (“Company”) is committed to the highest possible standards of integrity and accountability. In line with this commitment, the Company encourages its employees and others with serious concerns about any aspect of the Company's dealings to come forward and voice out those concerns.
- 1.2 Employees are often the first ones to realize that something is seriously wrong with Company's dealings. However, some may not be able to express their concerns because of fear that they might become victims of harassment, isolation, or retaliation. The Whistle-Blowing Policy (“Policy”) is intended to encourage and enable Associates and even those external to the Company to raise their concerns rather than overlooking a problem or blowing the whistle outside.

This Policy sets forth the conditions and procedure for investigating allegations of corruption, fraud, and other misconduct.

2) PURPOSE

- 2.1 The success of this Policy depends in part on the conscience and professional ethics of the whistle-blower and the attendant assurance of confidentiality. Nonetheless, perceived ostracism or harassment by peers or by management can be disincentives to whistle-blowing. To avoid the psychological pressures such conflicts can cause whistle-blowers, the Company shall do its best to protect the former. The other aims of this Policy are:
 - a) To provide an avenue for raising concerns related to corruption, fraud, and other misconduct.
 - b) Allows the whistle-blower to take the matter further if dissatisfied with the response of the Company.

3) DEFINITION OF TERMS AS USED IN THIS POLICY

- 3.1 Whistle-blower - Any person or party who conveys or is proven to be about to convey any concern, allegation, or any information involving the commission of corruption, fraud, coercive practice, collusive practice, or any other misconduct or offense in the Company or in any of its projects with the knowledge or belief that such concern, allegation, or information is true. Whistle-blowers include, without limitation, Associates, contractors, consultants, former personnel, or any other entity or person.
- 3.2 Associate - Refers to all directors, department heads, managers, officers, and all other employees whether members of key management or rank-and-file.
- 3.3 Corruption - The offering, giving, receiving, or soliciting, directly or indirectly, anything of value to improperly influence the actions of another party.
- 3.4 Fraud - Any act or omission, including a misrepresentation, that knowingly and recklessly misleads, or attempts to mislead, a party to obtain a financial reward or any other benefit, or to avoid an obligation.
- 3.5 Misconduct - The failure of an Associate to observe the Company's code of conduct or standards of behavior.
- 3.6 Coercive Practices - Impairing, harming, or threatening to impair or harm, directly or indirectly, any party or any property to improperly influence the actions of a party.
- 3.7 Collusive Practices - An arrangement between parties designed to achieve an improper purpose, including improperly influencing the actions of another party.
- 3.8 Retaliation - Any act of discrimination, reprisal, harassment, or vengeance, direct or indirect, recommended, threatened or taken against a whistleblower by any person because the whistleblower has made a disclosure pursuant to this Policy.
- 3.9 Committee - Audit and Compliance Committee
- 3.10 President - President of the Company.

4) SCOPE

- 4.1 In line with the Code of Conduct, all Associates are required to disclose acts related to fraud, corruption, or any other misconduct that come to their attention. Similarly, the Company requires its partners and stakeholders to disclose acts of fraud, corruption, or any other misconduct that involve personnel as well as actions that undermine Company Operations. Thus, the typical disclosure required from an Associate or a concerned third party includes, without limitation, the following:
- a) Failure to comply with statutory obligations;
 - b) Unlawful acts or orders involving violation of law, gross waste, abuse of authority, mismanagement, and substantial danger to public health or safety;
 - c) Corruption;
 - d) Fraud;
 - e) Misconduct;
 - f) Coercive Practices;
 - g) Collusive practices;
 - h) Any other activity which undermines the Company's operations.
- 4.2 Whistle-blowing complaints should be made in the reasonable belief that what is being reported is true. Allegations and concerns expressed anonymously shall be considered at the discretion of the President or his duly authorized representative. In the exercise of such discretion, the President, or his duly authorized representative, shall consider the following factors without limitation, the seriousness of the allegation, its credibility, and the extent to which it can be confirmed or corroborated by reliable sources.
- 4.3 This Policy does not apply to complaints of Associates regarding unsatisfactory probation reports, performance evaluations, discriminatory work assignments, sexual harassment, or any other personal grievances. The said complaints should be referred to the Human Resources Department and other mechanisms established by the Company for such grievances. However, if in the opinion of the Whistle-blower factors such as probation reports, performance evaluations, or work assignments are being used by management in a retaliatory manner, this Policy shall apply.
- 4.4 It should be noted that Whistle-blowers are reporting parties. They are neither investigators nor finders of fact. They do not determine if corrective measures are necessary, neither do they determine the appropriate corrective or remedial action that may be warranted.

