

POLICIES & PROCEDURES FOR REPORTING IMPROPER ACCOUNTING ACTIVITY AND RETALIATORY ACTION (“WHISTLEBLOWER POLICY”)
(1st Revised Version)

1. OBJECTIVE & POLICIES

1.1 It is the policy of Pacific Internet Limited (“**PacNet**” or the “**Company**”) to instill and enhance strong corporate governance practices across its group of companies (the “**Group**”). To this end, in compliance with Section 301 of the Sarbanes-Oxley Act, SEC and Nasdaq rules, the Company would like to establish procedures applicable to the Group for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters (“**Improper Accounting Activity**”); and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Some examples of “**Improper Accounting Activity**” are:

- Fraud whether actual or suspected or deliberate error in preparing, evaluation or review of any financial statements of the Group;
- Fraud whether actual or suspected or deliberate error in recording and maintenance of the financial records of the Group;
- Actual or suspected deficiencies in or non-compliance with the Group’s internal controls and procedures; and
- Any misrepresentation whether actual or suspected by an officer or auditors regarding a matter contained or required to be contained in the Company’s financial records, reports or audit reports.

1.2 All employees within the Group are encouraged to report any **Improper Accounting Activity** that they reasonably believe have taken place, is taking place or will take place, to the Audit Committee or any other committee established by the Audit Committee to receive, address and retain such complaints. Such reporting is commonly known as “whistle blowing”.

1.3 PacNet does not condone any **Retaliatory Action** taken against any employee that has filed any complaint alleging Improper Accounting Activity in good faith and may institute disciplinary action against any person found to have taken Retaliatory Action. PacNet will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee with respect to good faith reporting of any concerns or complaints.

*“**Retaliatory Action**” means the use of (or any attempt to use) authority, threats or other action including but not limited to demotion, suspension, harassment or any other discriminatory action by any employee or officer of the Group to influence or to interfere with the right of another employee to report any Improper Accounting Activity or against an employee who has, in good faith made or assisted in making a report of Improper Accounting Activity.*

1.4 Any complaint alleging Retaliatory Action shall be received, reviewed and investigated by PacNet in the same manner as any complaint alleging Improper Accounting Activity.

*A “**Complaint**” hereinafter shall mean any complaint alleging either Retaliatory Action or Improper Accounting Activity, as the case may be.*

2. PROCEDURES

2.1 Submission of Complaint

Every employee or officer of the Group shall have the right to file a Complaint. All Complaints shall be submitted to the **Audit Committee** by sending an email to auditcom@pacific.net.sg.

2.2 Confidentiality of Identity

Complaints may be submitted anonymously. In order to aid the Audit Committee in its review and investigation of Complaints, an employee is encouraged to disclose his identity when submitting Complaints and the identity of an employee, so disclosed, shall be kept strictly confidential save where:

- 2.2.1 the identity of the employee, in the opinion of the Audit Committee, is material to any investigation;
- 2.2.2 it is required by law, order or direction of any court, regulatory body or stock exchange; or
- 2.2.3 the Audit Committee is of the opinion that it would be in the best interests of the Group to do so.

2.3 Details to be provided on the subject matter of the Complaint

Whether or not an employee discloses his or her identity, a Complaint should include as much information as possible on the subject matter of the Complaint so that the information is sufficient to enable a full and proper investigation to be conducted. Such information should include details as to where and when the incident(s) occurred, the names and titles of the individuals involved, substance of the Complaint, any supporting evidence or documentation and all other relevant details as the reporting employee is able to provide.

2.4 Receiving, Recording and Retention of Complaint

The Audit Committee shall maintain a register ("**Complaints Register**") for the purposes of recording all Complaints received, the date of such Complaint and the nature of such Complaint, their investigation and their resolution and shall prepare a periodic report for the Board of Directors. The Audit Committee shall make the Complaints Register available for inspection upon any request approved by the Audit Committee.

2.5 Notification of Avenues for Submission of Complaints

The Audit Committee shall take all reasonable efforts to notify all employees and officers of the Group of the existence of these policies and procedures and any modifications to such policies and procedures from time to time.

2.6 Review and Investigation of Complaint

Upon receipt of any Complaint, the Audit Committee shall review and investigate the Complaint. The Audit Committee may enlist, at the expense of the Company the assistance of outside legal, accounting or other advisors and third parties, as may be appropriate to conduct the investigation.

Where the Audit Committee is of the opinion that the Complaint may be received and dealt with under other more appropriate complaint resolution procedures of PacNet or the relevant member of the Group, the Audit Committee may forward the Complaint to the relevant unit responsible for the administration of such complaint resolution procedures.

Subject to legal constraints, the complainant will receive information about the outcome of any investigations.

2.7 *Abuse of Policies and Procedures*

All Complaints should be made in good faith with reasonable grounds for believing that an Improper Accounting Activity has taken place, is taking place or will take place. Only upon the determination of the Audit Committee, may any action be taken against any employee who has made a complaint frivolously, maliciously, in bad faith, or otherwise an abuse of the policies and procedures herein. PacNet reserves the right to take such action as the Audit Committee deems appropriate against any such employee.

3. REVIEW OF POLICY

3.1 *Review of Policy*

The Audit Committee shall review this policy on a regular basis and recommend any amendment as appropriate for approval by the Board of Directors.

3.2 *Consistency with US Securities Laws*

The policies and procedures herein shall be read in conjunction with any laws, regulations, rules, directives or guidelines that the SEC and/or the NASDAQ National Market may from time to time prescribe or issue on the receipt, retention and/or treatment of complaints regarding accounting, internal accounting controls or auditing matters or any matter governed by this policy (the "SEC Rules"). In the event that any policy or procedure herein is inconsistent or in conflict with the SEC Rules or any part thereof, the SEC Rules shall prevail to the extent of such inconsistency or conflict.

Approved and adopted by the Board of Directors on the 13th day of February 2006.

Revision History

- *Original approved and adopted by the Board of Directors on the 9th day of May 2003.*
- *1st Amendment approved by the Board of Directors on the 13th day of February 2006.*