

WHISTLEBLOWER PROTECTION POLICY

WATON FINANCIAL LIMITED

ADOPTED [●], 2024

General

Watson Financial Limited (the “**Company**”) is committed to preventing adverse employment action of any kind against employees of the Company who lawfully report information about (i) fraudulent activities within the Company (including wire fraud, mail fraud, and bank fraud), (ii) violations of the Sarbanes-Oxley Act of 2002 pertaining to fraud against shareholders of the Company, (iii) questionable accounting, internal accounting controls, or auditing matters of the Company, and (iv) conduct by executives of the Company that violates the Company’s Code of Business Conduct and Ethics, or that causes reports and other public disclosures by the Company that are not full, fair, and accurate. To advance this commitment, the Company has adopted this Whistleblower Protection Policy (this “**Policy**”).

Prohibition of Adverse Employment Action

It is a violation of this Policy for any officer, director, employee, contractor, subcontractor, or agent of the Company to take any adverse employment action or in any other manner discriminate against an employee of the Company for engaging in any conduct protected by this Policy (discussed below). For the purposes of this Policy, adverse employment action includes terminating, demoting, suspending, threatening or harassing such employee of the Company.

Employee Conduct that is Protected under this Policy

The following conduct is protected under this Policy from adverse employment action of any kind:

- A. Where an employee of the Company provides information to a relevant government authority or law enforcement agency, any Company supervisor or employee with authority to investigate suspected prohibited corporate misconduct (hereinafter, an “**Authority**”), causes information to be provided, or otherwise assists an investigation regarding information the employee reasonably believes constitutes wire fraud, mail fraud, bank fraud or securities fraud against shareholders of the Company, or files, causes to be filed, testifies, participates in or otherwise assists, in a proceeding filed or about to be filed relating to any of these matters.
- B. Employee’s complaints to an Authority related to any questionable accounting or auditing matters, including, without limitation, the following:
 1. fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
 2. fraud or deliberate error in the recording and maintaining of financial records of the Company;
 3. deficiencies in or noncompliance with the Company’s internal accounting controls;

4. misrepresentations or false statements to or by a senior officer or accountant of the Company regarding a matter contained in the financial records, financial reports or audit reports of the Company; or
 5. deviation from full and fair reporting of the Company's financial condition.
- C. Employee's complaints to an Authority related to conduct by Executives of the Company that violates the Company's Code of Business Conduct and Ethics or employee's complaints related to disclosures in reports and other public disclosures by the Company that are not full, fair and accurate.

Reporting and Investigating Employee Complaints

The intended use of this whistleblowing procedure is for serious and sensitive issues. Serious concerns relating to financial reporting, unethical or illegal conduct should be reported in one of the following ways:

- directly to our outside securities counsel: Hunter Taubman Fischer & Li LLC, attention: Ying Li, Esq. at [212-530-2206](tel:212-530-2206), email yli@htflawyers.com; or
- directly to the Chairman of the Audit Committee.

The recipient of the report will maintain the reporting employee's anonymity and the confidentiality of the report, if the employee so desires. Employment-related concerns should continue to be reported through your normal channels such as your supervisor, local HR representative, or to the Chief Executive Officer.

How the Complaint Will Be Handled

The action taken will depend on the nature of the concern. The Audit Committee of the Company's Board of Directors will receive a report on each complaint and a follow-up report on actions taken.

Initial Inquiries

Initial inquiries will be made to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved by agreed action without the need for investigation.

When reported to Company personnel, the Complainant will be given the opportunity to receive a follow-up on his/her concern in two (2) weeks:

- acknowledging that the concern was received;
- indicating how the matter will be dealt with;
- giving an estimate of the time that it will take for a final response;
- informing the Complainant whether initial inquiries have been made;
- informing the Complainant whether further investigations will follow, and if not, why.

Further Information

The amount of contact between the Complainant and the body investigating the concern will depend on the nature of the issue and the clarity of information provided. Further information may be sought from the Complainant.

Information

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

Additional Rights

Employees of the Company may have additional rights under the Sarbanes-Oxley Act of 2002 to file justified complaints with federal regulatory or law enforcement agencies, or the Securities and Exchange Commission. In the event of dismissal or retaliation for filing a complaint, the employee shall have the right to file a complaint with the Secretary of Labor; and if proper procedures are followed, to bring an action in law or equity in a competent court.