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## 1.0 RATIONALE

NLEX Corporation (the “Company”), as a Tollways company in the Philippines, has a duty to its stakeholders (i.e. Stockholders and Investors, Directors, Officers, and Employees, Customers and Business Partners; the public it serves; and the Government and Regulators) to ensure that the principles of integrity, transparency, accountability and fairness are upheld in all transactions and official transactions of the Company. In this regard, we must make sure that all work-related decisions, actions or inactions of the Company’s Directors, Officers, Employees, and Consultants are above-board and based on sound business principles and judgment and devoid of bias or partiality.

## 2.0 OBJECTIVE

In order to provide guidelines and fully implement the Conflict of Interest and Corporate Opportunities provisions under the Code of Business Conduct and Ethics of the Company, this Conflict of Interest Implementing Policy and Procedures is hereby issued. It sets out the guidelines and standards to be adopted when faced with actual or potential conflict of interest.

## 3.0 GENERAL STATEMENT OF POLICY

3.1 As a policy, transactions which are or may have the potential of being deemed as conflict of interest are prohibited.


3.2 All business decisions of Employees, Officers, Consultants, and Directors must be based on the best interest of the Company and must not be motivated by personal considerations and other relationships that can interfere with their independent judgement.

## 4.0 APPLICABILITY

- a) This policy shall apply to, and be implemented by, all members of the Board of Directors (each, a “Director” and collectively, the “Directors”), Officers, Executives, Employees (each, an “Employee” and collectively, the “Employees”), and Consultants of the Company.

Directors, Employees, and Consultants may become involved in situations where their private interests or those of their Affiliates may conflict with the interest of the Company and/or the subsidiaries and affiliates of Metro Pacific Tollways Corporation (“MPTC Group” or the “Group”). It is the obligation of each Director, Employee, and Consultant to avoid any actual or apparent Conflict of Interest between the Company and/or the Group and the

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Director/Employee/Consultant and/or his Affiliate and at all times, be loyal to the Company and the Group.

- b) It is the intention of the Board that a similar policy shall be adopted and implemented by each Group Subsidiary<sup>2</sup> and their respective subsidiaries<sup>3</sup>, and the respective Presidents of these companies shall recommend the adoption of this policy (or a similar one) to their respective Boards of Directors.

## 5.0 DEFINITIONS

For purposes of this policy


**Affiliate** – any person, entity, organization, business or venture with whom/which a Director, Employee or Consultant has an affiliation, personal relationship or financial involvement. These include, among others:

- i. Relatives (as hereunder defined).
- ii. Associates (as hereunder defined).
- iii. Corporations or firms where a Director/Employee/Consultant and/or his Relative holds a position as director, officer or executive of such corporation or firm or where he wholly or majority owned or controls, or holds/owns more than ten percent (10%) of the subscribed capital or equity of such corporations or firms.
- iv. Partnerships of which a Director/Employee/Consultant or his Affiliate is a general partner.
- v. Co-owner of a property sold, assigned or leased to the Company or any company within the Group, except where the sale, assignment and/or lease covers only the other co-owner's (who is not the Director/Employee/Consultant or his Affiliate) undivided interest in the property.

**Associates** – third parties with existing or previous close personal or business affiliation or relationship with a Director, Employee or Consultant in view of which a Director, Employee or Consultant's decisions or actions in the best interest of the Company and/or the Group is unduly affected or compromised.

**Conflict of Interest (COI)** – occurs when the private interest of a Director, Employee, Consultant and/or his Affiliate interferes or appears to interfere in any way with the interest of the Company and/or the Group. It can arise when: (1) a Director, Employee or Consultant has interests that may make it difficult to perform his or her work objectively and effectively regardless of whether he or his Affiliate receives or will receive Personal Benefit (as hereinafter defined); (2) a Director, Employee, Consultant and/or his Affiliate receives or will receive improper Personal Benefit from a transaction with the Company and/or the Group as a result of the position held in the Company and/or any Company within the Group. (Please refer to Annex A for examples of policy violations)

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**Consultants** – includes professional consultants, firms, partnerships, counsels, or such other professional entities or individuals rendering professional or specialized expert services to the Company and/or any company within the Group, as well as advisors of the Company who may be appointed by the Board of Directors or the President/CEO, or who act as representatives of the Company's investors, shareholders, affiliates or partners.

**Employee** – any individual hired by the Company for salaries and/or benefits provided in regular amounts at stated intervals in exchange for services rendered personally for the Company's business on a regular basis and who does not provide such services as part of an independent business. This includes the Company's officers, managers, supervisors, staff or non-supervisors and, only for purposes of these guidelines, Subsidiaries' employees who also work for/serve the Company (e.g. on a seconded basis).

