

# PHILLIPS EDISON GROCERY CENTER REIT I, INC.

## WHISTLEBLOWER POLICY

*Amended and Restated October 4, 2017*

Phillips Edison Grocery Center REIT I, Inc., a Maryland corporation and its subsidiaries (the “Corporation”), has adopted this policy to encourage employees of the Corporation and its affiliates, as well as third parties that enter into contractual relationships with the Corporation to report to responsible persons possible (i) violations of law, including the securities laws, (ii) accounting irregularities, and (iii) other suspected wrongdoing, including their own, which in any way may affect the Corporation or the properties owned by the Corporation.

The goal of this policy is to discourage illegal activity and business conduct that damages the Corporation’s good name, its business interests, and its relationships with employees, stockholders, broker / dealers, real estate professionals, vendors, tenants, and the community at large. This policy is meant to be read in conjunction with the Corporation’s Amended and Restated Code of Ethics. While the Corporation does not encourage frivolous complaints, it does want any officer or employee of the Corporation or affiliate (each an “Affected Person”) who knows of a Harmful Violation (defined below) or what is reasonably believed to be a Harmful Violation to contact a representative of the Corporation through one of the methods contained in Section 6.

A “Harmful Violation” includes the following:

1. *Violation of Law* – Violations of law which in any way may affect the Corporation or the properties owned by the Corporation, including any rule of the Securities and Exchange Commission, federal laws related to fraud against the stockholders of the Corporation, and the laws and regulations of any jurisdiction in which the Corporation operates.
2. *Improper Accounting or Financial Irregularity* – Improper accounting entries, violations of internal accounting controls, or improper auditing matters (including, but not limited to, knowingly providing any false or misleading representation to an auditor) which in any way may affect the Corporation or the properties owned by the Corporation.
3. *Antitrust Activity* – Oral or written agreements, arrangements or understandings with other business parties to fix prices; boycott specific suppliers or customers; allocate products, territories or markets; or exchange competitively sensitive information; as well as discussions regarding price, trade allowances or rebates, costs, competition, marketing plans or studies, production plans and capabilities or any other confidential information.
4. *Confidentiality and Misappropriation* – Inappropriate or unauthorized sharing of the Corporation’s or any other business partner’s non-public information, or the unauthorized or improper use of a third party’s intellectual property rights.
5. *Conflicts of Interest* – A private or personal interest sufficient to appear to influence the objective exercise of a person’s official duties (e.g., inappropriate vendor relations, bribery, excessive gifts and entertainment from / to a vendor, customers, or other third parties, etc.). See the Corporation’s Code of Ethics for further details regarding the Corporation’s policies with respect to conflicts of interest.

6. *Discrimination and Harassment* – Unwelcome and uninvited verbal or physical conduct directed at an employee of the Corporation because of his or her sex, religion, ethnicity, or beliefs. Targeted abusive behavior or language toward an employee by a fellow member of the organization.
7. *Falsification of Contracts, Reports or Records* – Altering, fabricating, falsifying, or forging all or any part of a document, contract or record for the purpose of gaining an advantage, or misrepresenting the value of the document, contract or record.
8. *Improper Lobbying or Political Contribution* – Inappropriate activities in violation of federal and / or state laws regarding lobbying and political action.
9. *Insider Trading* – A violation of the laws related to insider trading under the federal securities laws and the Corporation’s Insider Trading Policy.
10. *Misconduct or Inappropriate Behavior* – Intentional wrongdoing; a deliberate violation of law, standard, or the Corporation’s policy.
11. *Substance Abuse* – The abuse or misuse of drugs and / or alcohol in a workplace environment.
12. *Unfair Trade Practices, Deception and Fraud* – Misrepresenting, creating misleading impressions, omitting important facts or making false claims about the Corporation’s or its competitors’ product or service offerings, as well as bribery and other similar exploitive or inequitable conduct.
13. *Unsafe Working Conditions* – Failure to meet requirements needed to facilitate a secure working environment for employees of the Corporation.
14. *Violation of Policy* – Actions that are in direct violation of the Corporation’s policies, procedures, Code of Ethics, and / or implied contractual responsibilities.
15. *Workplace Violence* – A verbal or physical threat of bodily harm to any person currently working at the Corporation or anyone who will be returning to work at the Corporation.
16. *Equal Opportunity* – Unlawful discrimination against directors, officers, employees or applicants on the basis of race, color, religion, sex, age, national origin, disability, citizenship, veteran status, or any other status protected by applicable domestic and international laws and regulations.
17. *Reporting a Violation by Other Business Partners* - Known or suspected violations by the Corporation's vendors or third parties.
18. *Other* – Any other matter which, in the Good Faith (defined below) belief of any Affected Person, could cause harm to the business or public reputation of the Corporation.
19. *Harmful Violation* - Any attempt to conceal a potential Harmful Violation or to conceal evidence of a potential Harmful Violation.
20. *Retaliation* - Any Retaliation (defined below) for any Disclosure (defined below).

