



First Abacus Financial Holdings Group

WHISTLEBLOWER POLICY

I. Policy Statement:

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct in the operation of its business.

To maintain these standards, it is the policy of the Company to:

- a. Encourage employees to report internally any suspected or actual commission of theft/fraud, violation of ethical standard, law, rule or regulation and/or any misconduct by its Directors, officers or staff;
- b. Conduct a prompt and thorough investigation of any alleged/reported commission of theft/fraud and/or violation and take appropriate corrective action.
- c. Protect the employee/whistleblower against retaliation, discrimination, harassment or adverse personnel action, for reporting in good faith a suspected or actual violation.
- d. Reduce, if not eliminate, the occurrence of corporate fraud in line with sound investment practice and risk management.
- e. Strengthen the Company's system on detection and prevention of corporate fraud.

II. Coverage:

This Policy applies to the Company's Directors, regular/permanent and probationary officers and staff in all its offices including regular/probationary/ temporary officers and staff.

III. Policy Guidelines:

- a. It is the responsibility of all Directors, officers and staff to report suspected or actual occurrence of fraud and/or violation of any law, rule, policies, misconduct, etc., in accordance with the Company Whistleblower Policy.
- b. The whistleblower can submit a confidential report on suspected or alleged actual event/violation to any of the following:
 - The President
 - Chief Operations and Compliance Officer;
 - Chief Finance Officer
 - Human Resources

For the purpose of this Whistleblower Policy, the Chief Compliance Officer shall be the lead authority who shall be assisted by designated officers.

- c. If the whistleblower submitted directly the report to any of the aforementioned officers the concerned officer shall immediately inform/advise the Chief Compliance Officer of said report.

d. The whistleblower can report the alleged suspected or actual event/violation by submitting a signed and sworn statement of the attached *“Disclosure of Violation/Complaint Form” (Annex A)*, containing the following information:

d.1 Identity and full name of the whistleblower;

d.2 Full name, position/rank and station of employee/s being reported/complained about (i.e., respondent/s);

d.3 Details or description of the alleged anomaly/violation (e.g., the event/concern or issue; person/s involved; date, time and place of each event; etc.); and

d.4 Proof/evidence/document or affidavits of witnesses, if any, to support the complaint or concern,

e. The Chief Compliance Officer may gather as much details and information as possible, including “hearsay”, and shall validate and determine the scope and nature of the complaint/concern with the whistleblower and may:

e.1 Recommend to the President the convening of an Administrative Investigation Committee to conduct a more comprehensive examination of the office(es) or employee(s) concerned;

e.2 Recommend to Human Resource to: (i) effect the immediate transfer of the whistleblower; or (ii) place under preventive suspension the employee/s being complained about; and/or

e.3 Recommend the the filing of appropriate criminal or civil action that may be warranted.

f. The identity of the whistleblower or complainant must be kept in strict confidence.

g. The whistleblower may report to the Chief Compliance Officer any retaliation or adverse personnel action taken against him/her by any individual or office in the Company.

h. Anyone who retaliates against the whistleblower shall be subject to disciplinary action, including the possibility of termination/dismissal service.

i. Any employee found to have concealed or withheld information on any violation/misconduct shall be subject to disciplinary action (i.e., suspension to dismissal).

j. The Company shall circularize and disseminate this Policy to all its covered employees and shall require all officers and staff to submit a written acknowledgement that this Policy has been read and understood by them, which shall be submitted to Human Resources.

k. New employees shall be informed about the Policy and shall be required to certify (i.e., written acknowledgement) that the Policy has been read and understood by them.

l. This policy, which may be amended from time to time, shall be made available to employees through Bulletin Boards and in employee handbooks.

IV. Definitions:

a. Whistleblower

A Whistleblower is an employee of the Company who discloses in good faith any illegal, unethical or improper events (behaviors or practices), and misconduct in the Company

b. Adverse Personnel Action

Adverse Personnel Action refers to an employment-related act or decision or a failure to take appropriate action by managerial personnel which may affect the whistleblower’s employment, including but not limited to compensation, merit increase, promotion, job location, leaves and training or other privileges, demotion, threat/harassment or discharge from the service.

c. Alleged Misconduct

Alleged Misconduct shall mean violation of law, actual or suspected commission of theft; fraud; violation of the Company's Code of Conduct or ethic policies; mismanagement; misappropriation of monies; noncompliance of legal and regulatory requirements and/or policies; misrepresentation of or any questionable audit, accounting and financial matters; and abuse of authority.

d. Company

Company means, the "First Abacus Financial Holdings Corporation" and all its affiliated and subsidiary companies including Abacus Securities Corporation, Abacus Capital and Investment Corporation and offices.

e. Good Faith

The whistleblower/employee shall be deemed to be divulging information in 'good faith' if there is a reasonable basis for disclosing of unethical and improper practices or any other misconduct.

f. Managerial Personnel

Managerial Personnel shall include Directors, all Executives at the level of Manager and above, who have authority to make or materially influence significant personnel decisions.

g. Unethical and Improper Practices

Unethical and improper practices shall mean –

- An act which does not conform to approved standard of social and professional behavior;
- An act which leads to unethical business practices;
- Improper or unethical conduct;
- Breach of etiquette or morally offensive behavior, etc.

ANY EXISTING POLICY INCONSISTENT WITH THE ABOVE IS DEEMED AMENDED.

MANAGEMENT IN THE EXERCISE OF ITS SOLE AND EXCLUSIVE PREROGATIVE MAY ADD, DELETE, AMEND, AND/OR REVISE THIS POLICY.