

CHC Healthcare Group

Whistleblowing System

Established by: Human Resource and
General Affairs Department
Approved by: President
Regulation No.: HRM14

Date first issued: April 19, 2016
Current Implementation Date: May 26, 2020

Article 1. Objective

This regulation was stipulated to protect the Company's reputation and safeguard properties to avoid and prevent corruption, theft, embezzlement or any other unlawful and criminal activities which undermine the rights and interests of shareholders, employees, trading counterpart and collaborative partners.

Article 2. Scope

This regulation applies to all sectors and staff of the Company and its subsidiaries, as well as relevant external sectors and individuals.

Article 3. Competent authority

The Company's Human Resource and General Affairs Department is the dedicated unit to receive the report, which with any activities reported involving directors or senior officers shall be submitted to independent directors or supervisors.

Article 4. Reporting mailbox

A separate reporting mailbox and hotline were provided and published for use of the sectors and individuals within the scope specified in Article 2 of this regulation.

Article 5. Types of reported issues

- A. Embezzlement or defalcation.
- B. Illegal encroachment and unauthorized disposition of corporate property.
- C. Forgery, giving false information to mislead the decision-making that damages the Company or employees.
- D. Leakage of the Company's internal information involving confidentiality and client relationship.
- E. Taking a bribe for activities in charge or monitored, seeking private gain or malpractice which directly or indirectly makes private profit-gaining or unlawful benefits for others.
- F. Any other conducts damage the reputation of the Company (including employees).

Article 6. Operating procedure for reporting

- A. For reporting cases, a minimum of a written record for the follows shall be provided, which will be required to be signed or sealed by the reporter to show the responsibility:
 - (a) Reporter's name, ID number, contact phone number, mailing address (or email address), service unit; in case of an employee as the reporter, please also specify employee code, job title and the department.
 - (b) Relevant information of the reported person (preferably providing specific name, contact phone number, mailing address [or email address], service unit, department and job title).
 - (c) Specific fact and evidence allowed investigation, whenever possible, the contents shall

include the follows:

Who – Names of the reported person of unlawful conduct with breach of job responsibility, and related individuals involved.

What – The description of the fact occurred regarding unlawful conduct with breach of job responsibility.

When – The time of the fact occurred regarding unlawful conduct with breach of job responsibility.

Where – The place of the fact occurred regarding unlawful conduct with breach of job responsibility.

How – Evidence sufficient to prove the fact of unlawful conduct with breach of job responsibility that include but not limited to, supporting information such as documentation, voucher, report, contract, letter, recording, and photo.

B. Processing reporting cases

(a) The information delivered in the reporting mailbox will be opened and processed by supervisor of the dedicated unit to ensure the information confidentiality of the reporter.

(b) It will be strictly confidential for identity of the reporter, reporting contents and relevant evidence.

(c) Any staff associated with processing of reporting cases will have to sign a confidentiality agreement, any leakage of confidential information found shall certainly be investigated for civil and criminal liability of the leaker.

(d) After received by the dedicated unit, relevant investigation on the fact in the reporting case will be immediately conducted, if necessary, the Legal Affairs Department and related departments may provide assistance. Any activities found to be breaching laws, company rules or this regulation, based on various severity, will be submitted to relevant authorities or handled according to company rules. For major violation or that potentially causes major loss to the Company, a summary report shall be immediately established, informing in written independent directors or supervisors; in case of absence of the abovementioned activities after investigation, the case will be closed and filed.

(e) Written documents for report receiving, investigational procedures and result of investigation shall be filed and kept for at least five years, it may be reserved in electronic means. Before the expiring date of the reservation, when any legal proceedings related to contents of the reporting case raised, the relevant information shall be continuously kept for five years of the day the proceeding finalized.

C. Improvement measures

(a) When the reported activities have been proved to be true, relevant sectors shall review internal control systems and operating procedures, proposing specific programs for improvement and taking corresponding measures to completely eradicate recurrence of such conducts.

(b) The dedicated unit submits to the Board the summary report on the reported activities, handling approaches, consequent review and improvement measures.

Article 7. Rejected reporting cases

Reporting cases with any of the follows will be rejected:

A. Anonymously reporting case or not using real name, without providing contact phone number or mailing address of the reporter.

B. The activities reported are apparently excluded from the specified types of reported issues in Article 5.

C. The reporting case did not provide clues for proving the fact of unlawful conduct with

breach of job responsibility.

D. The reported information was not delivered to the report mailbox as specified in Article 4.

E. A reporting case on the same fact previously submitted by others is being investigated, unless the later reporter is able to provide new specific evidence to prove the necessity for reinvestigation of that case.

F. The same fact has been determined as a rejected case, or was closed after investigation and punishment, unless the reporter is able to provide new specific evidence to prove the necessity for reinvestigation of that case.

Article 8. Reporter protection

A. Safety of the reporter shall be protected, anyone who menaces, threatens the reporter or with any other illegal conducts shall be submitted to the competent authorities for decision according to law.

B. Protect the reporter from any inappropriate treatment due to the reporting case, it is prohibited to reveal identity of the reporter, to cause any loss of benefits related to human resource affairs, or to make differential in work conditions. The reporter may ask the receiving dedicated unit in advance to provide protection for personal identity and treatment.

Article 9. Reporter obligation

The reporter knowingly submitted the report based on false statement, or provided false evidence, will be expelled from the company without consideration of future employment if the abovementioned has been proved to be true; those who involved in criminal liability shall be brought to the competent authorities for decision according to law.

Article 10. Reporter reward

For any reporting case that has been proved to be true, or those involved in criminal liability with conviction affirmed by judiciary, audit sector shall submit to its superior for reward to the reporter based on taking account of the contribution to corporate governance and the extent of benefits created.

Article 11.

A. This regulation shall be announced and implemented after approval by the President; amendments shall be approved in the same fashion.

B. This regulation has been amended on April 19, 2016.

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