**Personal Benefit** – refers to gain or advantage, whether material or non-material, directly or indirectly provided to or received by a Director, Employee, Consultant and/or his Affiliate, such as financial gain, professional advancement, travel, facilities and/or accommodation, benefits, entertainment, preferential treatment in personal transactions, and other similar advantages.

**Relatives** – relative of up to the third degree, by consanguinity, affinity or legal adoption, including spouse, parents, children (and their spouses) siblings, (and their spouses), nieces and nephews (limited to children of brothers or sisters) [and their spouses], grandparents, and aunts and uncles (limited to sisters or brothers of parents); and a domestic partner and his/her relatives of up to third degree, by consanguinity, affinity or legal adoption.

**Supplier, Vendor, and Contractor (SVC)** – includes existing or potential contractors, collection/sales agencies, etc. This covers any person or entity, including its representatives and agents that sell its products and/or services to the Company.


## 6.0 AREAS IN WHICH CONFLICT OF INTEREST MAY ARISE

The areas enumerated are descriptive only and exhaustive. Other areas not described herein shall be evaluated on a case to case basis within the standards and parameters set forth in the policy. Examples of violation to the policy in each cases are found in Annex A hereof.

### a. Dealings with and as Suppliers, Vendors, Contractors, Business Partners, Consultants, and Third Parties

a.1 Directors, Employees, and Consultants are enjoined from giving undue preferential treatment to any individual or entity with whom the Company and/or any company within the Group does business.

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a.2 Directors, Employees, and Consultants are proscribed from participating in any part of the transactions, dealings, or decision-making process with respect to any existing or potential supplier, contractor, business partner or consultant of the company in which they or their affiliate have an interest including acts that may be deemed as seeking to influence any action or inaction with respect to such parties.

a.3 Authorized Employees shall select and deal with Suppliers, Vendors, Contractors, Business Partners, Consultants and Third Parties seeking to do business with the Company and/or company within the Group in an impartial manner.

a.4 Authorized employees shall award and maintain contracts or transactions on arm's length commercial terms, based only on the best interest of the Company and/or relevant company within the Group and under strict rules of fairness and confidentiality.

a.5 The same standard shall also apply to contracts and transactions between companies within the Group.

For further guidance, Directors, Employees, and Consultants shall refer to the Supplier Contractor Relations Policy and the Policy on Related Party Transactions.

#### **b. Dealings with Directors, Employees, Consultants, and Prospective Employees and Consultants**

b.1 Directors, Employees, and Consultants are proscribed from taking part in any decision making process on human resources matters (recruitment, selection, promotion, disciplinary procedures, staff development, performance review, benefits, remuneration) with respect to affiliates, including any action that may be deemed as seeking to influence any official action with respect to such affiliates.


b.2 Directors, Employees, and Consultants shall treat each other, as well as, prospective employees and consultants with respect, fairness, impartiality, and equal opportunity including respect for varying views and individual ideas, regardless of rank, seniority, or relationships.

b.3 Directors, Employees, and Consultants shall avoid any action or inaction that gives undue preferential treatment or discrimination against any Director, Employee, Consultant or prospective employee and consultant.

#### **c. Directorships, Executive Positions, and Employment in other Companies or Organizations**

c.1 Directors, Employees, and Consultants shall avoid accepting positions or employment or carrying out works outside of the Company or the Group where a conflict of interest or loyalty may

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arise or which may significantly affect their efficiency in the performance of their duties and obligations or otherwise adversely affect their work for the Company or company within the Group.

c.2 Employees and Consultants who intend to accept positions, employment or work outside of the Company or the Group must secure prior approval thereof from the relevant authorities referred to above.

c.3 For Directors, the requirements and conditions in this policy shall be in addition to those contained in the Company's By-laws, Manual on Corporate Governance, and other applicable laws, rules, and regulations.

#### **d. Use of Property, Services, and other Resources**

d.1 Directors, Employees, and Consultants are expected to use the property, services, or other resources of the Company and/or the Group responsibly, efficiently, and with care and only for purposes authorized or allowed under policies and guidelines issued by the Company or any company within the Group, as the case may be.

d.2 Directors, Employees, and Consultants should avoid the most inconsequential use of, and from taking advantage of property, information, services, or other resources or their positions for their personal benefit or in a manner not solely for the benefit of the Company and/or the Group, unless applicable policy expressly allows personal use of such property, services, or other resources e.g. company car issued under the Car Program, cellphones, club rights, etc. The Company policies on the use of cellphone, company car program, and club rights shall apply in these cases.

For further guidance, please refer to the Insider Trading policy.


#### **e. Dealings with Customers or Clients**

e.1 Directors, Employees, and Consultants shall ensure that they treat all customers and clients of the Company and the Group with respect, fairness, impartiality, and equal opportunity, and shall avoid granting to their affiliates preferential terms including discounts not ordinarily available to other customers/clients, from which personal benefit will be derived by such affiliate.

