

**SAN MIGUEL GLOBAL POWER HOLDINGS CORP.**  
**Policy on Conflict of Interest**

The Code of Ethics of San Miguel Global Power Holdings Corp. (the “Company”) and its subsidiaries emphasizes avoidance of conflict of interest. It requires officers and employees to:

- conduct business affairs with fairness;
- avoid granting undue personal favors;
- engage only in private activities or businesses consistent with responsibilities as officers and employees and not detrimental to the interest of the Company;
- exercise discretion in accepting favors or gifts from person seeking or doing business with the Company;
- refuse gifts that might connote bribery in any way;
- utilize Company property; funds; equipment and time solely for Company purposes, and recognize that all intellectual property and rights so created are owned by this company; and
- seek prior Management clearance before engaging in outside work.

We protect the Company by identifying and resolving any possible conflict of interest between the Company and ourselves as officers and employees that would negatively affect the current and future business, legal obligations and good governance.

We are not influenced by personal, family, financial or other considerations which might affect our judgment as to what is best for the Company. There is a conflict of interest if we compromise our exclusive commitment to the Company.

**Coverage**

This Policy shall apply to all officers and employees of the Company, whether regular, probationary, as well as project employees, employees hired for a fixed period, executives on contract, and consultants.

**Implementing Guidelines on Conflict of Interest**

This Policy is based on the principle that officers and employees have a duty to act in the best interest of the Company. In the event that the personal business interests of an officer or employee may conflict with the interests of the Company, proper disclosure by the officer or employee should be made and a review by higher Management should be resolve the conflict.

A “**conflict of interest**” arises whenever:

1. a Company officer or employee or their close relative or close personal friend has any financial or business interest in the business of any supplier, competitor or in any outside organization which might benefit from:
  - decisions or actions made by the officer or employee in the execution of their responsibilities in the Company; or
  - the officer’s or employee’s knowledge of the Company’s confidential information action or future plans;

or

2. a Company officer’s or employee’s interest in an outside organization takes a significant amount of time or attention such that it adversely affects the performance of their duties and responsibilities to the Company;

or

3. a Company officer’s or employee’s close relative or close personal friend is employed in an outside organization with business transactions with the Company, as a result of which the officer or employee can be beholden or indebted to the latter and which may, in turn, influence their decision or action involving the outside organization.

A “**close relative of an officer or employee**” refers to their spouse and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law.

A “**close personal friend of an officer or employee**” refers to (i) a person with whom an officer or employee has a meaningful or significant personal or business relationship outside of their work for the Company, or (ii) other officers or employees, and business partners with whom said officer or employee may have developed a close relationship in the course of employment with the Company, and with whom the following conditions (x) and (y) are both present:

(x) frequent and regular interaction and/or communication involving matters relating to the responsibilities of the officer or employee and/or the disclosure of confidential information action or future plans of the Company; and

(y) material ability of the other person, officer, employee or business partner to influence the Company officer or employee with respect to the latter’s performance of their responsibilities in the Company.

If there is a conflict of interest – whether (i) actual (*i.e.*, a real and existing conflict is present) or (ii) potential (*i.e.*, a possibility for conflict may arise) – it is the affirmative duty of the officer or employee concerned to disclose such information to their immediate superior. The superior, in turn, shall review and resolve the conflict of interest based on Company guidelines, and consult higher Company authorities.

Willful concealment of a substantial conflict of interest shall be punishable by termination or discharge from employment in accordance with the Code of Conduct.

### *Outline of Procedures*

#### 1. Filing of FBID Form

##### 1.1. Officers

- 1.1.1. All officers as of the date of promulgation of this Policy shall, within thirty (30) days thereafter, accomplish and submit to their immediate superior the Full Business Interest Disclosure Form (FBID Form) as attached hereto.
- 1.1.2. All officers appointed after the date of promulgation of this Policy shall accomplish and submit the FBID Form within thirty (30) days after their appointment.
- 1.1.3. If a conflict of interest arises at any time after submission of the initial FBID Form, the officer concerned shall report it immediately to their immediate superior by filing an amended FBID Form within thirty (30) days from such time as the conflict of interest arises. The officer concerned shall indicate the new or additional conflict of interest in the amended FBID Form.
- 1.1.4. An officer's failure to file the initial or amended FBID Form within the prescribed period shall be punishable in accordance with the Manual of Corporate Governance.

