

# MBG CODE OF ETHICAL STANDARDS

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[Code of Ethics and Conduct]



## 1. Introduction

The Code of Ethical Standard of MBG Investment Management, Inc. (MBG) defines the fundamental principles that shall dictate the way we do business. All Employees are required to read, understand and comply with the Code, as this contains guidelines and rules to promote and maintain the highest level of ethical standards in the performance of our day-to-day roles and responsibilities.

MBG's mission statement is "to deliver to our clients the right investment solutions managed the right way". MBG endeavors to have an insightful knowledge of client's investment needs to be able to provide the best possible solutions thereby addressing their needs and requirements. MBG shall manage the client's funds within the guidelines set by the client, in compliance with applicable rules and regulations, and global best practices.

MBG has established various policies to ensure proper handling of accounts with scrupulous care, safety and prudent management. Accordingly, MBG has adopted the Code of Conduct and Ethics of the Trust Officers Association of the Philippines (TOAP), the Philippine Investment Funds Association (PIFA), the Code of Ethics and Standards of Professional Conduct of the Chartered Financial Analyst (CFA) Institute, and other associations which MBG is a member of and at the same time covers fundamental values in line with MBG's mission statement.

### **APPLICABILITY**

This Code shall apply to all Employees of MBG Group including its managed funds. All Employees are required to acknowledge receipt, understanding and acceptance of the Code upon employment with MBG, to signify observance and compliance to the Code. (see Annex 1)

## 2. Definitions

**AMLA** shall mean Anti-Money Laundering Act 2001.

**Approval** means approval in writing from the relevant authority. If the authority is the Board of Directors, the approval shall carry the signature of any Director or the Corporate Secretary through a signed Secretary's Certificate attesting to the approval by the Board of Directors. If the authority is the Company, the approval shall carry the signature of the person occupying the position of CEO or any other designation by whatever name called as may be determined by the Board of Directors from time to time.

**BSP** shall refer to the Bangko Sentral ng Pilipinas.

**Code** shall refer to this Code of Ethical Standard.

**Client/s** refer to client/s of MBG.

**Director** means a member of the Board of Directors of MBG

**e-CA** refers to Republic Act 8792 (e-Commerce Act of 2000), and includes all rules and regulations made thereunder and amendments as may be made from time to time.

**Employee** means and includes employees, consultants, secondees (i.e. internal secondees within MBG Group), trainees (i.e. , university on-the- job trainees, etc.) and contract/temporary employees who are materially involved in mutual fund, trust, investment management and fiduciary business or whose term of employment exceeds one month.

**Insider Information** means any information not generally available to the shareholders of a company and the public which if it were made available would likely bring about a material change in the market price of the company's securities listed on a stock exchange or would be considered by a reasonable person important under the circumstances in determining his course of action whether to buy, sell or hold a security as provided in the Republic Act 8799, otherwise known as Securities Regulation Code (SRC).

**PSE** refers to The Philippine Stock Exchange.

**Relative** shall mean a person's relative up to the first degree of consanguinity or affinity and refers to the following: spouse or partner; children and their spouses; parents and parents in-law.

**SEC** refers to the Philippine Securities and Exchange Commission.

**SRC** refers to Republic Act No. 8799 (The Securities Regulation Code) and includes all rules and regulations made thereunder and amendments as may be made from time to time.

### **3. MBG Conduct**

All Directors and Employees of MBG are expected to conform to the highest standards of ethics and conduct in all its dealings with all its stakeholders such as clients, counterparties, agents, employees, colleagues and shareholders. All decisions and actions should be geared towards the good reputation and integrity of MBG.

#### **3.1 Basic Guidelines**

- ✦ All decisions and actions must be made with due care, skill and diligence, in the best interest of Clients and the integrity of the market.
- ✦ Compliance with all applicable laws, regulations, client mandates, and MBG's internal policies and guidelines must be assured in all respects.
- ✦ All decisions and actions must not damage MBG's reputation, integrity and credibility.
- ✦ Each decision must be proper in terms of general morality and public opinion. There must not be any instance of actions or decisions that cannot stand up to public scrutiny.
- ✦ All communications and dealings for and on behalf of MBG must be honest, fair and trustworthy, in the best interest of Clients and the integrity of the market.
- ✦ Employees' dignity cannot be compromised for the sake of profit, commercialism or competition.
- ✦ All Employees must strictly observe the line of authority by first consulting their immediate supervisor before making any decision or taking any action. Correspondingly, any recommendation made by the Employee's immediate supervisor after consultation must be strictly complied with.
- ✦ Compliance with the above rules, both in letter and in spirit, must be recognized as a direct and personal responsibility of every Employee of MBG Group.