#### **f. Prohibited Conflict of Interest Situations**

f.1 No Directors, Employees, and Consultants shall, in breach of his fiduciary duty to the Company, acquire or attempt to acquire directly or indirectly through an affiliate, any business opportunity in the line of the Company's business, in which the Company has an interest or a reasonable expectancy and which the Company is financially able to undertake, where the personal interest of the Director, Officer, or Employee will be in conflict with the interest of the Company.

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f.2 The Company shall not, directly or indirectly, including through any subsidiary or affiliate, grant or arrange for any credit (or extensions thereof) in the form of personal loans to any Director or Officer, unless allowed by applicable laws and regulations.

## 7.0 PROCEDURE

What needs to be done

7.1 Primarily, Directors, Employees, and Consultants must disclose any actual or potential instances and/or situations where they may have a Conflict of Interest or the appearance of a Conflict of Interest to the relevant authorities specified herein, as soon as WITHIN FIVE (5) DAYS FROM THE TIME they become aware of such actual or potential instances and/or situations. Depending on the nature of the conflict situation, conflicted Directors, Employees, and Consultants may be required to comply with other requirements.


Full written disclosure of such transactions as follows:

	To	Cc
a.For Directors	The Board of Directors through its Chairman	The Corporate Governance Office ("CGO") through the Compliance Officer
b.For Division/Group Heads	The President and CEO	
c. For Consultants	The Division/Group Head (or if the business unit of the conflicted Consultant is not part of a Group, the highest ranking officer of the highest department to which the conflicted Consultant belongs) of the business unit for which the Consultant renders professional service	
d.For Staff / Non-Supervisory Employees, Supervisory Employees, Managers and Department Heads	The Division/Group Head (or if the business unit of the conflicted Employee is not part of a Group, the highest ranking officer of the highest department to which the conflicted Employee belongs)	The Corporate Governance Office ("CGO") through the respective CG Deputy

7.2 The Director, Employee or Consultant concerned shall likewise inhibit himself from any direct or indirect participation or involvement at any stage of the transactional process flow and cannot sign any paper or document related to the transaction.

7.3 In addition to the requirements of Sections 31 to 33 of the Corporation Code (where applicable), business transactions involving a conflicted Director shall be subject to the approval of the Board; while those involving a conflicted officer shall be subject to the approval of the President

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and CEO; and those involving a Consultant and other Employees shall be subject to the approval of the Management Committee;

Provided, however, that in any transaction involving a conflicted Employee (including an officer) or Consultant where the amount of such transaction exceeds the level of approving authority of the President and CEO or Management Committee, as the case may be, the approval of such transaction shall be made by the relevant authority or authorities having the power to approve such transaction based on the Board-approved approval matrix in effect at the relevant time;

Provided, further, that in all cases, the actual evaluation of the commercial and technical aspects of the transaction, including recommendation to award, shall be made and conducted by the appropriate management bodies or business units in accordance with the established procedures of the Company.

Accordingly, the supporting documents, such as disclosures, reports and recommendations shall be provided to the said relevant authorities who are authorized to approve the transaction involving the conflicted Director, Employee or Consultant.

7.3.1 Any personal use of Company-issued property/rights permitted under the applicable Company policy or guidelines shall be in accordance with conditions set out in the implementing guidelines issued by HRAD (e.g. company car issued under the Car Program, cellphones, club rights, etc.).

7.4 Official actions involving a conflicted Director shall be subject to the approval of the Board of Directors through the recommendation of the Board Corporate Governance Committee. For official actions involving a conflicted Employee or Consultant, the approval of the Compliance Officer as Head of the CGO shall be required.


7.5 Any waiver of the prohibition specified under Item No. 5.0 (g) shall be subject to Board approval and the transaction entered into by the Director or officer shall be subject to ratification by stockholders owning or representing at least two-thirds (2/3) of the Company's outstanding shares with voting rights.

## 8.0 ROLES AND RESPONSIBILITIES

The Corporate Governance Office (CGO) under the leadership of the Chief Compliance Officer / CG Officer shall have the following duties and responsibilities:

- a) Require the submission of periodic disclosures from Directors, Employees, and Consultants in addition to the submission of disclosures required under this policy. For this purpose, the

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CGO shall have the authority to develop, issue, collect and collate disclosure forms in order to achieve the purposes of this policy.