5) PROTECTION OF AND REMEDIES OF A WHISTLE-BLOWER

- 5.1 For this policy to be effective, the concerned parties must be adequately assured that the information given will be treated in a confidential manner and, above all, that they will be protected against retaliation from within or without the Company. The Company will maintain as confidential the whistle-blower's identity unless:
- a) Such person agrees to be identified;
 - b) Identification is necessary to allow the Company or the appropriate law enforcement officials to investigate or respond effectively to the disclosure;
 - c) Identification is required by law or under the Company's rules and regulations, or where a false accusation has been maliciously made; or
 - d) The person accused is entitled to the information as a matter of legal right or under the Company's rules and regulations. In such an event, the Company shall inform the whistle-blower prior to revealing his or her identity.
- 5.2 Retaliation against any whistleblower shall not be permitted.
- 5.3 The protection the Company can give parties external to the Company shall be limited to the capability of the latter. Any retaliatory action by an Associate against a contractor, the latter's employees, agents, or representatives because of the disclosure made by such persons under this Policy shall be taken seriously by the Company. If Retaliation occurs at the hands of Company Contractors, then the contract between the Company and the said contractor shall be subject to immediate review and possible termination.
- 5.4 Subject to the provisions of Section 5.1, 5.2, and 5.3, the following protection and sanctions can be among those used by the Company depending on the circumstances:
- a) To the extent possible, the President, or his duly authorized representative, subject to the Company's rules and regulations, shall guarantee the confidentiality of the identity of an individual who submits a whistle-blowing complaint or is a witness in an investigation;
 - b) Where a person makes or is in the process of making a report in the

reasonable belief that the contents of the report are true, that person's identity is to be fully protected from unauthorized disclosure even when making referrals to national authorities;

- c) Where a party external to the Company reasonably believes he or she is threatened with retaliation because he or she assisted in an investigation or an audit by the Company, the Managing Director, on the recommendation of the President or his duly authorized representative, shall commit the Company to provide reasonable and appropriate assistance to secure that party's protection;
- d) Where there has been an unauthorized disclosure of the identity of a Whistle-blower or someone assisting in the inquiries, the President or his duly authorized representative shall institute the appropriate disciplinary measures available in the Company's rules and regulations, including, without limitation, a Fifteen-Day (15) Suspension without pay.

5.5 An Associate, who submits a complaint indicating Fraud, Corruption, or any other Misconduct, knowing or reasonably believing the complaint to be true, shall as far as practicable, be protected from retaliation. Employment remedies available to a Whistle-blower against whom there has been retaliation shall be determined by the Managing Director based upon the findings and recommendations of the President or his duly authorized representative and may include the following, without limitation:

- a) Reinstatement to the same or comparable position in salary, responsibility, an opportunity for advancement and job security;
- b) Back wages and other benefits, with consideration to the salary increases and other benefits that the Associate would have received if not for the retaliatory act committed against him or her;
- c) Compensatory damages, including financial losses linked to the retaliatory acts committed against the Associate.
- d) Transfer upon the request of the prevailing Whistle-blower to another part of the Company.
- e) Intangible benefits, including but not limited to, public recognition of the vindication of the whistle-blower, and in appropriate circumstances public recognition of the contributions of the Whistle-blower to the Company.

