



WHISTLEBLOWING POLICY

Purpose:

Pursuant to Governance Commission for GOCCs (GCG) Memorandum Circular No. 2014-04, the Philippine Mining Development Corporation (PMDC) hereby adopts a Whistleblower Policy that applies to PMDC's Directors and to all regular, permanent and probationary officers and staff of PMDC.

PMDC 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 PMDC to:

1. 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;
2. Conduct a prompt and thorough investigation of any alleged/reported commission of theft/fraud and/or violation and take appropriate corrective and/or administrative action.
3. Protect the employee/whistleblower against retaliation, discrimination, harassment or adverse personnel action, for reporting, in good faith, a suspected or actual violation.
4. Reduce, if not eliminate, the occurrence of corporate fraud or misconduct in line with the principles of good governance, and sound and healthy business practice.
5. Prevent any damage, prejudice or gross disadvantage to PMDC and the Government.

What Can Be Reported?

All actions and omissions that are illegal or unethical, or in violation of the PMDC Code of Conduct, or in violation of good governance principles, or against public policy and morals or those that promote unsound and unhealthy business practices and, in general, those that are prejudicial or grossly disadvantageous to PMDC and the Government, may be reported.

Scope of Reporting:

More specifically, the scope or coverage of this Whistleblowing Policy are violation/s of any of the following:

- ◆ RA 6713 "Code of Conduct and Ethical Standards for Public Officials and Employees;
- ◆ RA 3019 "Anti-Graft and Corrupt Practices Act"
- ◆ RA 7080 "The Plunder Law"

- ◆ Book II, Title VII of the Revised Penal Code, Crimes Committed by Public Officers
- ◆ EO 292, s 1987 “Administrative Code of 1987”
- ◆ RA 10149, “GOCC Governance Act of 2011”
- ◆ GCG MC 2012-05 “Fit and Proper Rule”
- ◆ GCG MC 2012-06 “Ownership and Operations Manual Governing the GOCC Sector”
- ◆ GCG MC 2012-07 “Code of Corporate Governance for GOCCs”
- ◆ Violations of the Charter of the GOCC
- ◆ Other GCG Circulars, Orders and applicable laws and regulations

Who Can Be Reported?

- ◆ Directors of PMDC
- ◆ Officers of PMDC
- ◆ Employees of PMDC
- ◆ Partners-Operators/Stakeholders of PMDC

Where and How to Report?

A whistleblowing complaint may be filed with the Internal Audit Committee (IAC) of the PMDC, which is the entity primarily authorized to implement and enforce this policy. The whistleblowing complaint must be in writing but the whistleblower may initially be anonymous. However, upon determination of the probability of the truth of the complaint, the whistleblower must identify himself/herself in order for the investigation to proceed. The whistleblower must also testify as to the circumstances of the complaint and must submit his/her evidence in support of the complaint. The whistleblower may be assisted by a counsel of his/her choice, but at his/her expense, as the said expense may not be allowed by law to be charged to PMDC. However, the whistleblower may be assisted by the statutory counsel of PMDC, if he/she so desires, at no expense on his/her part, unless the circumstances of the case prohibits them to represent the whistleblower.

The complaint must clearly state the specific facts, circumstances, actions and/or omissions being complained about; the laws, rules and regulations allegedly being violated, and the documentary and other evidence in support of the complaint.

If the subject of the complaint is a member of the IAC, the whistleblowing complaint may be filed with the Chairman of the Board of Directors of PMDC, or with any member of the Board of Directors of PMDC, or with any senior member of PMDC Management.

Procedure

Upon receipt of the whistleblowing complaint, the IAC, or the Chairman of the Board, or the Director, or the senior member of Management, as the case may be, shall: (i) record all reported complaints or concerns; (ii) consider the seriousness and credibility of the complaint or concern raised; (iii) assess and evaluate the complaint and evidence; and (iv) proceed accordingly in determining the appropriate action to take.