- b) Set the schedules for periodic annual disclosures by all covered companies and clearly communicate requirements and reasonable time to allow personnel to comply. For this purpose, the CGO shall have the authority to develop, issue, collect, and collate disclosure forms in order to achieve the purpose of this policy.
- c) Create and develop the necessary systems to facilitate disclosures including the authority to automate the process and develop a database of all pertinent data.
- d) Coordinate with the Data Privacy Office of the Company to ensure compliance with and observance of RA No. 10173 or the Data Privacy Act of 2012.
- e) Provide guidance and advisory opinions to parties concerned in cases where a conflict of interest, whether actual or potential, is disclosed. In performing this function CGO may require concerned parties to inhibit themselves from the situation, or impose additional internal controls or strengthening of existing controls, review of certain acts performed prior to disclosures and/or any other necessary acts to ensure that the objectives of the COI policy are met and achieved. This responsibility shall eventually be performed by concerned immediate superior of the disclosing personnel.

Render advisory opinions when requested by approving authorities, as may be necessary to achieve the purposes of this policy.

For this reasons, Original signed duplicates of all disclosures submitted pursuant to this policy and notices of each approval or disapproval by the relevant authorities referred to above of the transactions or action so disclosed and submitted for approval shall be furnished to the CGO. Approvals or disapprovals shall be in writing and in accordance with this policy and any applicable implementing guidelines. Further, the CGO, upon the request of the relevant approving authorities, may recommend appropriate actions or interpret provisions of this policy to specific apparent or potential conflict situations.

- f) Monitor compliance with guidance and advisory opinions rendered pursuant to the duties mentioned above.
- g) Recommend and impose penalties on personnel who fail to observe disclosure requirements or otherwise perform any act in violation of the COI policy.
- h) Investigate instance where personnel may have deliberately omitted to disclose a conflict of interest or where there is doubt as to the truthfulness and/or completeness of the submitted disclosure.

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- i) Periodic reporting of results, data, and other pertinent information arising from the submission of disclosure stated herein or such other matters arising from the implementation of this policy.
- j) Update and review amendments to the COI policy as the case may be.
- k) Perform all other necessary actions to ensure the achievement of the objectives and purposes of this policy.


## 8.1 Roles and Responsibilities of Other Business Units

- 8.1.1 The Human Resources and Administration (HRAD) shall ensure that Prospective Employees / Applicants and Consultants are required to disclose their Affiliate and other relationships that may affect the effective and objective performance of their duties. HRAD will evaluate disclosures made as contained in the HRAD policy.
- 8.1.2 The Supply Chain Management (SCM) shall ensure that suppliers, contractors, business partners, consultants and/or other third business partners doing or seeking to do business with the Company, its subordinates and affiliates shall periodically declare their relationships and/or affiliations, with any Company Director, Employee or Consultant as a pre-condition to the commencement or maintenance of the business relationship with the Company and/or the Group.

## 9.0 CONSEQUENCES OF VIOLATIONS

9.1 Any Director, Employee or Consultant found to have violated this policy shall, in addition to any penalties that may be provided under the Company Code of Discipline and/or related penalties as imposed by other duly-approved Company policies, applicable laws and regulations, be liable to the extent of the damage/loss suffered by the Company or the relevant company in the Group, and may be subject to penalties and sanctions as may be determined by the appropriate corporate authorities, whether or not damage/loss is actually suffered by the Company or the relevant company in the Group.

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9.2 Specifically the following penalties shall be applied:

The table below classifies offenses and provides the imposable penalty for each offense.

No. Of Offenses	Type of Offense/Disciplinary Action				
	A	B	C	D	E
First Offense	Written Warning	Five (5) day Suspension	10-day suspension	20-day suspension	Dismissal
Second Offense	Five (5) day suspension	10-day suspension	20-day suspension & warning of dismissal	Dismissal	
Third Offense	10-day Suspension	20-day suspension	Dismissal		
Fourth Offense	20-day suspension	Dismissal			
Fifth Offense	Dismissal				

**Written Warning (Disciplinary Action “A”)** – a written admonition issued to an employee upon a repetition of an offense in which a verbal warning/admonition was previously given; or commission of a more serious offense which requires a stronger disciplinary measure such that the repetition of the same offense shall subject the employee to the penalty of suspension. Further repetition shall warrant the imposition of more severe penalties as outline in the chart above.

**5 Day to 20 Day Suspension (Disciplinary Action “B” to “D”, respectively)** – Cessation of reporting for work by the employee without pay. Suspension shall range from a minimum of 5 days to 20 days. Such penalty shall be imposed after observance of administrative due process requirements as outlined and prescribed by law and jurisprudence. The same shall be in writing with a warning to the employee that a repetition of the same offense means imposition of a more severe suspension or dismissal from the Company as outlined in the chart above.

**Dismissal (Disciplinary Action “E”)** - termination of the employee for cause and after observance of administrative due process requirements as outlined and prescribed by law and jurisprudence.

The following enumeration of offenses is not exhaustive and any violation or commission of act prejudicial to the Company or its Employees life or property or against any policy, general orders or rules and regulations issued, if warranted under the law and circumstances, is likewise punishable. Cases may arise which are not covered by the enumeration.