- 5.6 In addition to the remedies enumerated in Section 5.5 above, the President, or his duly authorized representative, shall recommend further relief as the case may require, including, without limitation:
- a) When there is a reasonable concern that the Associate may suffer personal injury or that the safety and well-being of his or her family may be at risk, the President, or his duly authorized representative, shall accord the Associate with Whistle-blower status and take available measures to secure his or her safety as well as the safety of his her family;
 - b) When the Associate has suffered retaliation or is threatened with retaliation because of his or her assistance in an investigation or audit, the Managing Director, on the recommendation of the President, or of the latter's duly authorized representative, shall take steps to prevent such retaliatory actions from taking effect. Consequently, the Associate who believes that retaliatory action has been taken against him or her because of whistle-blowing or cooperating in an investigation or audit should contact the President or his duly authorized representative with all information and documentation available to him or her in support of his or her complaint. The President or his duly authorized representative shall as a matter of exigency review the pieces of evidence provided and make a decision or order an immediate investigation;
 - c) If it was found that there is no merit to a claim raised by an Associate, but it is clear that he or she acted in good faith, the President or his duly authorized representative shall take measures that are reasonable and available to the Company to protect the Associate from retaliation. Retaliation for a disclosure made in good faith shall be considered misconduct. Associates making allegations without good faith or reasonable belief that what is being reported is true shall be subjected to disciplinary action in keeping with Company rules;
 - d) Where the Associate can show evidence that prior to the alleged retaliation, he or she had reported or was in the process of reporting an instance of Fraud, Corruption or any other Misconduct. The President, or his duly authorized representative, shall make such recommendations to the Managing Director for any interim relief that may be reasonable and available to the Associate, pending a full investigation of the alleged retaliation. If the alleged retaliation was proven, the President, or his duly authorized representative, shall recommend to the Managing Director

permanent relief for the Whistle-blower.

- e) Where any Associate has been mistakenly identified as a Whistle-blower and consequent retaliatory action was taken against him or her, the affected Associate shall report the matter to the President or to the latter's duly authorized representative with all information and documentation available to him or her in support of his or her complaint. The President or his duly authorized representative shall review the evidence and make appropriate recommendations to the Managing Director for any remedial relief that is reasonable and available.
- f) Where the Whistle-blower can show evidence that prior to the alleged retaliation, he or she had reported or was in the process of reporting an instance of Fraud, Corruption or any other Misconduct; said Whistle-blower shall be deemed to have satisfied the minimal burden of proof. The burden of proof shall then shift to the person or persons complained of to prove by clear and convincing evidence that the action taken by them against said Whistle-blower was for separate and legitimate reasons, and not in reprisal or retaliation for the malpractice reported by the whistleblower;
- g) Where the alleged retaliation is by the President, or his duly authorized representative, or threatened by the latter, the report should be made to the Managing Director, who shall inform the Board of Directors; and
- h) Where the alleged retaliation is by the Managing Director or threatened by the latter, report should be made to the President, or his duly authorized representative, who shall then inform the Board of Directors.

5.7 In furtherance of the objectives of this Policy, the Company and its Associates shall have obligations and rights, amongst which are the following:

- a) Associates are duty-bound to disclose any Fraud, Corruption, or any other Misconduct that come to their attention immediately but in any event not later than seven (7) days after becoming aware of the Fraud, Corruption, or any other Misconduct. Violation of this duty shall be subject to disciplinary action. Furthermore, disciplinary action shall be taken against any Associate who knowingly prevents or covers up any acts of Fraud, Corruption, or any other Misconduct.
- b) A report of the President or of his duly authorized representative recommending the relief shall be furnished to the Whistle-blower within 30

days from the receipt of the latter's complaint. Within 15 days from receipt of the said report, the whistle-blower may ask for a reconsideration of the conclusions and/ or recommendations of the President or his duly authorized representative.

6) VOLUNTARY DISCLOSURE

- 6.1 The Company encourages all Associates and individuals involved in Company Ventures to volunteer information on any Fraud, Corruption, or Misconduct of which they have knowledge or to which they are privy.
- 6.2 Voluntary disclosure made to prevent an illegality from being detected shall neither be covered nor protected by this Policy.

7) CHANNELS AND PROCEDURE

- 7.1 The channels and procedure for raising whistleblowing complaints shall depend on whether or not the allegation, complaint, or information is made or disclosed by an Associate, by a party external to the Company but privy to a Company Project, or by a party external to the Company and not a privy to a Company Project.