#### **3.2 MBG Values**

- ✦ **DISCIPLINE** - effective leadership begins with oneself; exhibit self-mastery; act in a reliable and responsible manner consistent with established norms.



- ✦ HUMILITY - recognize that ideas can come from others; be willing to change our minds; admit our mistakes when we make them and learn from them.
- ✦ EXCELLENCE - focus on delivering results that exceed expectations; strives for best in class; never resting or relying on our past achievements and always looking for a way to prove our value now.
- ✦ INNOVATION - commit to delivering breakthrough solutions focused on client needs; challenge convention in order to push the boundaries; find opportunities to be better.
- ✦ INTEGRITY - exhibits accountability in work performed; does the right thing; makes decisions using processes in place; ensures no conflict of interest, and reinforces and upholds code of conduct at all times.
- ✦ RESILIENCE - remains calm under pressure; be flexible enough to adjust to changing environments while remaining focused on the goal; committed to surmounting obstacles.
- ✦ TEAMWORK - establishes and maintains effective relations; readily offers assistance and support to colleagues; works cooperatively with others and actively resolves conflicts whenever it arises; engages fully in initiatives that foster organizational collaboration.

### **3.3 Misuse of Position**

- ✦ A Director or an Employee and/or his Relatives shall not use MBG's name, or their connection with MBG Group, or any of its properties, facilities, equipment, stationery or any other item belonging to MBG for his personal advantage whether acting personally or on behalf of other parties.
- ✦ A Director or an Employee is also prohibited from using his position or influence to obtain preferential treatment or personal benefit or in dealing with the directors and/or employees of other financial institutions or their Clients for their personal or mutual benefits.
- ✦ A Director or an Employee should not bribe Clients when soliciting business. Corporate gifts offered or presented to Clients or marketing trips are not considered as a bribe. Please refer to Section 6.3 on Anti-Bribery and Corruption
- ✦ A Director or an Employee shall not use MBG's facilities and influence for speculating in commodities, gold, silver, foreign exchange or securities whether acting personally or on behalf of friends or Relatives.

- ✦ A Director or an Employee shall not enter into any arrangement with the directors and/or employees of other companies for mutually beneficial transactions in return for similar facilities, designed to circumvent this Code.
- ✦ Such abuse of position may be grounds for dismissal from service.

### **3.4 Discrimination, Harassment or Intimidation**

- ✦ MBG does not tolerate any form of discrimination, harassment or intimidation regardless if this was done by or against a supervisor, colleague, Client, vendor, or visitor.
- ✦ MBG will not accede to such untoward action whether based on a person's gender, race, age, religion, nationality, disability, sexual preference, etc.
- ✦ The prohibition extends to the use of MBG's communication systems such as email or internet for purposes of discrimination, harassment or intimidation.
- ✦ Employees are not allowed to download, forward or share emails wherein its content depict any form of discrimination, harassment or intimidation.
- ✦ If an Employee strongly believes that discrimination, harassment or intimidation is being committed to him/her, the Employee should immediately report this to the Compliance Officer or to the President.
- ✦ All issues raised pertaining to discrimination, harassment or intimidation shall require immediate attention. Based on the results of the investigation, appropriate disciplinary action will be applied.

### **3.5 Misuse of Information**

- ✦ A Director or an Employee should not remove, copy or make use of any information obtained in the course of business for his direct or indirect benefit or of other persons.
- ✦ It is regarded as a misuse of information if a Director or an Employee uses information of MBG or any of its stakeholders such as clients, counterparties, agents, employees, colleagues and shareholders to benefit himself or confer an advantage on himself or others.
- ✦ A Director or an Employee who possesses confidential information should not use it (i) to influence any Client or any third party in dealing in any transaction or (ii) to communicate such information to any Client or third party, for the benefit of himself or herself or other persons.

- ✦ Employees in one department or unit of MBG Group should not retrieve or obtain information of a Client from another department or unit unless the information is necessary in their course of work. Any transmission or transfer of confidential information among the departments or units should have proper approval.
- ✦ Directors and Employees shall not engage in insider trading activities, i.e. buying or selling a security of the issuer while in possession of material information with respect to the issuer or the security that is not generally available to the public. Directors and Employees in possession of said material information are categorized as an “insider”, and shall be prohibited from the following:
  - Acquiring or disposing of, or entering into an agreement for or with a view to acquire or dispose such securities; or
  - Procuring, directly or indirectly, an acquisition or disposal of, or the entering into an agreement for or with a view to acquire or dispose of such securities.
  - Communicating the information or causing such information to be communicated to another person, directly or indirectly

### **3.6 Protecting Employee Data/Privacy**

- ✦ MBG shall safeguard the privacy of its Directors and Employees by protecting at all times personal data relating to Directors and Employees.
- ✦ Unless made publicly known, all information provided by the Directors and Employees to MBG are considered confidential. Said information may pertain to the complete name, contact details, information on family, remuneration files, medical records, performance appraisals, development programs, etc.
- ✦ Access to data on Directors and Employees shall only be given to those with current, valid and legitimate business need for it.
- ✦ All personnel handling data on Directors and Employees, such as immediate supervisors, Human Resource personnel, and all other authorized Employees shall strictly adhere to protect data on Directors and Employees.
- ✦ Data on Directors and Employees must not be shared or discussed unless there is a valid business need for it, or as and when required by applicable laws or regulations.

### **3.7 Proper Communication & Communication Systems**

- ✦ When communicating within MBG Group or outside, whether verbally or in writing or in any electronic means, all Directors and Employees must conduct themselves in a professional manner in accordance with MBG's reputation and integrity.
- ✦ All Employees must adhere to the proper use of communication systems such as email and internet.

#### **Use of the E-mail System**

- ✦ The use of the email system is strictly for official business only.
- ✦ Email messages are treated the same as other official written communication, and as such, are admissible in court as evidence. Originator of the email messages are fully held responsible for messages sent. Given this, email messages sent outside MBG Group must be drafted with care and integrity.
- ✦ MBG prohibits circulation of email messages relating to politics, government, rumors, pornographic material and other sensitive matters. This includes messages containing inappropriate language, racist and sexist jokes which may be considered as offensive.
- ✦ When sending confidential information via email, Employees should employ appropriate information security protection methods such as password protection, encryption, etc. Further, Employees shall ensure that email messages are sent to the proper recipients and to the correct email addresses.

#### **Use of Internet**

- ✦ The use of internet is strictly for official business only.
- ✦ MBG strictly prohibits downloading and usage of unlicensed software and copyrighted material.

### **3.8 Integrity of Records and Transactions**

- ✦ An Employee must ensure that all records pertaining to MBG's businesses, affairs, transactions, condition, property, assets, liabilities or accounts are complete, accurate, up to date, and properly maintained. Any unauthorized copying, entries, deletions or alterations in MBG's files and records must be immediately reported to the Compliance Officer upon discovery of the same.
- ✦ For the purpose of this Code, "records" shall mean information stored in either written, printed or electronic forms including but not limited to personnel files, financial statements and information on Clients. All such records and information may only be

accessed and used for their intended purpose as determined and approved by MBG management.

- ✦ An Employee should note carefully the provisions of the Revised Penal Code which provides for criminal penalties against persons who are found to purposely falsify, omit, alter, abstract, conceal or destroy any entry in any record so as to deceive others.

### **3.9 Confidentiality**

- ✦ The confidentiality of relations and dealings between MBG and its Clients is crucial in maintaining MBG's reputation.
- ✦ An Employee must take every precaution to protect the confidentiality of information relating to the business, affairs and transactions of MBG and its Clients. This confidentiality requirement shall continue to apply even after the Employee leaves MBG.

- ✦ Upon termination of employment with MBG, Employees must return without the need for a demand, all documents or records in their possession by reason of their employment with MBG relating to its clients which belong to MBG or its Clients.
- ✦ Business and financial information about any Client may be disseminated only with the prior written consent of the Client and is not in violation of any regulation or policy.

### **3.10 Pecuniary Embarrassment**

- ✦ All Directors and Employees are expected to manage their financial matters well. MBG takes serious view of pecuniary embarrassment, i.e. the state of one's indebtedness. Pecuniary embarrassment, in whatever the cause, will be regarded as necessarily impairing the efficiency of an employee and render him liable to dismissal from service.
- ✦ A Director or an Employee is deemed to be in a state of pecuniary embarrassment where he is a judgment debtor for as long as the judgment debt remains unsettled and a stay of execution has not been granted or where he is adjudged a bankrupt or an insolvent wage earner, for as long as he remains an undischarged bankrupt or for as long as any judgement against him in favor of the official assignee remains unsatisfied and a stay of execution has not been granted.