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DESCRIPTION OF OFFENSE		PENALTY (1 <sup>st</sup> OFFENSE)
1	Failure to file, within the time prescribed, any required periodic COI Disclosure despite due notice as stated in any official advisory from the CGO.	A Written Warning
2	Failure to file, within the time prescribed, any required periodic COI disclosure to conceal a potential or actual COI.	C 10days Suspension
3	Failure to disclose a relationship to the 4th degree with any supplier, vendor, contractor, consultant or any other third party business partner, within seven (7) days from knowledge of such relationship.	A Written Warning
4	Failure to disclose a relationship with an Associate (as defined in the COI Policy) who works as and for, any supplier, vendor, contractor, consultant or any other third party business partner, within seven (7) days from knowledge of such relationship.	A Written Warning
5	Failure to disclose a financial interest (whether as a shareholder, partner, creditor, etc.) in any company or organization that works as a supplier, vendor, contractor, consultant or as any other third party business partner to the Company, as defined and outlined in the COI Policy within seven (7) days from knowledge of such interest.	A Written Warning
6	Failure to inhibit from a transaction where a COI situation exists after notice and advice from the CGO and/or his Immediate Superior.	B 5days Suspension
7	Making a false, inaccurate or misleading statement in any of the COI disclosure forms.	B 5days Suspension
8	Concealing, altering, modifying any information that would otherwise demonstrate or prove the existence of a COI.	B 5days Suspension
9	Engaging in any personal business while using the Company's time and resources.*	B 5days Suspension
10	Engaging in any employment, whether part-time or full time, outside the Company without securing prior clearance and permission from the Company.	A Written Warning

[Signed]


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DESCRIPTION OF OFFENSE		PENALTY (1 <sup>st</sup> OFFENSE)
11	Unofficial or unauthorized use of any Company property, including but not limited to, company premises, equipment, tools of the trade, vehicles, office equipment, communication devices, information and data, etc. for any personal activity or reason.*	B 5days Suspension
12	Making use of one's authority, privileges and/or prerogatives to unduly, unreasonably, and/or arbitrarily favor a co-employee, in the appointment and apportionment of work and tasks, the determination of performance evaluations and benefits granted, and sanctions imposed pursuant thereto.	B 5days Suspension
13	Participating in any part of any transaction, dealing or decision-making process with respect to any existing or potential supplier, contractor, business partner, or consultant of the Company in which he or his Affiliate have an interest, including any acts that may be deemed as seeking to influence any action or inaction with respect to such parties.	B 5days Suspension
14	Seeking/exerting to influence (taking part in any decision-making process) with respect to any official action (on human resources matters) with respect to one's Affiliates, including any action that may be deemed as seeking to influence any official action with respect to such Affiliates.	B 5days Suspension
15	Granting to one's Affiliates preferential terms including discounts not ordinarily available to other customers/clients, from which personal benefit will be derived by such Affiliate.	B 5days Suspension

\* Per HRAD's Policy - Code of Commitment (COC)


## 10.0 RECORDS/FORMS

Conflict of Interest Disclosure Form

## 11.0 RETENTION AND STORAGE OF PERSONAL DATA

All personal data collected as part of this procedure will be stored securely at all times, in accordance with the Company's Policy on Data Privacy.

[Signed] <b>CRISELDA M. FUNELAS</b> AVP, Legal Services; NLEX CG Deputy Prepared by:	[Signed] <b>JOSEPH J. MARIGOMEN</b> FVP, Legal Services; NLEX Compliance Officer Reviewed by:	[Signed] <b>J.LUIGI L. BAUTISTA</b> President and General Manager Approved by:
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## 12.0 EFFECTIVITY

This policy shall take effect immediately. All existing policies, guidelines, regulations, systems, practices and relates implementing guidelines concerning the same matters covered herein are deemed superseded by this policy. In the event of any inconsistency between the policy contained herein and the terms of other existing policies, guidelines, systems practices and related implementing guidelines, this policy shall prevail. This policy and the Code of Business Conduct and Ethics have supplemental application to each other.

For any questions about this policy or in the determination of whether a conflict of interest exists in any particular situation, you may approach your immediate superior, the HRAD, the Internal Audit Head, or the CGO.

## 13.0 REVIEW AND UPDATING

This policy shall be reviewed and updated for every two years as the case may be.

## 14.0 APPROVAL

This policy was adopted by the Company on 07 October 2019.