For Associates:

- 7.2 Every Associate is expected to blow the whistle on transactions, operations, or any other activities connected with the Company that involve Fraud, Corruption, or any other Misconduct, whether internal or external. The Associate concerned should report allegations or concerns through his or her immediate supervisor. The immediate supervisor concerned shall evaluate whether or not the allegation or information disclosed merit further investigation. If it does, it shall be reported to the President or to his authorized representative.
- 7.3 Where the Associate feels uncomfortable discussing the matter with the immediate supervisor, foresees a potential conflict of interest, or for any other reason is reluctant to disclose it to an immediate supervisor, the Associate may, at his or her option address the matter to a higher-level supervisor within the Associate's complex or, if no one else is available, to the President or his duly authorized representative. All Associates are free to seek the advice or assistance of the President or his duly authorized representative regarding concerns for his or her own protection as a whistle-blower.
- 7.4 Upon receipt of a complaint from an Associate, the President or his duly

authorized representative shall register the allegation and where the identity of the Associate is known, acknowledge receipt of the allegation, and where appropriate to the nature of the information or allegations explain the subsequent actions to be taken and give an indication of when such actions will be taken. Any personnel making a disclosure shall be given an official and confidential correspondence by the President or his duly authorized representative indicating the circumstances regarding the information disclosed by the Associate.

- 7.5 An Associate shall be deemed to have discharged a reporting obligation once a report is made:
- a) Through his or her immediate supervisor;
 - b) To another supervisor within the Associate's complex; or
 - c) To the President or his duly authorized representative.

For a party external to the Company but privy to any Company Project

- 7.6 A party external to the Company but privy to any Company Project may bring allegations and complaints of Corruption, Fraud, or any other Misconduct in the execution of the said project. Said party is not required to report any knowledge about Corruption, Fraud or any other Misconduct in the execution of a Company Project. However, failure to do so shall bar him from claiming any damage or damages he may have incurred or will incur in the execution of the Company Project to which he or she is a privy.
- 7.7 A party external to the Company but privy to any Company Project should report the incident to his or her supervisor who would then report the matter to the President (of Alternergy Holdings Corporation) or to his duly authorized representative.

For a party external to the Company and not a privy to any Company Project

- 7.8 A party external to the Company and not a privy to any Company Project should report the incident to his or her supervisor who would then report the matter to the President (of Alternergy Holdings Corporation) or to his duly authorized representative.
- 7.9 All allegations received from an Associate, or an external party shall be registered and screened by the President or his duly authorized representative. Once registered, the allegation will be evaluated to determine its credibility, materiality, and verifiability. To this end, the complaint will be evaluated to determine whether or not there is a legitimate basis to warrant an investigation.

- 7.10 A preliminary evaluation will determine whether there are grounds for a more detailed investigation. This assessment shall be based on all the pieces of evidence provided by the Whistle-blower and shall consider whether the disclosure has been made in good faith and on the basis of reliable information. Where the preliminary evaluation reveals tangible and credible information that supports the existence of conditions identified by this Policy, a full investigation will be launched. The party or parties subject of the investigation shall be informed unless such communication would, in the view of the President or of his duly authorized representative, interfere with the investigations or related investigations.
- 7.11 Upon receipt of a complaint of retaliation, the President or his duly authorized representative shall initiate an investigation and as appropriate provide interim relief to the Whistle-blower, and take such interim remedial action that is reasonable and is available to the Company to remedy the underlying circumstances. The interim remedial actions taken by the President, or by his duly authorized representative, will neither be adjudicatory nor a finding on the merits of any issue; rather shall be designed to protect the rights of all parties and the interests of the Company during the pendency of the investigation. The President or his duly authorized representative may seek such modifications or additional actions by the Managing Director during the course of the investigation as may be necessary to protect the rights of the parties.
- 7.12 Where the complaint of retaliation was made against the President or against his duly authorized representative, the Managing Director shall be the one to initiate an investigation and as appropriate provide interim relief to the whistle-blower and take such interim remedial action that is reasonable and is available to the Company.
- 7.13 Although the Whistle-blower is not expected to prove the truth of an allegation, he or she will need to demonstrate that there are sufficient grounds for his or her concern. For the purpose of an investigation, the **Standard of Proof** required is information that, **as a whole**, shows that something is more probable than not.
- 7.14 This Policy is intended to provide the Whistle-blower with an avenue to raise concerns within the Company and hopes that he or she will be satisfied that the procedure laid down in this Policy is a satisfactory way of dealing with concerns. If the whistleblower is dissatisfied and he or she feels it is right to take the matter outside the Company, he or she is required to go through the procedure laid down in this Policy before taking the matter outside the Company.