



SBS PHILIPPINES CORPORATION

Conflict of Interests Policy

All directors, officers and employees have a duty to always act in, and uphold the best interests of the Company and exhibit loyalty to the Company. Directors, officers and employees shall not use their position in the Company to acquire a benefit or advantage for their own interest or those related to them or to benefit third parties to the prejudice of the Company.

Some conflict of interest may arise in the normal course of conducting the business of the Company. These policy guidelines therefore provide a framework for conflict avoidance and management.

A conflict of interest shall arise in the following circumstances:

1. A contract or transaction between the Company and its director, officer or employee or their immediate family members (defined to refer to their spouse, parent, child, siblings and their spouses);
2. A contract or transaction between the Company and an entity in which a director, officer or employee or their immediate family member has a substantial material financial interest (defined as an ownership interest that is greater than 20%), or of which such person is an executive director, officer, partner, or agent;
3. Acceptance by a director, officer, or employee of gifts, favors, or loans from persons or firms (supplier and vendors) supplying or seeking to supply goods and services to the Company except for non-monetary gifts of small value that could not be refused without discourtesy and which will not give rise to the perception of favoritism or partiality towards such supplier.

The disclosed conflict shall be addressed in accordance with the procedures set forth below:

Procedure for Addressing Conflict of Interests

I. Duty to Disclose

To protect the interest of the Company, directors, officers and employees are required to disclose of all actual or potential conflict of interest situations as described above.

All employees, officers and directors shall complete a Conflict of Interest Disclosure Statement using the prescribed form and describe the nature of conflict of interest situation. This shall be made on an annual basis and filed every January of each year. In addition, there is a continuing duty to disclose any conflict of interest that arises during the year.

II. Determining existence a conflict of interest and conflict of interest avoidance

The Compliance Officer will review the disclosure statements of employees, officers and directors.

If a conflict of interest is established, the employee concerned will not be allowed to participate in any discussion or negotiation for the transaction except to respond to information requests. If the

person with a conflict of interest is with decision-making authority (i.e., an officer or a senior personnel) he or she shall refrain from voting or participating in the decision with respect to the conflict of interest transaction, and the next level approving authority shall consider and act on the proposed transaction. In case of a Director that has an interest or is perceived to have a potential conflict of interest, he or she shall refrain from voting and participating in the Board deliberation and decision with respect to the conflict of interest transaction.

III. Review of Conflict of Interest and Record of Deliberations

It shall be the responsibility of the approving authority to determine the nature and gravity of the conflict situation and record the facts and supporting analysis used in determining whether no material conflict of interest exists and/or the proposed transaction is deemed fair and reasonable and not inimical to the interest of the Foundation. In case the conflict is material enough to be of practical significance, comparable market data shall be compiled to determine the fairness of the transaction and appropriateness of the transaction terms. Should the transaction be established as prejudicial to the interest of the Company, alternative transactions with no conflict shall be explored.

IV. Violations

In case of failure to disclose an actual or potential conflict of interest, such employee, officer or Board member may be subject to appropriate disciplinary and corrective action.



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ANNUAL DISCLOSURE STATEMENT CONFLICT OF INTERESTS

LAST NAME	FIRST NAME	M.I.
Position:	Department:	

QUESTION	YES*	NO
1. Are you or any immediate member of your family involve or seeks to be involved in a transaction with the Company? (Immediate member of the family includes parent, children and siblings, and their spouses)		
2. Do you or any immediate member of your family serve as an officer, executive director, partner, agent for any business or entity that conducts or seeks to do business with the Company? (Immediate member of the family includes parents, children and siblings, and their spouses)		
3. Do you or any member of your immediate family, have a substantial material financial interest in an entity with which the Company has or seeks a transaction or arrangement? Substantial material financial interest is defined as an interest amounting to 20% of the business.		

If the answer is yes, please indicate in a separate sheet (to be attached to this form) your involvement in the proposed transaction or the name of the family member with interest in the transaction and describe the nature and value of the (potential) transaction with the Company.

In signing this questionnaire, I acknowledge that I have received a copy of the Conflicts of Interest Policy of the Company and agree to comply with its guidelines. I will update this information if any situation or fact arises that would make my responses incomplete.

Signature:

Date:

