

CONFLICT OF INTEREST POLICY SUPPLEMENTAL GUIDELINES

PURPOSE:

To reinforce the Conflict of Interest Policy¹ of Megawide Construction Corporation (“**Megawide**” or the “**Company**”), the Board of Directors of Megawide (the “**Board**”) deemed it appropriate to adopt and issue these guidelines to: **(i)** reiterate that all Company Personnel² must be free from conflicts of interest³ that may (even remotely) adversely affect their professional judgment, objectivity, and/or loyalty to the Company; **(ii)** further guide the said Company Personnel in avoiding situations wherein their personal and/or financial interests could inappropriately influence, or even appear to influence, their decisions related to the performance of their work, duties, and obligations in the Company; and **(iii)** eliminate or minimize risks related to reputational and business losses due to such conflicts of interest.

GUIDELINES:

All Company Personnel are allowed to take part in legitimate financial, business, charitable, personal, and other activities outside their jobs or employment with Megawide, but any real, potential, or perceived conflict of interest raised by those activities must be promptly disclosed to immediate superiors, or to the Company’s Chief Human Resources Officer and/or Chief Legal Officer/Compliance Officer using Megawide’s Conflict of Interest Disclosure Form (a copy of which is attached as **Annex “A”**). Below are some rules to follow for the avoidance and the proper disclosure of conflicts of interest.

1. Company Personnel should strictly avoid having a, direct or indirect, financial interest in or a financial relationship with a Company competitor, subcontractor, supplier, service provider, or client (except for insignificant stock interests in publicly-held companies). For avoidance of doubt, this shall include having immediate family members with any financial or monetary interest in the said Company competitor, subcontractor, supplier, service provider, or client. In this regard, Company Personnel must immediately disclose any outside activities, financial interests, or relationships that may pose real, potential, or perceived conflict of interest so that these can be addressed accordingly.

Specific Examples:

- a. An engineer of the Company who acts as a consultant to a customer or client of the Company.
 - b. A director of the Company who is also a director in another corporation which is in direct competition with the Company.
 - c. A project manager is the owner of a subcontractor which the Company engages for its projects.
2. Company Personnel are proscribed from mixing personal and professional relationships – assisting family members or friends in doing business with the Company, hiring a family member as an employee, subcontractor, service provider, or supplier, or buying goods or services from a family business on Megawide’s behalf. This may also include having personal relationships with other Company Personnel where being in that relationship may result in one of the persons receiving or giving unfair advantage, or preferential treatment because of such relationship.

Specific Examples:

- a. A manager hires his/her significant other (girlfriend/boyfriend) as a member of the team he/she is handling.

¹ Stated in the Company’s Code of Business Conduct and Ethics.

² Means all directors, officers, employees, interns, agents, consultants, and other persons associated with or representing the Company.

³ A conflict of interest arises when the personal and/or financial interests of Company Personnel are inconsistent or incompatible with the best interests of the Company. It may also exist when Company Personnel are involved in any activity or endeavour that may interfere in the performance of their responsibilities and duties in the Company.

- b. An officer of the human resources department fails to disclose that he/she is related to a candidate he/she endorsed, who the Company is considering for a position.
 - c. A procurement manager awards a contract to a supplier owned by his/her sister-in-law.
3. Company Personnel and their immediate family members are prohibited from accepting gifts, meals, or entertainment that could affect or even appear to affect their business objectivity and judgment. Company Personnel should turn down expensive dinners or gifts that would be considered extravagant by anyone. In accepting business courtesies, Company Personnel and their immediate family should be guided by Megawide's Code of Business Conduct and Ethics on **Gifts and Entertainment**.⁴

Specific Examples:

- a. A procurement officer accepts concert tickets from a business owner desiring to become a supplier of the Company.
 - b. A project manager engages a subcontractor, which originally failed to meet the requirements of the Company, after receiving an expensive watch from the latter.
 - c. A wife of a project manager gets a plastic surgery operation sponsored by a subcontractor.
4. Company Personnel shall never use the Company's resources and/or information to gain personal benefit. This shall include insider trading and the use of non-public material information to purchase or sell securities in a business that Megawide is interested in acquiring, selling, or otherwise establishing or terminating relations with.

Specific Examples:

- a. A member of the marketing department creates a personal website using software and products purchased by the Company for the development of its own website.
 - b. A director purchases a large number of stocks in the Company knowing that it is about to be awarded a new project.
 - c. An employee uses his/her department's petty cash for his/her dates with his/her significant other(s).
5. Company Personnel shall not take part in any business decision involving another entity or company that employs a spouse or family member.