### **3.11 Safety in the Workplace**

- ✦ MBG is committed to the health, safety, and security of all its Employees.
- ✦ MBG will make every reasonable effort to provide a safe and healthy work environment.
- ✦ All Employees are enjoined to maintain a safe and secure workplace, and immediately report to MBG management any potential and actual hazards to health, safety and security.

### **3.12 Drug-Free Workplace**

- ✦ MBG is committed to provide a healthy, safe and secure workplace for all its Employees.
- ✦ MBG strictly prohibits the possession, use, distribution or sale of drugs illicit drugs

### **3.13 Criminal Prosecution**

A Director or an Employee who is charged with and/or convicted of any criminal offence in any court of law, regardless of the gravity of the offence, may be liable to disciplinary action including dismissal from service.

## 4. Conflict of Interest

The term “Conflict of Interest” refers to situations in which financial or other personal considerations may compromise, or have the appearance of compromising, an Employee’s professional judgment in the course of their duties.

The mere appearance of a conflict of interest may be as serious and potentially damaging as an actual distortion of rules, regulations, processes and procedures. Reports of conflicts based on appearances can undermine public trust in ways that may not be adequately restored even when the mitigating facts of a situation are brought to light.

The Employee is expected to recognize and avoid conflicts of interest at all times. To prevent conflicts of interest with Clients, the Employee should:

- ✦ Never put himself in a position in which personal interests, financial or otherwise, might influence or give the appearance of influencing any actions taken, judgment made or advice given on behalf of MBG Group;
- ✦ Ensure that the Clients’ interests are given priority when assessing the appropriateness of giving advice to that Client, or understanding a transaction on his or her behalf; ✦ Ensure that all actions are geared towards the best interest of a Client.

MBG Group seeks to avoid conflict of interest arising from its activities. However, where conflicts do arise, MBG tries to manage those conflicts to ensure fair treatment to all its Clients. This can be done by:

- ✦ Disclosing the conflict,
- ✦ Following the guidelines on confidentiality of information
- ✦ Declining to act, or
- ✦ Taking some other action appropriate to the circumstances.

The Employee must make sure his or her interests or the interests of MBG Group are not unfairly placed above those of the Clients.

In view of the above understanding, an Employee shall not engage, directly or indirectly in any business activity that competes or conflicts with the MBG’s interest. This includes but is not limited to:

### 4.1 Outside Financial Interest

- ✦ Where an Employee has a financial and/or any other interest in a Client, whether as a sole proprietor, partner, shareholder, creditor or debtor, such an interest must be immediately disclosed to the Employee's immediate supervisor who shall bring it to the notice of the MBG management.
- ✦ Thereafter, the Employee shall not be involved in MBG's dealings with the Client so long as the interest continues to exist.
- ✦ The above restriction does not apply in cases where the Employee has holdings of public quoted securities, unless the interest is considered to be material and is considered likely to impair the objectivity of the concerned Employee. ○ In any event, holdings of 5% or more of the voting shares of a public quoted company shall be regarded as material.
- ✦ An Employee who borrows or deposits money with other financial institutions with whom the MBG has dealings is also exempted from this prohibition.
- ✦ In assigning duties, supervisors should not place their subordinates in situations where conflict of interest could arise.

## **4.2 Other Employment / Business Activities**

- ✦ Before making any commitment, Employees should discuss possible part time employment or other business activities outside MBG's working hours with their immediate supervisor.
- ✦ MBG prohibits business activity or outside employment which demands excessive time and attention from the Employee thereby depriving MBG of its Employee's best efforts on the job.
- ✦ An Employee who wishes to embark on a part-time employment or business activity outside the working hours of the MBG shall obtain prior written approval from MBG management and such approval will only be granted where the interest of the MBG Group will not be prejudiced.

## **4.3 Corporate Directorship**

- ✦ An Employee shall not solicit or accept directorship without the Approval of MBG management and shall not serve as a director of other corporation(s) without the Approval of the Board of Directors. Employees who hold such directorship without the appropriate approval prior to implementation of this Code must seek Approval immediately if they wish to remain as directors of other corporations.



