

## **Midland IC&I Limited**

### **Whistleblowing Policy**

#### **1. Introduction**

Midland IC&I Limited (the “Company”) and its subsidiaries (collectively the “Group”) are committed to achieving and maintaining openness, probity 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 Group to ensure that any inappropriate behavior that compromises the interest of the shareholders, investors, customers and the public does not occur. It is also critical to maintain a good corporate image and raise the standard of corporate governance of the Group.

In order to achieve the aforesaid and to fulfill the Recommended Best Practice of the Corporate Governance Code that the Audit Committee of the Company (the “Audit Committee”) should establish a whistleblowing policy and a system for employees and those who deal with the Company to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company, the Company has devised this whistleblowing policy (the “Policy”).

The whistleblowing team has been set up to assist the Audit Committee in relation to matters arising under the Policy (the “Whistleblowing Team”). The Whistleblowing Team shall comprise of the Chief Legal Counsel, the Chief Financial Officer and a representative from the Internal Audit Department.

#### **2. Objective**

The Policy aims to increase the awareness of maintaining internal corporate justice and serve as part of the internal control mechanism. It provides the employees with reporting channels and guidance on whistleblowing. The term “whistleblowing” refers to a situation where an employee decides to report serious concerns about any malpractice which he/she has become aware or genuinely suspects that the Group has been or may become involved in. The Policy is designed to encourage employees to raise serious concerns internally, in a responsible and effective manner rather than overlooking a problem or blowing the whistle outside. The Policy is applicable to all employees of the Group.

#### **3. Policy**

##### *3.1 Whistleblowing matters*

The Policy is intended to assist employees to disclose internally and at a high level, information on activity that is suspected to be malpractice or impropriety (including the aspects of financial reporting, internal control or other matters). It is not designed to further any personal disputes, question financial or business decisions of the Group and should not be used to reconsider any staff matters which have been addressed under the Staff Handbook already in place. Whistleblowing matters include :-

- Breach of legal or regulatory requirements;
- Criminal offences;

- Malpractice, impropriety or fraud relating to internal control, financial reporting, accounting, auditing or other financial matters of the Group;
- Endangerment of the health and safety of an individual or the environment;
- Violation of rules of conducts and policies applicable within the Company or those the Group;
- Improper conduct or unethical behavior likely to prejudice the reputation of the Company and/or any company within the Group; and
- Deliberate concealment of any of the above.

### *3.2 Protection and Confidentiality*

It is the Group's policy to make every effort treating all disclosures in a confidential manner after an employee reports concern about any of the above matters. In general, the identity of the employee making the allegation will not be divulged. However, there may be circumstances in which the Company may be required or legally obliged to reveal the employee's identity, for example, where an investigation leads to legal proceedings being initiated. If this is the case, the Company will take all reasonable steps to ensure that the employee suffers no detriment. Harassment or victimization of a genuine whistleblower will be treated as gross misconduct, which if proven, may result in disciplinary action or dismissal.

### *3.3 Untrue Allegations*

In making a disclosure, the employee should exercise due care and diligence to ensure the accuracy of the information. Whether or not the allegations are being proven, the employee will not be at risk of suffering any form of retribution provided that he/she is acting in good faith and a reasonable manner. On the other hand, disciplinary action may be taken against the employee who is proven to raise false or malicious allegations deliberately. Vexatious or wild allegations may also give rise to legal action by the person who is the subject of the complaint.

### *3.4 Acknowledgement and Recognition*

The Group places great value upon creating an environment where employees would maintain ethics, honesty, openness and accountability. The Group recognizes that it requires courage and personal qualities such as righteousness, loyalty and impeccable integrity for an employee to step out and blow the whistle. These personal qualities and positive behaviors demonstrated by the whistleblowers are well acknowledged by the Group and will be taken into consideration, among others, for the employees' career opportunities and advancement.