## 15.0 ANNEXES AND ATTACHMENTS

15.1 Annex A: Examples of Policy Violations

15.2 Annex B: Flowchart

15.3 Annex C: Memo on Adoption of Implementing Policy and Procedure on Conflict of Interest

[Signed] <b>CRISELDA M. FUNELAS</b> AVP, Legal Services; NLEX CG Deputy Prepared by:	[Signed] <b>JOSEPH J. MARIGOMEN</b> FVP, Legal Services; NLEX Compliance Officer Reviewed by:	[Signed] <b>J.LUIGI L. BAUTISTA</b> President and General Manager Approved by:
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## 15.1 ANNEX A: Examples of Policy Violations

The following are examples of situations which may arise illustrating a potential or actual Conflict of Interest situation. The areas and situations enumerated are illustrative only and not exhaustive.

### A. Dealings with and as Suppliers, Contractors, Business Partner, Consultants and Third Parties

1. Failure of a Director, Employee or Consultant to disclose and procure the required approval from the relevant authorities of a transaction or potential transaction with the Company or any company within the Group in which he or his Affiliate has personal interest or which give rise, or is reasonably expected to give rise, to a Conflict of Interest.
2. Failure of a Director, Employee or Consultant to inhibit himself from any involvement or participation in the decision making process, actions or other dealings regarding a transaction with the Company or any company within the group in which he or his Affiliate has a personal interest and which he is in a position to control or influence any decision or action in such transaction.
3. When an authorized Employee awards a business to an entity in which a Director, Employee or Consultant of his Affiliate has a private interest, where such award is not based on the best interest of the Company, or had not been approved by the relevant authorities.


### B. Dealings with Directors, Employees, Consultants, and Prospective Employees or Consultants

1. When a Director, Employee or Consultant directly or indirectly contributes to a decision to hire, promote or provision of employee advancement of a Relative in the Company or any of the companies within the Group.
2. Where a Director, Employee or Consultant directly supervises his Relative who is an employee of the Company or any of the companies within the Group.

### C. Directorships, executive positions and other employment in other companies or organizations

1. Employee or Consultant's participation in paid or unpaid activities which may result in said Employee or Consultant's neglect of his duties and responsibilities to the Company or any of the companies within the Group.
2. An Employee or Consultant taking a part-time job where such Employee or Consultant may be tempted to spend time on that job during his working hours in the Company.

[Signed] <b>CRISELDA M. FUNELAS</b> AVP, Legal Services; NLEX CG Deputy Prepared by:	[Signed] <b>JOSEPH J. MARIGOMEN</b> FVP, Legal Services; NLEX Compliance Officer Reviewed by:	[Signed] <b>J.LUIGI L. BAUTISTA</b> President and General Manager Approved by:
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#### **D. Use of the property, services and other resources**

1. More than inconsequential use of the Company or any of the companies within the Group's office supplies for a Director, Employee or Consultant's other employment or positions outside of the Company or any of the companies within the Group.
2. Use of the Company or any of the companies within the Group's service vehicles during the weekend by the Director, Employee, Consultant and/or his Affiliates, where such Director, Employee or Consultant is not an official business of the Company or any of the companies within the Group. For the avoidance of doubt, this does not apply to vehicles assigned to managers and heads under any car plan.

#### **E. Dealings with Customers or Clients**

1. In dealings with customer or clients

Example violation: Your family owns a Car Repair Shop. Because of your relationship with the decision makers, you were able to personally negotiate with MPTDC group preferential payment terms for services that are not available to the other customers.

#### **F. Prohibited Conflict Situations**


1. A Director or officer who by virtue of his position learns about a business investment that the Company is planning to make, such as the purchase of a real property at a good location and at a low price; and such Director or officer takes advantage of such knowledge and purchases such property and thereafter profits from the re-sale of such parcel of land.
2. A subsidiary of the Company grants a personal loan to a Director or officer of the Company.

#### **G. Other Examples of Potential Conflict of Interest**

These are examples of situations in which an employee might experience a conflict of interest.


1. A relative or close friend reports to a supervisor who affects their job responsibilities, salary, and promotions.
2. A male manager dates a female employee who reports to him or vice versa.
3. A lawyer represents a client in a civil dispute while accepting fees from litigants who hold the opposing point of view.