- ✦ An Employee may however, serve as a director of or accept an appointment by the Government to a position in a non-profit public service organization such as charitable, educational, religious, cultural, social, welfare or philanthropic organization or other organizations subject to the approval of MBG management.

#### **4.4 Trusteeship**

- ✦ An Employee shall not solicit or accept appointment as an executor, administrator or trustee of the estate of any of MBG's Clients. Where such an appointment is made however, and the Employee is a beneficiary of the estate, his signing authority for the estate's account in MBG must be approved by the Board of Directors who shall not unreasonably withhold approval.
- ✦ Full disclosure followed by monitoring and conflict management is the key to preventing and resolving conflict situations and would be in the best interest of both MBG Group and the Employees. It demonstrates good faith on the part of the Employee and protects his or her reputation and that of MBG's.
- ✦ Disclosure will not necessarily restrict or preclude Employees' activities. In fact, activities that may at first appear questionable may be deemed acceptable and permissible when all the facts and circumstances regarding the activity are examined. When in doubt, it is advisable that the Employee disclose the conflict situation.

#### **4.5 Entertainment and Gifts**

- ✦ As a general rule, Employees and/or their relatives are not allowed to accept any gifts or items of value from any Client or third party provider
- ✦ Employees shall not use their employment status to seek personal gain from Clients, those doing business or seeking to do business with MBG, nor accept such gain if offered.
- ✦ Since gift giving is norm in our culture, it is not realistic to rule this out. As a matter of policy, gifts greater than de minimis value (Php5,000) and entertainment should be politely declined.
- ✦ For gifts received beyond Php5,000, the recipient Employee may receive the gift but should inform the giver that said gift will be raffled off to all MBG Employees.
- ✦ There may be occasions when third party providers may contribute for raffle prizes which may consequently be received by Employees.

- ✦ For gifts with estimated value beyond Php500, a gift report shall be filed annually with Human Resources indicating from giver (e.g. Client, Third Party Provider), item or particular and estimated value.
- ✦ Under no circumstances should gifts in the form of cash, bonds, negotiable securities, personal loans, airline tickets or use of vacation property be accepted.
- ✦ MBG has the absolute right to ask any Employee to surrender any gift(s) given to them by the Clients and it is within the sole discretion of MBG to decide on how to handle or dispose of such gift(s).

#### **4.6 Credit Facilities**

- ✦ Employees should not approve credit facilities or any other transactions to (i) themselves, (ii) to any of their family members or to firms, companies or corporations in which they or their Relatives have an interest. Where an employee is a member of a Committee that approves credit facilities, such member should inhibit himself from participating in the deliberation and voting.
- ✦ Employees should not derive any improper benefits either in cash or kind at the expense of it or its Clients.
- ✦ Employees should not obtain for themselves or any of their Relatives any property or business advantage if that properly belongs to MBG or its Clients.

#### **4.7 Political Activities**

- ✦ Employees are not allowed to use the funds of MBG Group for political contribution, or conducting political activities during work time.
- ✦ Prior to accepting any post associated with the government or any of the commission or similar organization, Directors and Employees must seek appropriate approval to ensure proper regulatory disclosures are in place.
- ✦ Directors and Employees related to government official shall inform MBG accordingly.

#### **4.8 Charitable Organizations**

- ✦ Employees may donate to charitable institutions in their personal capacity, that is, without any impact on their employment with MBG.

- ✦ On the other hand, MBG Group may donate to charitable organizations in line with its corporate social responsibility. An approving body shall handle approval of appropriate charitable organization(s) to ensure that MBG does not deal with institutions involved in money laundering, fraud, or other criminal activity.

## **4.9 Employment of Relatives**

- ✦ MBG does not recruit related persons. This is defined as someone whose business or domestic relationship might reasonably be expected to give rise to conflict of interest.
- ✦ Related persons may not work in positions where one employee may be able to assign, check, process, review, approve, audit or otherwise affect the work of the other related person.
- ✦ Related persons may not work in positions where one employee may influence the salary, progress or promotion of the other related person.
- ✦ Where a perceived conflict of interest exists or when two employees become related, as determined by the Senior Management, MBG at its discretion should pursue mitigating measures such as but not limited to: redefining job scope parameters; separate by transfer if possible or appropriate, or may terminate employment.

