



CONFLICT OF INTEREST POLICY

GENERAL POLICY STATEMENT

No officer or employee may engage in any business or undertaking that is directly or indirectly in competition with or prejudicial to the interests of PHINMA or to the performance of his job or work assignments. If an employee faces a situation that may involve or lead to a conflict of interest, the employee is required to disclose such information and seek appropriate guidance.

PURPOSE

This Conflict of Interest Policy forms part of the PHINMA Integrity Assurance Program and sets out to achieve the following:

- ³⁵₁₇ To guide employees in identifying and avoiding actual or potential conflicts of interest
 - ³⁵₁₇ To set procedures in dealing with actual or potential conflicts of interest
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SCOPE

This Policy applies to all officers and employees of PHINMA.

DEFINITIONS

- ❖ **PHINMA** is an encompassing term that is used throughout the policy to describe all member companies under the PHINMA Group.
- ❖ **Conflict of Interest** may occur when an employee's activities or personal interests conflict or appear to conflict with his or her responsibilities to PHINMA. An activity would be considered a conflict of interest if it:
 - has a negative impact on PHINMA's business interests, reputation or relations with others; and

- interferes with an employee’s judgment in carrying out his or her duties and responsibilities.
- ❖ **Relatives** refer to the employee’s spouse or relatives by affinity or consanguinity within the second degree, legitimate or common-law.

RESPONSIBILITIES

Audit Committee

- ³⁵₁₇ Approves the PHINMA Conflict of Interest Policy
- ³⁵₁₇ Performs oversight on:
 - Implementation of this policy
 - Management’s actions to resolve conflicts of interest

Management

- ³⁵₁₇ Ensures effective and efficient implementation of this policy
- ³⁵₁₇ Receives disclosures and resolves actual or potential conflicts of interest
- ³⁵₁₇ Provides guidance to employees concerning conflict of interest situations

Integrity Officer

- ³⁵₁₇ Receives disclosures and evaluates management’s actions to resolve actual or potential conflicts of interest
- ³⁵₁₇ Provides guidance to employees concerning conflict of interest situations
- ³⁵₁₇ Periodically report to the Audit Committee on significant matters relating to conflict of interest

Internal Audit

- ³⁵₁₇ Assist the Integrity Officer in the conduct of investigations, as required
- ³⁵₁₇ Provide advice and assistance on risk and control issues
- ³⁵₁₇ Perform periodic reviews to evaluate the effective implementation of this policy

All PHINMA Officers and Employees

- ³⁵₁₇ Read, understand and comply with this policy
- ³⁵₁₇ Disclose any actual or potential conflict of interest to immediate superior and Integrity officer
- ³⁵₁₇ Seek appropriate guidance in case of potential conflict of interest
- ³⁵₁₇ Report details of observed actual and potential conflict of interest

POLICIES

A. General Policy

³⁵₁₇ All officers and employees of PHINMA are prohibited from actively engaging in activities that would result to a conflict of interest; and are required to disclose any possible conflicts of interest.

³⁵₁₇ All officers and employees are required to disclose information as to:

- Outside investments, such as ownership of stock, that would affect or appear to affect decision making on behalf of PHINMA
- Outside employment
- Outside positions
- Relatives

B. Reportable Conditions

The following conditions may represent a potential conflict of interest, as such employees are required to disclose all relevant information.

B.1. Outside Investments

This pertains to business investments outside PHINMA such as but not limited to:

- Direct or indirect stock ownership of more than 5% of the outstanding capital stock
- Sole proprietorship, partnership or dealership in a business undertaking

B.2. Outside Employment

This refers to services provided outside PHINMA for a fee such as but not limited to:

- Full or part-time employment
- Engagements as a consultant, agent or broker

B.3. Outside Positions

This refers positions held outside PHINMA which are not necessarily paid for such as but not limited to:

- officer, director, or trustee
- representative or executor
- government positions, whether elected or appointed

B.4. Relatives

This refers to relatives who, in a business enterprise, in their employment or in their personal capacity, have current dealings with PHINMA, including but not limited to:

- spouse

- children and children-in-law
- parents and parent-in-law
- brothers and sisters, as well as brothers and sisters-in-law

C. Disclosure

C.1. Disclosure Process

Officers and employees are required to submit to their immediate superior an **Integrity Assurance Form** which contains the Conflict of Interest Disclosure within 30 days upon employment and annually thereafter (on or before January 31).

Additionally, officers and employees are required to resubmit the form within 30 days of any subsequent change to their disclosure (i.e., a new relationship, a change to an existing relationship, or a termination of a relationship). Individual circumstances may require frequent submissions, particularly if there is continuing significant change in personal financial, activities, or relationships that would result in a conflict of interest as defined by the Policy.

The information provided must be accurate and may have a direct bearing on the individual's employment status with PHINMA. The form includes an acknowledgment that the employee has read and understood the Conflict of Interest Policy.

All forms shall be submitted to the Immediate Superior with a copy furnished to the Integrity Officer.

C.2. Resolution Process

The immediate superior reviews the Conflict of Interest Disclosure to determine if the employee is in a conflict of interest situation.

If there is a conflict of interest, the employee and immediate superior will have to discuss and agree on the steps to take to eliminate such conflict. If an agreement cannot be reached, the Integrity Officer will have to rule on the matter.

The employee or immediate superior may appeal the decision of the Integrity Officer to the SBU Head for final resolution.

C.3. Evaluation by the Integrity Officer

All Conflict of Interest Disclosure shall also be evaluated by the Integrity Officer.

In case the Integrity Officer disagrees with the immediate superior's resolution, he will discuss with the latter to settle the matter. If an agreement cannot be reached, the matter will be elevated to the SBU Head for final resolution.

D. Administration

The Integrity Officer is responsible for the administration, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed.

Implementing guidelines and procedures in support of this policy may be prepared by the Integrity Officer subject to the approval of the SBU Head.

E. Approval

This policy shall be approved by the Audit Committee upon recommendation of the Integrity Officer.