



MJC Drive, Sta. Cruz, Manila  
Tel No. 632-7373/Fax No. 631-2846

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## CONFLICT OF INTEREST POLICY

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In compliance with the Securities and Exchange Commission Memorandum Circular No. 19 series of 2016, otherwise known as the Code of Corporate Governance for Publicly-Listed Companies,<sup>1</sup> the Board of Directors of MJC Investments Corporation adopts the following Conflict of Interest Policy subject to the provisions of the Corporate Governance Code, Securities Regulations Code, Philippine Stock Exchange Disclosure Rules, Corporation Code of the Philippines and all applicable laws of the Philippines

### **I. PURPOSE**

The purpose of this policy is to ensure that the members of the Board of Directors remain committed to the goals and mission of the company and that their judgment and decisions are not influenced by unwarranted personal and other conflict of interests. This policy also aims to guide the Board in avoiding actual or possible conflict of interest through properly outlined procedures in identifying and dealing with conflict of interests.

### **II. CONCEPT OF CONFLICT OF INTEREST**

Conflict of interest can occur when a Director's, officer's or employee's actions and interests appear to be in contrast to the goals and mission of the company and when personal interests hinder the effective performance of the tasks and responsibilities assigned to him/her. Conflict of interest can be in a form of:

- Familial and other personal relationships
- Using one's position or resources to favor or for the advantage and benefit of family and friends.
- Personal Ownerships and other Work Engagements
- Using one's position and resources to favor one's personal business ownership or investment
- Interference of other outside activities to the effective and fair judgement of a Director, officer or employee

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<sup>1</sup>Hereinafter referred to as the "Code."



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- Engagement in any trade, business or occupation outside of the company that significantly affects the time and attention that should be rendered for the performance of duties and responsibilities of an employee to the company
- Engagement in any trade or business transaction with a competing company wherein business information of the company may be exposed
- Other similar acts that would put the company in a disadvantage in favor of the personal gain and benefit of an employee

### **III. ROLES AND RESPONSIBILITIES**

Directors, officers and employees have the responsibility to maintain the highest possible integrity and loyalty in service of the company. Any actual or possible, personal or observed, conflict of interest must then be disclosed to the Management.

The Board's Audit Committee should be alerted for any potential conflict of interest situations especially if it concerns a member of the Board or an officer of the Company.

The Audit Committee must ensure that all employees of the company are properly informed and that they understood the provisions of this policy. Upon receiving information regarding the actual or possible conflict of interest among its employees, the Audit Committee may create a special investigating committee for investigation.

The investigating committee shall thoroughly investigate reported actual or possible conflict of interest. In the event that conflicts are determined to be present, the investigating committee has the responsibility to resolve the conflict and provide guidance to the employees in managing conflict of interests.

In case of a reported conflict of interest concerning member/s of the Board of Directors, the Audit Committee shall act as the investigating committee.

### **IV. PROCEDURES AND GUIDELINES**

#### **Reporting of Conflict of Interests**

All Directors, officers and employees are to be oriented about this policy during on-boarding and must be required to submit a Disclosure Statement, which shall accurately disclose all actual and possible conflict of interest and shall be updated annually thereafter.



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On corporate disclosures, the Board, through its Audit Committee shall establish guidelines to ensure a comprehensive, accurate, reliable and timely report to shareholders other stakeholders subject to the disclosure requirements of the Securities Regulation Code, Philippine Stock Exchange Listing and Disclosure Rules and other regulations such as those required by the Bangko Sentral ng Pilipinas.

Should significant changes in personal financial, activities or relationships, which is determined as a conflict of interest, occur within the year, the individual involved is required to resubmit the statement within 30 days after confirmation of the conflict of interest to the Audit Committee through the Human Resource Division or, in case of a member of the Board of Directors, to the Audit Committee

Upon receiving the report, the Human Resource Division shall review the statement and should conflict of interest be raised, the issue shall be referred to the investigating committee or the Audit Committee for investigation.

Should an employee fail to report a conflict of interest and another reports this conflict, please refer to the Whistle Blowing Policy.

### **Investigation and Resolution of Conflict of Interest**

The investigation committee will be in charge of the investigation of the conflict. Should conflict of interest be determined and confirmed, the investigating committee shall discuss the result to the employee and discuss and agree about the process to eliminate or manage the conflict. If the employee and the integrity officer does not arrive to an agreeable decision, the Audit Committee shall issue the final resolution.

Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stockholders.