



CONFLICT OF INTEREST

I Objectives

To provide guidelines that would define a conflict-of-interest situation and that would direct employees in the manner by which they are to conduct themselves when placed in such situation/s.

II Scope

This policy shall apply to all regular employees of Globe Telecom and consultants/project hires seconded to or engaged on a full-time basis by Globe, although they are not considered as a Globe regular employee (hereafter referred to as Covered Employee/s).

III Definitions

Conflict-of-Interest - a situation where a Covered Employee has or possibly may have a personal or pecuniary interest divergent or in conflict with his professional obligations, or where financial or other personal considerations may compromise, or have the appearance of compromising, the Covered Employee's judgment in the administration, management, decision-making and discharge of his official functions.

Conflict of Interest situations shall include, but are not limited to the following:

1. Being in an official capacity to negotiate, procure, endorse or approve a transaction for and in behalf of the Company, either by himself or through a middleman or agent, (a) with a person, or a company where the controlling interest is held by a person who is the spouse of the Covered Employee or is related to the Covered Employee within the fourth degree of consanguinity or affinity, or (b) with one who is the Covered Employee's former employer within two (2) years prior to the date of the transaction in question.
2. Otherwise directly or indirectly having financial or pecuniary interest in any business, contract or transaction in connection with which the Covered Employee has the occasion to intervene or take part in his official capacity, or which will require his endorsement or approval.
3. Outside employment and/or personally held directorships outside of Globe, except as disclosed by the Covered Employee and approved by his Group Head.
4. Access to sensitive information which may be of value to a person or a company where the controlling interest is (a) held by a person/s, who is the spouse of the Covered Employee or related to the Covered Employee within the fourth degree of affinity or



- consanguinity, or (b) who / which is the Covered Employee's former employer within two (2) years prior to the date of the transaction in question.
5. Having a spouse or a relative within the fourth degree of consanguinity or affinity with individuals in the employ of competitor companies or business partners.
 6. Such other instances analogous to the foregoing.

III General Policies and Guidelines

1. It is every Covered Employee's responsibility to protect the interests and integrity of Globe and to maintain the highest standards of conduct when performing his duties and responsibilities and in entering into, negotiating or procuring transactions for and in behalf of the Company.
2. Every Covered Employee is enjoined to exercise utmost discretion, prudence and mature judgment in the discharge of his duties and responsibilities to avoid conflict-of-interest situations or any appearance thereof.
3. Covered Employees to be hired or engaged by the Company are advised to disclose pre-existing conflict-of-interest situations as defined in this policy. The procedures in the handling of conflict-of-interest situations prior to hiring or engagement are further explained at a later portion of this policy.
4. Existing Covered Employees must accomplish on an annual basis on or before the end of January of each year the Related Party Disclosure form. The form shall be submitted in three (3) copies to the Group Head, who shall retain a copy for himself and forward the remaining 2 copies to the Head of the Human Resources Group.
5. Apart from the regular disclosure, any Covered Employee who may, at any time, find himself in any of the conflict-of-interest situation should, within twenty-four (24) hours from the discovery of such, disclose the same in a written memo to his Group Head, attaching thereto the Disclosure form. The procedures in the handling of conflict-of-interest situations of existing Covered Employees are further explained at a later portion of this policy.
6. The failure to disclose the existence of a conflict-of-interest situation is deemed by the Company as an actionable offense. Physical or pecuniary damage to the Company is not an element of this offense; rather, it is the breach of the employee's duty of utmost loyalty to the Company and integrity and honesty in all acts that the penalty seeks to address.

IV Waiver of Relaxation of the Policy

The President and the Head of the Human Resources Group are given the joint authority, to waive or relax the conflict-of-interest in their reasonable discretion, except in the cases where the waiver or relaxation will result in the violation of existing laws, rules and regulations.

V Liability for Violation

A violation of this policy may, under the circumstances, be construed as an unethical or corrupt practice subject to the consequences under the Unethical, Corrupt and Other Prohibited Practices Policy of the Company. However, whether or not such violation constitutes an unethical or corrupt practice, a violation of this policy may subject the employee to reprimand, suspension or termination, within the discretion of his Immediate Superior. .

VI Application to Globe Consultants and Direct Project Hires

Consultants and project hires of the Company shall be made to sign, as a pre-condition to engagement of their services, their conformity to this policy. This shall include the accomplishment of the annual Related Party Disclosure form.

VII Policies and Guidelines in Handling Conflict-of-Interest Prior to Hiring and Engagement

1. All Covered Employees for hiring or engagement must disclose pre-existing conflict-of-interest situations as defined in this policy, Strategic Staffing for regular employees to be hired and the line requisitioner for consultants and project hires, shall be tasked with the responsibility of requiring such disclosure from the candidate.
2. Should the prospective Immediate Superior and Group Head of the Covered Employee find the disclosed conflict-of-interest situation acceptable, vis-à-vis the duties and responsibilities of the position, the approval of the Head of Human Resources Group and the President must be sought by them.
3. Should the Head of Human Resources and the President also find the conflict-of-interest situation acceptable, the hiring or engagement of the candidate may be pursued.
4. Should at any point in the hiring process, the candidate's prospective Immediate Superior, Group Head, Head of Human Resources Group or the President find the conflict-of-interest situation unacceptable, the hiring or engagement of the subject candidate shall not be pursued.

VIII Policies and Guidelines in Handling Conflict-of-Interest of Existing Covered Employees

1. A Covered Employee must not put himself in a conflict-of-interest situation. In the event a Covered Employee finds himself in such a situation, he should disclose the same to his Immediate Superior and Group Head.
2. Should his Immediate Superior and Group Head find the disclosed conflict-of-interest situation acceptable, vis-à-vis the duties and responsibilities of his position, the approval of the Head of Human Resources and the President must be sought by them.
3. Should the Head of Human Resources Group and the President also find the conflict-of-interest situation acceptable, the Covered Employee may continue in his current function with the appropriate safeguards set in place by the Group Head, as needed.
4. Should at any point in the above process, the Covered Employee's Immediate Superior, Group Head, Head of Human Resources Group or the President find the conflict-of-interest situation unacceptable, the Covered Employee will be afforded one (1) month to cure the conflict-of-interest situation by seeking reassignment/redeployment opportunities to functions where the same conflict-of-interest situation would not exist or by the Covered Employee's related party's own relinquishment or removal from the situation giving rise to the conflict. In such an event, the employee may continue in his employment or engagement under his new assignment with the appropriate safeguards set in place by his Group Head, as needed.
5. Should the conflict-of-interest situation remain after the above one (1) month period, the employment or engagement of the Covered Employee shall be terminated for reasons of conflict-of-interest.

IX Transitory Provisions

1. Declared conflict-of-interest situations shall be addressed consistent with the provisions of this policy except as the punitive part thereof.
2. Undeclared conflict-of-interest situations discovered after the implementation of this policy shall be treated as a case of failure to disclose the existence of a conflict-of-interest situation, dishonesty, and breach of the Covered Employee's loyalty to the Company.