[Signed] <b>CRISELDA M. FUNELAS</b> AVP, Legal Services; NLEX CG Deputy Prepared by:	[Signed] <b>JOSEPH J. MARIGOMEN</b> FVP, Legal Services; NLEX Compliance Officer Reviewed by:	[Signed] <b>J.LUIGI L. BAUTISTA</b> President and General Manager Approved by:
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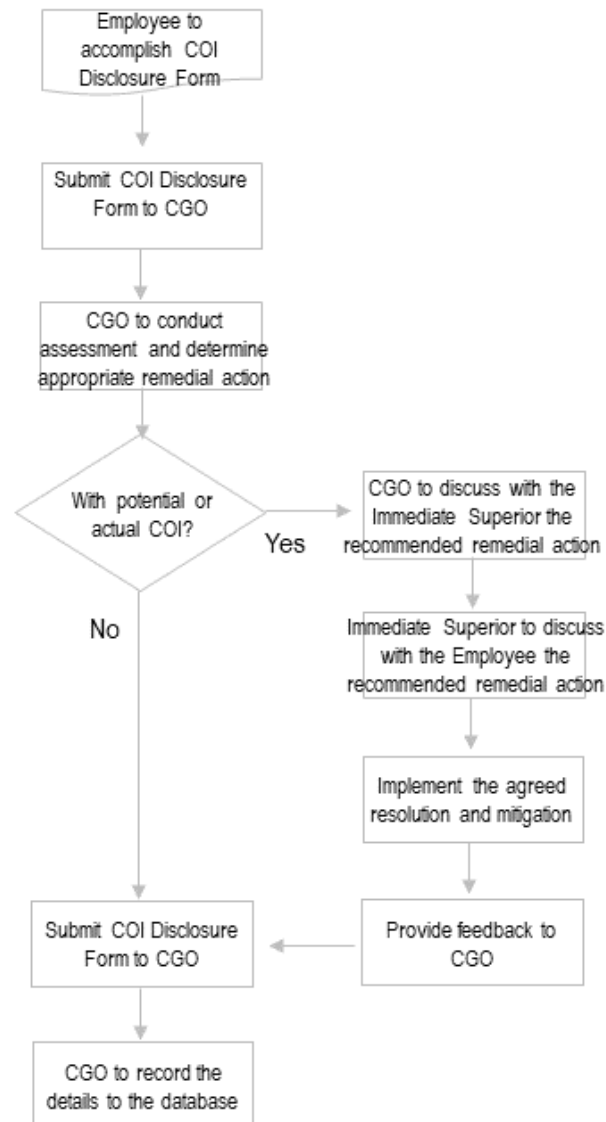
4. An employee starts a company that provides similar services to similar clients as those of her full-time employer. This is especially conflict of interest when an employer has had her sign a non-compete agreement.
5. An employee who is a member of a company employee selection team fails to disclose that he is related to a job candidate whom the company team is considering for a position.
6. A manager provides paid consulting services on the weekend to a company customer or supplier.
7. An employee works part-time in the evening for a company that makes a product that competes with the products of his full-time employer.
8. A purchasing agent accepts trips and gifts from a vendor and then selects the vendor's products for purchase by the company.
9. An employee accepts free gifts and free products from a training and development company and then recommends the purchase of these products without comparing them to comparable products from other vendors.
10. A trainer is paid to provide training classes that teach customers how to use the company's software products. He puts up a website that offers his same training on the products as a for-profit enterprise in his spare time. Why would he ever again direct customers needing training to his company's classes?
11. The manager of a marketing department dated a coworker who is also a manager in the same department. They part ways over time, but when he is promoted to the marketing department director role, she found herself reporting to him. The company was forced to change the reporting chain of the department she managed even though the manager and director were no longer dating. The existence of the former relationship created a potential conflict of interest especially in the eyes of coworkers.
12. An employee sets up a personal website on which he sells his employer's software products.

[Signed] <b>CRISELDA M. FUNELAS</b> AVP, Legal Services; NLEX CG Deputy Prepared by:	[Signed] <b>JOSEPH J. MARIGOMEN</b> FVP, Legal Services; NLEX Compliance Officer Reviewed by:	[Signed] <b>J.LUIGI L. BAUTISTA</b> President and General Manager Approved by:
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## 15.2 ANNEX B : Flowchart