## **1. General Policy.**

The Corporation notes that the Sarbanes–Oxley Act of 2002 provides certain legal protection to employees who provide information in investigations — including internal investigations — into certain types of violations of the securities laws and regulations, or who file proceedings relating to similar violations. Under these laws, the Corporation and its officers, employees and agents are prohibited from

discharging, demoting, suspending, threatening, harassing, or in any other manner discriminating against an employee in connection with the terms and conditions of his or her employment because of any lawful act done by such employee to provide information which such employee reasonably believes constitutes a violation of the matters listed in the policy (collectively, “Retaliate” or “Retaliation”).

Accordingly, any Affected Person who, in Good Faith, makes a report, complaint, allegation or other disclosure (each, a “Disclosure”) pursuant to this policy with respect to a Harmful Violation or potential Harmful Violation is referred to as a “Whistleblower” and shall be protected from any Retaliation by the Corporation. “Good Faith” means that the employee has a reasonably held belief that the Disclosure made by the Affected Person is true and has not been made for personal gain, for malicious or frivolous reasons, or for any ulterior motive.

## **2. Purpose of the Policy.**

The Corporation has adopted this policy in order to:

- (a) Cause Harmful Violations to be disclosed before they can disrupt the business or operations of the Corporation, or lead to serious financial or reputation loss;
- (b) Promote a climate of accountability with respect to Corporation resources, including the employees of the Sponsor; and
- (c) Ensure that no Affected Person should feel at a disadvantage in raising legitimate concerns.

This policy provides a means whereby Affected Persons can safely raise, internally and at an executive management level, serious concerns and disclose information that the Affected Person believes in Good Faith could cause a Harmful Violation. This policy does not apply to all grievances, such as those related to terms of employment or those concerns that are specifically addressed by existing Corporation policies, and any such other grievances not specifically covered by this policy shall be handled in the manner stated in such other policies.

This policy should not be used for reporting routine or operational matters like:

- Issues related to compensation / reimbursement (e.g., reimbursement not credited on time)
- Issues related to career progression, transfer or deputation, etc.
- IT assets not working properly (e.g., printers not working)
- Taxation related queries (e.g., excess tax deducted from salary)
- Recruitment / job openings (e.g., to know the job openings in the Corporation)
- Inappropriate administration facilities (e.g., tea / coffee machine in the break room)
- General property management inquiries
- Invoice inquiries

Employees may also consider reporting the concerns to their immediate managers or the Human Resources department.

## **3. Affected Persons Protected.**

This policy and the related procedures offer protection from Retaliation to Affected Persons who make any Disclosure with respect to matters that are, or could reasonably give rise to, Harmful Violations, provided the Disclosure is made:

- In Good Faith (as defined above);
- In the reasonable belief of the individual making the Disclosure that the conduct or matter covered by the Disclosure could give rise to or has resulted in a Harmful Violation; and
- Pursuant to the procedures contained in Section 6 below.