Specific Examples:

- a. An employee of the Company persuades his manager to hire the services of a company where his spouse is a manager.
- b. A lawyer of the Company convinces the Board to engage the law firm of his brother as one of the Company's retained counsel.
- c. A company officer convinces the procurement department to purchase cars from a dealer where his/her spouse is the handling sales agent.

⁴ "To prevent any impression that business courtesy is improper, caution should be exercised in receiving or extending the same. When receiving or giving any business courtesy, Company Personnel shall ensure that such business courtesy:

- does not violate laws, rules or regulations;
- is modest in value pursuant to local standards and consistent with customary business practices, but in no case shall such business courtesy exceed One Thousand Pesos (P1,000.00);
- is for an appropriate business purpose;
- is appropriate in the particular context, like whether it is in the middle of a bidding process or business negotiations;
- does not embarrass the Company or would not be against the Company's values;
- is unlikely to be construed as a bribe;
- is visible to the management of the recipient; and
- is not in cash or cash equivalent."

6. Company Personnel shall not, directly or indirectly, acquire any form of business or personal benefit in any transaction involving the Company, its subcontractors, suppliers, service providers, or clients, or receive personal discounts or other benefits from the subcontractors, suppliers, service providers, or clients that are not available to all Company Personnel.

Specific Examples:

- a. An employee of Megawide receives a certain percentage of the contracts awarded by the Company to suppliers and subcontractors.
 - b. A procurement officer receives free supply of drinking water at his/her home for the duration of the contract that he/she awarded to the supplier of drinking water here at the head office.
 - c. A human resources officer receives free lunch daily from the canteen concessionaire that he/she endorsed.
7. Company Personnel shall not have second jobs or consulting relationships, regardless of their nature, that adversely affect their ability to satisfactorily perform their duties, responsibilities, or assignments.

Specific Examples:

- a. A director also holds an executive position with another institution and rarely attends Board meetings of the Company.
 - b. An employee who is also a call centre agent at night, thereby causing him/her to be absent often at the Company.
 - c. An engineer with several teaching engagements causing him/her to spend more time teaching than working for the Company.
8. Company Personnel who are related to, or who have personal or business relationships with, government officials must carefully consider whether such relationships create conflicts of interest with their jobs or employment with Megawide, presently or in the future. For this purpose, government officials may include, but not limited to, appointed and elected officials, government employees, and employees of government-owned and controlled corporations

Specific Examples:

- a. An employee is close friends with a government official who solicits bribes from the Company prior to approving any of its permits and licenses.
 - b. An officer is an immediate relative of the Secretary of the Department of Transportation.
 - c. A director is a brother/sister-in-law of the Executive Secretary of the Philippines.
9. Company Personnel who also serve as officers, employees, or volunteers in any charitable organization or any non-stock, non-profit organization to which the Company donates or contributes money, goods, and/or services are required to report the same for proper action.

Specific Examples:

- a. An officer of the Company who is also a member of the board of directors of one of the partner schools of the Company's foundation.
 - b. A member of the Company's foundation is an active volunteer of an organization which the Company supports.
 - c. An officer of the Company is also an officer in one of the Company's foundation partner hospitals owned by the government.
10. Company Personnel are forbidden to have romantic relationships with colleagues wherein there is an immediate reporting work relationship between the parties, or while there is no direct reporting relationship, such romantic relationship could cause others to lose confidence in the professional



judgment or objectivity of involved Company Personnel, or the said relationship could cause embarrassment to the Company.

Specific Examples:

- a. A vice president of the Company who is involved in a romantic relationship with his executive assistant.
- b. A head of a department is in a romantic relationship with one of his/her staff.
- c. An audit officer is in romantic relationship with a procurement manager.

IN CASE OF DOUBT:

For questions or clarifications with respect to these guidelines, Company Personnel may consult the Chief Human Resources Officer or the Compliance Officer/Chief Legal Officer of the Company.

PENALTIES:

Violations of the Company's Conflict of Interest Policy will result to disciplinary actions in accordance with the Company's Code of Business Conduct, its Code of Discipline, and other related policies, which may include termination from employment or severance of any professional relationship with Megawide.