##### 1.2. Non-Officers

- 1.2.1. Annually, during performance appraisal of employees, all Managers/Supervisors should review this Policy with the employees reporting to them.
- 1.2.2. Employees shall report any conflict of interest to their immediate superior by submitting an FBID Form.

### 1.3 Provisions Applicable to Officers and Non-Officers

13.1. The duplicate copy of the FBID Form shall be submitted to the personnel officer of the concerned officer or employee and will be noted in the officer or employee's personal file.

13.2. If the Company has information or knowledge sufficient to form a reasonable belief that an officer or employee failed to disclose a conflict of interest, the immediate superior shall advise the officer or employee concerned to disclose such conflict of interest in an FBID Form.

### 2. Discussions with Immediate Superior

2.1. Where an FBID Form discloses any conflict of interest, the immediate superior shall discuss such matter with the officer or employee concerned.

2.2. After being informed of and gathering all relevant facts, the immediate superior shall render a recommendation on a proposed action to resolve the matter.

### 3. Review by Next Level Superior

3.1. The immediate superior shall submit their recommendation to the next level superior for review and/or approval.

### *Resolution of Disclosed Conflict of Interest*

In resolving a conflict of interest, the facts should be considered carefully. Management and the officer or employee concerned shall both exhaust reasonable efforts to eliminate the conflict of interest.

After the review of a conflict of interest, and upon consultation with the Office of the General Counsel, the Company may take one or a combination of the following actions:

1. Decide that the conflict of interest is not significant in terms of financial or business impact to the Company and allow the officer or employee concerned with adequate safeguards to continue their interest or involvement in the outside organization.
2. Request that the officer or employee terminate, or refrain from acquiring, a financial or business interest in the outside organization which might benefit from the knowledge, decisions and actions of the officer or employee in the execution of Company duties and responsibilities.

3. Where the conflict of interest exists in relation to a close relative or close personal friend of an officer or employee, require the officer or employee concerned to exert all reasonable efforts to eliminate the conflict of interest.
4. Modify the duties and responsibilities of the officer or employee to minimize the conflict of interest, if not altogether eliminate the situations causing said conflict of interest. This may entail moving the officer or employee to another position, if such is possible.
5. Separate the officer or employee from the Company as a last resort if, despite all reasonable efforts, the conflict of interest is not eliminated in such manner as would protect the best interests of the Company.
6. Such other actions as maybe necessary and proper under the circumstances.

#### *Implementation of Corrective Action*

1. The recommendation or position of the Company with respect to a conflict of interest will be communicated to the officer or employee in writing by their immediate superior.
2. Such written report shall summarize the facts, state the conclusions made, and specify the actions expected of the officer or employee.
3. A copy of the report shall be given to the Office of the General Counsel and another copy of the report will be included in the personnel file of the officer or employee concerned.
4. The immediate superior shall be responsible in ensuring the implementation of any appropriate corrective action.

**SAN MIGUEL GLOBAL POWER HOLDINGS CORP.  
AND ITS SUBSIDIARIES  
FULL BUSINESS INTEREST DISCLOSURE (FBID) FORM**

Date: \_\_\_\_\_

Name: \_\_\_\_\_ Plant / Department: \_\_\_\_\_

Position: \_\_\_\_\_ Division / Subsidiary: \_\_\_\_\_

**A. BUSINESS INTEREST**

Name and business of outside organization where you, your close relative or close personal friend has interest or involvement, or is employed in, and which, by nature, may directly or indirectly conflict with the performance of your duties as an Officer or Employee of the Company.

**Officer or Employee**

Outside Organization	Nature of Business	Actual or Potential Conflict

**Close Relative or Close Personal Friend**

Name	Relationship to Officer or Employee	Outside Organization	Nature of Business	Actual or Potential Conflict

*Please use additional sheet/s if necessary.*

[If none, please state "NONE".]

\_\_\_\_\_  
*Officer or Employee's Signature / Date*

**B. RESOLUTION OF CONFLICT OF INTEREST**

1. Recommendation of Immediate Superior:

2. Action of Next Level Superior:

\_\_\_\_\_  
*Signature of Immediate Superior / Date*

\_\_\_\_\_  
*Signature of Next Level Superior / Date*