



EAGLE CEMENT CORPORATION

Head Office: 153 Brgy. Wack Wack, EDSA Mandaluyong City, Philippines
Plant: Bgy. Akle, San Ildefonso Bulacan, Philippines
Tel. No.: +632-301-3453
www.eaglecement.com.ph

EAGLE CEMENT CORPORATION POLICY ON CONFLICT OF INTEREST

The Code of Ethics of Eagle Cement Corporation (the "Company"), 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 business consistent with responsibilities as officers and employees and not detrimental to the interest of 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.

The Company and its subsidiaries hereby adopt the San Miguel Corporation (SMC) Group-wide Policy on Conflict of Interest (the "Policy").

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 made to resolve the conflict.

A "*conflict of interest*" arises whenever:

1. an officer or employee or his/her 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 his/her responsibilities in the Company;

or



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- the officer's or employee's knowledge of the Company's confidential information, activities or future plans;

or

2. an 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 his/her duties and responsibilities to the Company;

or

3. an 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 outside organization and which may, in turn, influence his/her decision or action involving the latter.

A *"close relative of an officer or employee"* refers to his/her 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 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, activities 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 his/her 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 his/her 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 Ethics, as amended.



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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 potential conflict of interest arises at any time after submission of the initial FBID Form, the officer concerned shall report it immediately to his/her 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 Company policies.

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 potential conflict of interest to their immediate superior by submitting an FBID Form.

1.3. Provisions Applicable to Officers and Non-Officers

- 1.3.1. 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 file.
- 1.3.2. If the Company has information or knowledge sufficient to form a reasonable belief that an officer or employee failed to disclose a conflict



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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 his/her 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 Legal/Compliance Office, 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 his/her 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.



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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 may be 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 his/her 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 Compliance Officer 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.



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EAGLE CEMENT CORPORATION 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



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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