**CONFLICT OF INTEREST
DISCLOSURE FORM**

NOTE:

In compliance with MEGAWIDE CONSTRUCTION CORPORATION's (the "Company") Code of Business Conduct and Ethics, all supervisors, managers, officers, directors, and employees that have any sort of control in directing the business operations of the Company, or deals directly with suppliers and contractors, should fill out this "Conflict of Interest Disclosure Form" before hiring and at least annually (or as often as necessary when there is a need to disclose certain conflicts of interest) to help the Company identify and resolve conflicts of interest within the organization. Noteworthy is the obligation of Company Personnel to disclose not only actual conflicts of interest but also potential ones.

A conflict of interest arises when the personal and/or financial interests of Company Personnel are inconsistent or incompatible with the best interests of the Company. It may also exist when Company Personnel are involved in any activity or endeavour that may interfere in the performance of Company Personnel's responsibilities and duties to the Company.

NAME: _____
POSITION: _____
DATE: _____

THIS DISCLOSURE IS MY:

- INITIAL DISCLOSURE.
 ANNUAL DISCLOSURE.
 ADDENDUM TO MY RECENT DISCLOSURE.

1. Are you employed by another employer, or practice any profession outside your relationship with the Company?

YES **NO**

If your answer is **YES**, please indicate the name of the entity and your relationship with it:

- a. _____
b. _____
c. _____
d. _____
e. _____

2. Do you or any member of your immediate family have any financial or monetary interest in any other company?

YES **NO**

If your answer is **YES**, please indicate the name of the entity and your financial or monetary interest therein, and if an immediate family member is involved, please provide the identity of such family member and his/her relationship with such entity:

- a. _____
b. _____
c. _____
d. _____
e. _____



3. Do you or any of your Related Person(s) (the term “Related Person(s)” includes your spouse, domestic partner, immediate family, and/or any other corporation or company in which you have a financial or monetary interest) provide, or has provided in the past year, services or goods to the Company?

___ **YES** ___ **NO**

If your answer is **YES**, please briefly describe the nature of the services and/or goods you provide(d) and specify the date if it happened in the past year, and if a Related Person is involved, state the identity of the Related Person and your relationship with such person or company:

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

4. Have you or any of your Related Persons purchased services or goods from the Company in the past year?

___ **YES** ___ **NO**

If your answer is **YES**, please briefly describe the nature of the services and/or goods purchased, and if a Related Person is involved, state the identity of the Related Person and your relationship with such person:

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

5. Do you or any member of your immediate family have a financial or monetary interest in another entity that competes in any way, directly or indirectly, with the Company?

___ **YES** ___ **NO**

If your answer is **YES**, please indicate the name of the entity and your financial or monetary interest therein, and if an immediate family member is involved, please provide the identity of such family member and his/her relationship with such entity:

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

6. Have you or an immediate family member accepted gifts, gratuities, lodging, dining, or entertainment that might reasonably appear to influence your judgment or actions concerning the business of the Company?

___ **YES** ___ **NO**

If your answer is **YES**, please provide details below and if an immediate family member is involved, please provide the identity of such family member and his/her relationship with such entity:



- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

7. Are you or your Related Person(s) related to any government official or employee who is, directly or indirectly, involved or connected with any project of the Company?

___ **YES** ___ **NO**

If your answer is **YES**, please provide details below:

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

8. Are you an officer in any charitable organization or any non-stock, non-profit organization to which the Company donates or contributes money, goods, and/or services?

___ **YES** ___ **NO**

If your answer is **YES**, please provide details below:

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

9. Are you married or related to an officer or employee of the Company, or do you have a romantic relationship with an officer or employee of the Company?

___ **YES** ___ **NO**

If your answer is **YES**, please provide details below:

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

10. If there are other matters that you wish to disclose that you believe is, or may result in, a conflict of interest, please provide the details below.

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

I hereby certify that I carefully read and understood the contents of this Conflict of Interest Disclosure Form, and that the information provided above are true and complete to the best of my knowledge.



Should a possible conflict of interest arise in relation to my circumstances, I recognize and affirm my continuing obligation to immediately inform the Company of such conflict of interest.

SIGNATURE: _____
NAME: _____
POSITION: _____
DATE: _____

SUBSCRIBED AND SWORN to before me this ___ day of _____ 201_, in _____ City, signatory, who is personally known to me, exhibited to me his/her _____, with number _____, issued in _____ City on _____.

Doc No. _____;
Page No. _____;
Book No. _____;
Series of _____.