### Periodic COI Disclosure



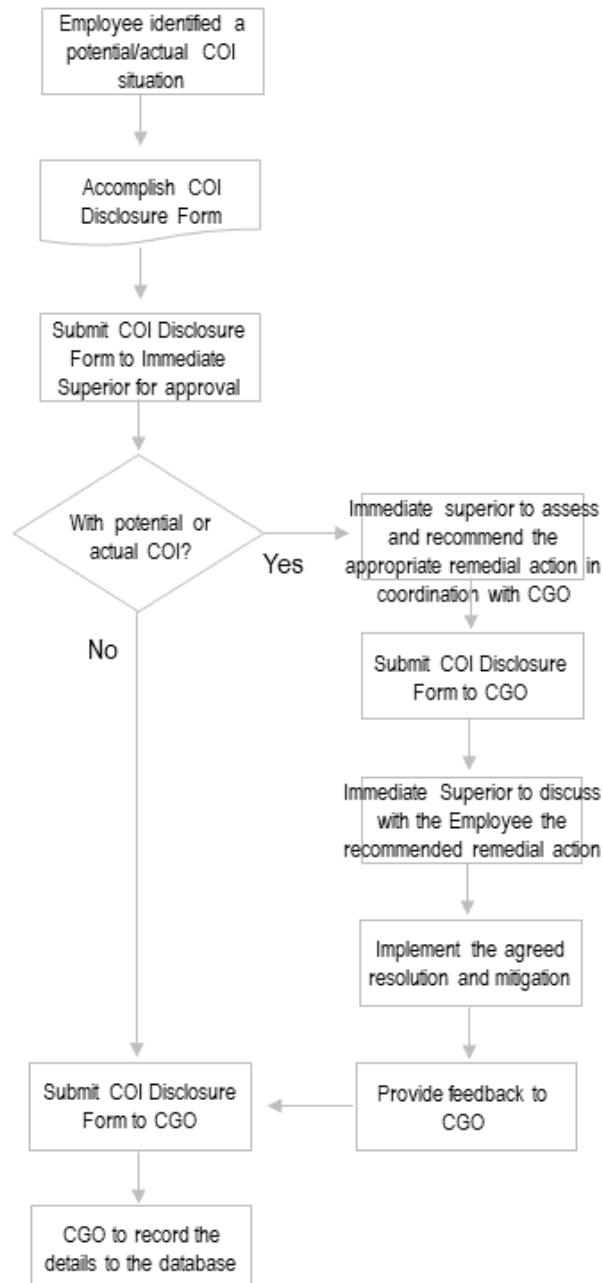
[Signed] <b>CRISELDA M. FUNELAS</b> AVP, Legal Services; NLEX CG Deputy Prepared by:	[Signed] <b>JOSEPH J. MARIGOMEN</b> FVP, Legal Services; NLEX Compliance Officer Reviewed by:	[Signed] <b>J.LUIGI L. BAUTISTA</b> President and General Manager Approved by:
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Department: CORPORATE GOVERNANCE

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Subject: **IMPLEMENTING POLICY AND PROCEDURE ON CONFLICT OF INTEREST**

COI Disclosure Update While Onboard



[Signed]


**CRISELDA M. FUNELAS**  
AVP, Legal Services; NLEX CG Deputy  
Prepared by:

[Signed]

**JOSEPH J. MARIGOMEN**  
FVP, Legal Services; NLEX Compliance Officer  
Reviewed by:

[Signed]

**J.LUIGI L. BAUTISTA**  
President and General Manager  
Approved by:

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### 15.3 ANNEX C: Memo on Adoption of Implementing Policy and Procedure on COI



#### MEMORANDUM

FOR : Mr. J. Luigi L. Bautista – MPT North, President and General Manager  
 Mr. Roberto V. Bontia – MPT South, President and General Manager  
 Mr. Allan G. Alfon – CCLEC, President and General Manager  
 Mr. Eugene S. Antonio – Easytrip and SESI, President and General Manager

CC : CCL, JIM, CMF, MPB, RCL, PAT, ASV

FROM : Rodrigo E. Franco, MPTC President and CEO

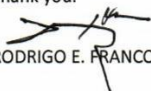
SUBJECT : **Implementing Policy and Procedures (IPP) – Conflict of Interest Policy**

DATE : October 7, 2019

We are approaching the second phase of our Corporate Governance (CG) program. Attached is the Implementing Policy and Procedure of the MPTC Conflict of Interest program. This IPP will guide our CG Champions in the effective implementation of our CG policies. We would request this Implementing Policy and Procedure to be immediately adopted by the MPTC Group.

I trust your full support and cooperation in ensuring the successful and effective roll out of this IPP in your respective teams.

Thank you.


  
 RODRIGO E. FRANCO

Enclosures: As stated

**NLEX** | **SCTEX** | **CAVITEX** | **CALAEX** | **CCLEX**

7th Floor, L.V. Locsin Bldg. 6752 Ayala Avenue corner Makati Avenue 1200 Makati City Trunkline: (632) 894-8700 | www.mptc.com.ph

[Signed] <b>CRISELDA M. FUNELAS</b> AVP, Legal Services; NLEX CG Deputy Prepared by:	[Signed] <b>JOSEPH J. MARIGOMEN</b> FVP, Legal Services; NLEX Compliance Officer Reviewed by:	[Signed] <b>J.LUIGI L. BAUTISTA</b> President and General Manager Approved by:
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## 16.0 HISTORY

Version No.	Date Approved	Details
00	07 October 2019	NLEX Corp. Adoption of the MPTC Implementing Policy and Procedure on Conflict of Interest
01	26 April 2022	Transferred to NLEX Corp. policy format Added the Annex – Memo on Formal Adoption of MPTC CG COI Implementing Policy and Procedure by NLEX Corp.

[Signed] <b>CRISELDA M. FUNELAS</b> AVP, Legal Services; NLEX CG Deputy Prepared by:	[Signed] <b>JOSEPH J. MARIGOMEN</b> FVP, Legal Services; NLEX Compliance Officer Reviewed by:	[Signed] <b>J.LUIGI L. BAUTISTA</b> President and General Manager Approved by:
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