If the initial assessment and evaluation of the complaint is that the complaint is probably true and duly supported by credible evidence, the investigation and hearing shall be commenced, otherwise, the complaint shall be dismissed.

If the determination is to proceed with the investigation and hearing, the whistleblower must testify as to the circumstances of the complaint and must submit his/her evidence in support of the complaint. While some complaints or concerns may be fully supported by indubitable evidence, such that an investigation would appear unnecessary, it is still imperative that the respondent or the person subject of the complaint should still be given his day in court and afforded his constitutional right to due process of law.

The Chairman of the IAC, or the Chairman of the Board, as the case may be, may, in his/her sole discretion, consult, if necessary, any Director, or any senior member of the Management who are not involved in the complaint. He or she may also direct any staff of PMDC, and/or engage external auditors, investigators and/or the legal counsel of PMDC to assist in the investigation and analysis of the results thereof and/or the evidence.

In case where the whistleblowing complaint is filed with a Director, or with a senior member of Management, the said Director or officer shall refer the same either to the Chairman of the Board, or to the Board of Directors, through the Corporate Secretary. In the latter case, the Corporate Secretary shall schedule a special meeting of the Board, excluding any directors who may be subject of the complaint, to discuss in an executive session, the said whistleblowing complaint and determine the appropriate action to take.

The period from the filing of the complaint to the action by the Board of Directors should not exceed three (3) months, unless the nature and circumstances of the case warrants a longer period, but in no case longer than six (6) months. An unwarranted and unjustified delay in the proceedings, in excess of six (6) months, will entitle the respondent to demand for a dismissal of the case.

Final Action

The findings, conclusions of the investigation and recommendation of the IAC, or the Chairman of the Board, as the case may be, shall be submitted to the PMDC Board of Directors, for confirmation/approval and/or for further action.

Confidentiality

All communications and proceedings prior to a final finding of guilt by the Board of Directors shall be kept strictly confidential, except to the extent necessary to conduct a complete and fair investigation, to protect the integrity and reputation of the concerned Director, officer or staff who may later be found innocent of the charge.

No Harassment, Discrimination Or Retaliation

The main purpose and objective of this Whistleblower Policy is to encourage the exposure of anomalies and irregularities in PMDC by protecting the whistleblower from harassment, discrimination or retaliatory action.

Towards this end, the IAC and the Board of Directors must ensure that there will be no harassment, discriminatory or retaliatory action against any Director, officer or staff who files a complaint, in good faith, based on his/her personal knowledge and/or credible/reliable evidence. If the whistleblower believes that he/she is being harassed, discriminated or retaliated against for filing the complaint, he/she should immediately report the same to the Chairman of the IAC, or the Chairman of the Board, for immediate and appropriate action. If no immediate action is taken by the Chairman of the IAC, or the Chairman of the Board, the whistleblower may directly elevate the matter/issue to the Board of Directors, through the Corporate Secretary, who is mandated to include the said matter/issue in the immediately following meeting of the Board of Directors.

The protection and remedy afforded to the whistleblower under this Policy shall extend to all witnesses who testify, whether voluntarily or involuntarily, in the said case.

Complainants who file complaints, in bad faith, or whose complaints are based on pure suspicions, speculations or assumptions, and/or are otherwise unsupported by any credible evidence, or where the evidence are tampered, simulated, fabricated, or of doubtful authenticity, shall be subject to disciplinary action, or other appropriate sanction, without prejudice to such legal remedy as may be available to the respondent or offended party against the complainant.

However, it should be emphasized that not all dismissals of complaint will result in a disciplinary action or sanction against the complainant, especially if the complaint was filed, in good faith, and based on credible evidence, but which evidence may not be found sufficient by the Board of Directors for purposes of imposition of penalty against the respondent, or where the dismissal is based on a technicality. In these cases of dismissal, the whistleblower is still fully protected by this Whistleblower Policy.