No Disclosure that satisfies these conditions shall result in any Retaliation or threat of Retaliation against the Whistleblower by the Corporation, or any officer, employee, contractor, subcontractor, or agent of the Corporation. Note that these protections may not apply if the person making the Disclosure is a subject of the Disclosure or investigation, and was involved in wrongdoing. Any acts of Retaliation against a Whistleblower shall be treated by us as a serious violation of the Corporation policy and could result in serious consequences, and if an employee, discharged from their position. Nothing in this policy should be construed that an employee who has not been Retaliated against is protected as to their employment. Employees of the Corporation are employees at will who may be dismissed at any time for any or no reason.

#### **4. Confidentiality of Disclosure.**

We will use our best efforts to treat all Disclosures by Whistleblowers as confidential and privileged to the fullest extent permitted by law so long as maintaining such confidentiality and privilege is compatible with a fair investigation. We will exercise particular care to keep confidential the identity of any Whistleblower making a Disclosure under this procedure until a formal investigation is undertaken. Thereafter, the identity of the Whistleblower making the Disclosure may be kept confidential, if requested, unless (a) such confidentiality is incompatible with a fair investigation, (b) there is an overriding reason for identifying or otherwise disclosing the identity of the Whistleblower, or (c) such disclosure is required by law. In any such instance, the Whistleblower making the Disclosure will be so informed in advance of his or her being identified with the Disclosure. Where disciplinary proceedings are invoked against any individual following a Disclosure under this procedure, we may request the name of the person making the Disclosure to be disclosed to the person subject to such proceedings. In addition, the person making the Disclosure confidentially should be informed that his or her identity will be disclosed if, after the investigation, it is reasonably determined that the Disclosure was made maliciously or recklessly.

While we encourage individuals to put their name to any Disclosure they make, any Affected Person may make an anonymous Disclosure through the Corporation's Whistleblower Hotline. In responding to an anonymous Disclosure, we will pay due regard to fairness to any individual named in the Disclosure, the seriousness of the issue raised, the credibility of the information or allegations in the Disclosure, and the prospects of an effective investigation and discovery of evidence. In the absence of relevant information or lack of credibility of the information provided, no action may be taken on the Disclosure made.

Investigations will be conducted as quickly as possible, taking into account the nature and complexity of the Disclosure and the issues raised therein.

#### **5. Unsubstantiated Allegations.**

If an Affected Person makes a Disclosure in Good Faith pursuant to this policy and any facts alleged are not confirmed by subsequent investigation, no action will be taken against the Affected Person as a Whistleblower. In making a Disclosure, all individuals should exercise due care to ensure the accuracy of the information disclosed. Persons making a Disclosure that is determined to be without substance and to have been made for personal gain or for malicious or frivolous reasons will not be

protected by this policy.

Where alleged facts disclosed pursuant to a Disclosure are not substantiated, (a) the fact that the matter was closed may be made known to the person who made the Disclosure, and if deemed needed, any conclusions of the investigation may be made known both to the person who made the Disclosure and to the person(s) against whom any allegation was made in the Disclosure, and (b) all papers relating to the allegation and investigation should be retained for a period as required by the Corporation's document retention policy. The communication of the conclusion to both the person who made the Disclosure and to the person(s) against whom any allegation was made in the Disclosure will depend on the prevailing situation and will not be made if the Corporation deems it to be inappropriate.