## **4.10 Business Dealings With Relatives**

Employees shall inform their immediate supervisor upon knowledge of any potential or existing business relationship between MBG Group and the employee's relatives and/or employees if holding 5% or more of the voting shares of a public quoted company. Alternatively, this excludes business relationship concerning products and services of MBG Group such as mutual fund, or other fiduciary accounts.

## **4.11 Personal Business Dealings**

Employees and their relatives availing the products and services of MBG Group are subject to the same standards and terms and conditions accorded to all other clients. Aside from the waiver of sales fees/front-end load for subscription to mutual funds, employees are not subject to other privileges or discounts.

## **4.12 Trading in Securities**

- ✦ An Employee intending to trade securities for his or her own account shall seek authorization to trade for each transaction prior to placing the order with a broker/counterparty, in accordance with MBG's Personal Investment Policy.
- ✦ An Employee shall not engage securities trading that will give resemblance of false trading, market rigging or price/market manipulation or insider trading or any of the prohibited practices and conduct enumerated in the Securities Regulations Code ("SRC") and its Implementing Rules and Regulations as amended and the Amended Market Regulations of the Philippine Stock Exchange ("PSE").
- ✦ An Employee must ensure that the shares are available before they can sell and full settlement is required for every purchase.
- ✦ The Compliance Officer shall monitor Employees' trading.
- ✦ Above-mentioned matters apply to Directors who are part of the board-level Investment Committee.

## 5. Work Principles

MBG adheres to its vision-mission statement of being the trusted investment manager partner and being able to deliver to our clients the right investment solutions managed the right way. With this goal in mind, MBG strives to provide the best and suitable products and services that will meet their financial requirements of its Clients. Employees must ensure appropriate work principles are place.

### 5.1 Required Knowledge & Compliance

- ✦ All employees, particularly those at the senior level should keep abreast with all applicable laws, including but not limited to, the acts referred to in this Code, rules and regulations affecting their respective areas of work.
- ✦ All Heads are required to take reasonable steps to ensure that their subordinates are kept informed of and are familiar with all applicable laws, including but not limited to, the acts referred to in this Code, rules and regulations and changes to the same which are relevant to their respective areas of work.
- ✦ Employees who are not familiar with laws and regulations applicable in their area of work including those referred to in this Code should seek guidance from their immediate supervisor.

## 5.2 Anti-Money Laundering and Suspicious Activity Reporting

- ✦ Money Laundering is the process by which one conceals funds of dubious or illegal origin and then disguises them as legitimate proceeds of lawful activities.
- ✦ Employees should be vigilant against any attempt to use MBG for an illegal purpose or activity in particular, money laundering. All Employees are required to be familiar with MBG's policy and procedure on AMLA as noted in the AML Manual and are reminded to strictly adhere to the guidelines contained therein which inter alia, include:
  - Client identification: to adopt a "Know Your Customer" policy wherein satisfactory evidence of the client's identity is to be obtained and effective procedures for verification of the bona fides of new Clients must be in place.
  - Identification of Suspicious transactions whereby Employees should be aware of any unusual transaction activity that is disproportionate or inconsistent with the client's known business or personal activities for that type of account.
- ✦ Employees who disclose or supply information in a suspicious report or in connection with such a report, regardless whether it is subsequently discovered that their suspicion is unfounded, will be given protection or immunity from civil, criminal or disciplinary proceedings under AMLA regulation as long as the information was disclosed or supplied in good faith and without malice.

## 5.3 Bribery & Corruption

- ✦ MBG Group strictly adheres to local and foreign laws and regulations on anti-bribery and corruption such as the US Foreign Corrupt Practices Act of 1977, the UK Bribery Act, etc.
- ✦ Bribery is an offence which concerns the practice of offering something of value, usually money, to gain an illicit advantage.
- ✦ Employees are not allowed to give gifts and entertainment to government and regulatory officials and personnel for the purpose of gaining business or influencing official action, including facilitation payments to speed up approvals, registration and the like.
- ✦ MBG allows gift giving of nominal value during the festive season.
- ✦ All gifts to government and regulatory officials and personnel will require clearance from Compliance Officer, for further approval of senior management.