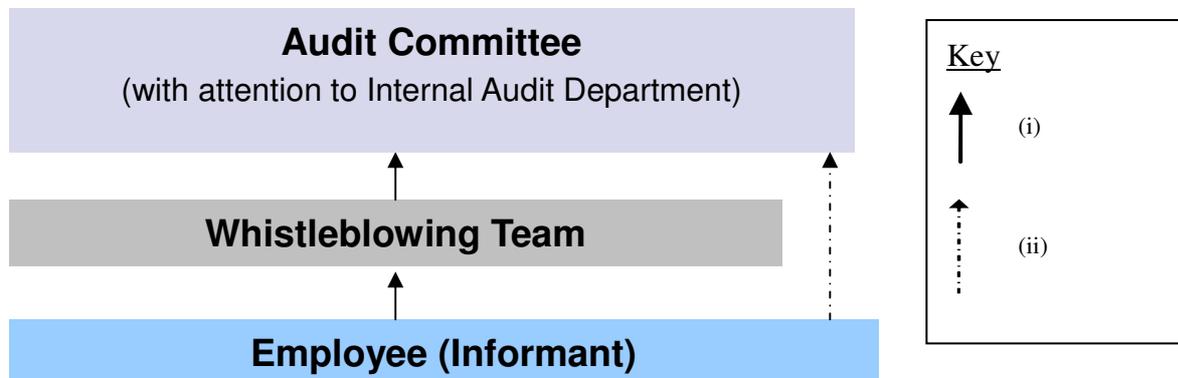
## **4. Procedure**

### *4.1 Reporting Channels*

- (i) An employee of the Group who has concern about any of the matters aforesaid can inform the Whistleblowing Team. The Whistleblowing Team will summarize the complaints received and report any matter of significance, under the Policy, to the Audit Committee semi-annually or at any appropriate time, where considered necessary.

- (ii) If the concern involves any member of the Whistleblowing Team, the employee can raise the matter with the Audit Committee. The Audit Committee may designate an appropriate person or set up an inquiry to investigate the matter independently.

The diagram showing the reporting channels for whistleblowing is as follows :-



#### 4.2 Reporting Format

Reporting shall be made in writing by filling in the Report Form in Appendix I. The completed Report Form should be sent to the Whistleblowing Team or the Audit Committee with attention to the Internal Audit Department (as the case may be) at Rooms 2505-8, 25/F, World-Wide House, 19 Des Voeux Road Central, Hong Kong, in a sealed envelop clearly marked “Strictly Private and Confidential – To be Opened by Addressee Only”, or via email to (in case of the Whistleblowing Team) [whistleblowing@midland.com.hk](mailto:whistleblowing@midland.com.hk) or (in case of the Audit Committee) [iad@midland.com.hk](mailto:iad@midland.com.hk). Employees should ensure all the attachments to the email shall have password in order to ensure confidentiality. Employees are required to disclose their identity. Anonymous disclosure would in general not be considered. Any person who seeks to prevent a communication of malpractice or impropriety concern, or to impede any investigation will be subject to disciplinary proceedings which may result in dismissal.

#### 4.3 Investigation Procedure

The format and the length of an investigation will vary depending on the nature and particular circumstances of each complaint. The complaints may :-

- be investigated internally;
- be referred to the relevant public or regulatory bodies, such as the Hong Kong Police Force, the Independent Commission Against Corruption or the Securities and Futures Commission;
- be referred to the External Auditor; and/or
- form the subject of an independent inquiry.

The Whistleblowing Team or the person designated by the Audit Committee will contact the informant if circumstances require.

Midland IC&I Limited

Company Secretarial Department

Adopted in January 2013

STRICTLY CONFIDENTIAL

**Midland IC&I Limited**  
**WHISTLEBLOWING REPORT FORM**

<b>Informant's Particulars</b>	
<b>Name:</b>	<b>Telephone No.:</b>
<b>Staff No.:</b>	<b>E-mail:</b>
<b>Incident to be reported</b> <i>(please supply as much information as possible on the particulars of the incident to be reported and use a separate sheet if the space provided is insufficient ) :</i>	
<b>Time and Place:</b>	
<b>Person(s) involved:</b>	
<b>Details of the incident:</b>	
Please state the supporting documents, witnesses or evidence to substantiate your disclosure (if any) to facilitate investigation. You may also attach the relevant documents.	
<p><b>The informant hereby confirms that he/she is willing to give a statement in respect of the incident stated in this report (the "Incident"). The informant understands that all personal data submitted by him/her will only be used for purposes which are directly related to the Incident, and may be transferred to parties who will be involved in (i) the processing and/or investigation of the Incident; (ii) the undertaking and/or conduct of disciplinary proceedings; and/or (iii) law enforcement. The informant shall have the right to request access to and correction of his/her personal data submitted in this report. The informant hereby declares that all information given herein is made voluntarily and true to the best of his/her knowledge, and he/she will ensure that his/her participation will be kept confidential.</b></p>	
<b>Signature:</b>	<b>Date:</b>