## **6. Submitting a Complaint and Reporting Processes**

- 6.1 Any Affected Person who knows of a Harmful Violation may, in his or her sole discretion, report to the Corporation openly, confidentially, or anonymously, any allegation: (a) by calling the EthicsPoint Whistleblower Hotline at (844) 240-0620, at any time; or (b) by accessing the EthicsPoint website at [www.phillipsedison.ethicspoint.com](http://www.phillipsedison.ethicspoint.com).
- 6.2 The Harmful Violation should be factual rather than speculative or conclusory, and the submitted complaint should contain as much specific information as possible to allow for proper assessment. In addition, all complaints should contain sufficient corroborating information to support the commencement of an investigation, including, for example, the names of individuals suspected of violations, the relevant facts of the violations, how the Whistleblower became aware of the violations, any steps previously taken by the Whistleblower, who may be harmed or affected by the violations, and, to the extent possible, an estimate of the misreporting or losses to the Corporation as a result of the violations.
- 6.3 The telephone hotline and website are managed by an outside, independent service provider and allow any Affected Person to submit a report.
- 6.4 All complaints received by the Corporation will be promptly reported to the Chief Compliance Officer, the Internal Audit department, and the General Counsel for investigation by the appropriate parties. Safeguards will be maintained to help ensure that complaints will not be routed to individuals implicated in the complaint.

## **7. Responding to a Disclosure.**

- 7.1 In order to help ensure that independent and unbiased action is taken on any Disclosure received through the channels mentioned in Section 6, the Corporation has a Chief Compliance Officer, who is principally involved in the process.
- 7.2 A Whistleblower should be provided with an initial indication that the Disclosure has been received promptly after its submission, with periodic updates if deemed advisable.
- 7.3 The Chief Compliance Officer will conduct a preliminary examination of the Disclosure and determine the appropriate course of action, including investigation. All investigations will be carried out under the direction of the Chief Compliance Officer unless there is a likelihood of litigation, or the matter involves a director or an executive officer, whereby the Compliance Officer will consult with the General Counsel of the Corporation to determine how the matter should be investigated. The composition of an investigation team will be decided upon by the Chief Compliance Officer (and the General Counsel if either litigation or a director or an

executive officer is involved) and may include employees from other departments or may be outsourced to external legal counsel.

- 7.4 If, on preliminary examination, the matter raised or alleged in any Disclosure is judged to be without substance or merit, the matter shall be closed, and the Whistleblower may be informed of the decision, which may include the reasons for such closure. If it is judged that the allegation(s) or issue(s) covered in the Disclosure have merit, the matter shall be dealt with in accordance with this policy, and / or as otherwise may be deemed appropriate according to the nature of the case. The Whistleblower may be informed as to the ultimate outcome of the investigation, if determined necessary, but such notice is not required.
- 7.5 A person that is the subject of a Disclosure will not be involved in the course of proceedings for such a Disclosure due to the conflict of interest.
- 7.6 The Audit Committee shall be promptly informed of any Disclosure involving a director or executive officer of the Corporation. Such Disclosures and follow-up actions will be handled by the Audit Committee. The composition of an investigation team will be decided upon by the Audit Committee, which can include the Chief Compliance Officer, the General Counsel, or other employees. The Audit Committee can retain external legal counsel, or may outsource the investigation to external legal counsel.
- 7.7 Based on the results of the investigation, the Chief Compliance Officer along with the General Counsel of the Corporation, will generally determine the course of disciplinary action, which may include, among other courses of action, termination of an employee, termination of a contract with a vendor, filing a complaint with law enforcement authorities, or initiating legal proceedings. In the case of a matter involving a director or executive officer, the Audit Committee will determine the appropriate action.

## **8. Reporting and Annual Review of Policy.**

The Chief Compliance Officer of the Corporation will make a quarterly summary report to the Audit Committee regarding Disclosures received and action taken, specifically related to the matters related to violations of law, fraud (whether material or not), and of financial reporting irregularities, and other material matters impacting the Corporation.

This policy will be reviewed annually by the Audit Committee, taking into account the effectiveness and management's compliance with this policy.

## **9. Records.**

The Chief Compliance Officer will maintain records relating to any allegations of Disclosures, Harmful Violations or retaliatory acts, and will track their receipt, investigation, resolution as well as the response provided to the person submitting the Disclosure, if any.