## 5.4 Client Relationship & Complaints

- ✦ As a Client-Centric Organization, all Employees must:
  - anticipate and understand the Client's needs; ○ be professional; ○ proactively meet and exceed Client's needs; ○ under-promise and over-deliver; and ○ provide efficient and excellent Client's service.
- ✦ All Employees should practice open communication with Clients by drawing the Clients to the terms and conditions governing MBG's products and services and by responding promptly to Clients' enquiries on these products and services.
- ✦ MBG's policy is to deal with Client's complaints expeditiously and courteously.
- ✦ A Client complaint is a direct or indirect complaint made to MBG or any of its employees.
- ✦ A Client complaint need not be in the form of an outright complaint. It can be a passing criticism or remark about MBG or any of its employees.
- ✦ Client complaints must be elevated to management in accordance with the complaints procedure set out in this Manual. All Employees should be familiar with the policies and procedures set out said manual.
- ✦ Compliance Officer shall maintain a record of all complaints or comments made and the manner in which they are resolved.

## 5.5 Fairness In All Dealings

- ✦ An Employee must act in a fair and equitable manner in all dealings conducted on behalf of MBG.
- ✦ All business dealings on behalf of MBG with existing and potential Clients, with other Employees and with all those who may have caused to rely upon MBG, shall be conducted fairly and equitably. MBG shall not tolerate any activity which may result to manipulation of prices of securities or any other financial instruments.
- ✦ In the course of meeting a Client's requirements or in recommending that they be met, the Employee must not be influenced by friendship or association. Such business decisions must be made on an arm's length basis.

- ✦ All preferential transactions with insiders or related interests should be avoided. In the event that such transactions occur, they shall be made in full compliance with the law, judged on the basis of normal business criteria and fully documented and duly authorized by the Board of Directors or an independent party. Such business decisions must be made on a strictly arm's length basis.

## **5.6 Protecting Customer Data**

- ✦ MBG adheres to laws and regulations in protecting the confidentiality of customer data such as Data Privacy Law; Law on Secrecy of Deposits; General Banking Laws; Financial Consumer Protection; etc.
- ✦ Further, MBG conforms to industry best practices on information security, and has put in place Information security measures such firewall, anti-virus, encryption of network connection between client PC and MBG's web server, active directory to regulate network access, etc.
- ✦ All employees are required to adhere to information security standards set forth by MBG.

## **5.7 Safeguarding MBG Properties**

- ✦ Employees are responsible for guarding the properties of MBG by handling it with care and caution.
- ✦ Properties pertain to cash, computers, telephones, office equipment, and other physical properties.
- ✦ Properties may also be in the form of intellectual property and other internal, restricted and confidential information.

## **5.8 Computer Crimes**

- ✦ The e-Commerce Act 2000 (e-CA), which came into force on 14 June 2000, provides for main offences relating to misuse of computers. The penalties prescribed in the e-CA are severe to help create better confidentiality with computer use and a more conducive atmosphere for the development of information technology.
- ✦ As an example, an offense on hacking and unauthorized access to computers carries a minimum fine of Php100,000 to a maximum commensurate to the damage incurred and a mandatory imprisonment of six (6) months to a maximum of three (3) years.

- ✦ An Employee would also be guilty of an offense under the e-CA in the event of unauthorized modification of the contents of MBG's computers and unauthorized communication directly or indirectly of a number, code, password or other means of access to MBG's computers including the introduction of computer viruses and the like, resulting in the corruption, destruction, alteration, theft or loss of electronic data messages or electronic documents.

## 5.9 Interaction with Media

- ✦ Employees are strictly prohibited from giving out comments or information (about MBG processes, clients, vendors, etc.) to media, regardless of format.
- ✦ Interaction with media shall only be performed by duly designated and authorized MBG personnel.
- ✦ Employees shall direct all inquiries and requests from media to duly designated MBG personnel.
- ✦ When using social media, employees shall not release any data or information proprietary to MBG. Social media includes all internet-based publishing technologies such as but not limited to social or business networking sites (e.g. Facebook, LinkedIn), video and/or photo sharing websites (e.g. YouTube, Flickr), business/corporate and personal blocks, micro-blogs (e.g. Twitter), chat rooms and forums.

## 5.10 Dealing with Regulators

MBG is a highly regulated non-bank financial institution and fully complies with regulatory requirements and industry best practices. Primary regulatory body of MBG is the Securities and Exchange Commission ("SEC") who has jurisdiction and supervision over all corporations, partnerships or associations who are the grantees of primary franchises and/or a license or permit issued by the Government.

During regulatory or audit review, all Employees are expected to adhere to the following:

- ✦ Show courtesy and professionalism towards the auditors at all times. ✦ Prepare all documents requested by the auditors in a timely manner.
- ✦ When in doubt, Employees shall inform the auditor that he/she will check on the requested information/document, and ensure to revert to the auditor on the agreed date and time.
- ✦ All documents for submission to the auditor should be coursed through Risk Management and Compliance to centralize communication and avoid confusion.



- ✦ Note down all items discussed with the auditors and inform Risk Management and Compliance for proper monitoring of the audit process.

## **6. Contravention of Code**

The Code of Ethics and Conduct serve as a guide for the promotion of proper standards and conduct and sound prudent practices. This Code should not however derogate, replace or restrict the matured judgment of Employees in conducting their daily activities. This Code shall prevail over existing internal rules and regulations of MBG Group that conflict with the provisions of this Code.

In situations where there are doubts on appropriate action to take, MBG encourages Employees to raise any inquiries and concerns to the Compliance Officer. Similarly, MBG encourages Employees to escalate potential violation of the Code.

Any breach of this Code will warrant appropriate disciplinary actions as stated in the MBG Employee Handbook.

### **6.1 Internal Reporting of Suspected Violators**

- ✦ In order to enforce the standards of compliance contained in this Code, MBG encourages all employees who have good reasonable ground to suspect any violation of this Code as well as other policies and regulations, to report such suspected breach.
- ✦ The reporting employee, also called the whistleblower, may submit a complaint form (see Annex 2) or concern in writing directly to the Compliance Officer. Based on the Employees preference, written report of suspected violations may also be submitted to their manager, Human Resource, or any member of Senior Management Team.
- ✦ All written reports of suspected violators shall be acknowledged by the recipient. Such reports shall be promptly acted upon.

### **6.2 Protection for Whistleblowers Against Retaliatory Action**

- ✦ MBG has established whistleblower policy to protect the whistleblower, defined as an employee who reports a misconduct or an activity considered to be dishonest, unlawful or in violation of applicable laws.
- ✦ The whistleblower policy allows an employee to confidentially report valid, illegal, unethical or inappropriate conduct and action without fear of retaliation or victimization.

- ✦ Any retaliatory action against an Employee who has in good faith made a report of a suspected violation is strictly prohibited.
- ✦ Any retaliatory action against an Employee who has provided information or assisted in whatsoever manner in an internal investigation instituted for the purpose of determining such a violation or to a government agency is strictly prohibited.
- ✦ Appropriate action will be taken against any individual who is found to have engaged in retaliatory action prohibited by this Code, which may also constitute sufficient grounds for dismissal.

### **6.3 Investigation of Suspected Violations**

- ✦ Compliance Officer (CO) shall initially conduct an investigation of the alleged breach to verify the possibility of actual occurrence of a breach.
- ✦ CO is responsible for ensuring that all complaints about unethical or illegal conduct are investigated and resolved. Any indication from the investigation which implies actual occurrence of a breach shall form a basis to further probe into for evidences.
- ✦ Investigation may require obtaining information from certain Employees. Such Employees are expected to fully cooperate by providing relevant information required for the case. Further, they are obliged to keep the investigation confidential.
- ✦ Results of the investigation will be raised to Senior Management. Appropriate disciplinary procedures shall apply to confirmed breach.

## Annex 1 – Acknowledgement Form

### MBG Group Code of Ethical Standard

This is to acknowledge receipt and confirm in writing that I have read and fully understood all the provisions of the Code of Ethical Standard of MBG Group, and I commit to strictly observe and comply with all the rules indicated thereat.

I also understand that the purpose of this Code is to establish fundamental guidelines and rules in order to promote and maintain ethical standards of the highest level for all Employees of the MBG Group in the discharge of their duties.

\_\_\_\_\_  
Signature over Printed Name

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

Department: \_\_\_\_\_

Company: \_\_\_\_\_

Please return duly accomplished and signed acknowledgement form to Compliance Officer. The Code of Ethical Standard and all of its provisions apply to all employees despite non-submission of signed acknowledgement form.

## Annex 2 – Employee Complaint Form

<b>Name of Complainant</b>	
<b>Signature</b>	
<b>Date of Complaint</b>	
<b>Nature of Complaint</b>	
<b>Description of Complaint</b>	

<b>Rules Breached (if any)</b>	
<b>Other Remarks</b>	

<b>Received By:</b>	
<b>Date Received:</b>	
<b>Action Taken</b>	
<b>Further Action Proposed</b>	
<b>Action taken to prevent recurrence</b>	
<b>Other Remarks</b>	