

BPI/MS

A-4 Code of Business Conduct

Incorporating Regulations & Guidelines

Version 2.0

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Chapter 1 - The Policy

Version 2.0

Introduction

The BPI/MS Code of Business Conduct and Ethics serves as a guide to all BPI/MS Directors and Employees on how to conduct business and manage relationships with various stakeholders with integrity.

Insurance is a business of trust. Therefore, it is important that all Directors and Employees always protect and build the trust that BPI/MS values from its clients and various stakeholders through ethical conduct.

All BPI/MS Directors and Employees are required to comply with the Code of Business Conduct and Ethics. The term “Employees” refers to all Employees of BPI/MS including its Officers and members of the Senior Management.

BPI/MS Insurance Corp. will conduct their business dealings in an open and transparent manner, maintaining the highest ethical and professional standards and in accordance with all applicable laws and regulations. Business partners will be expected to apply the same standards in their business dealings with BPI/MS Insurance Corp.

1. Objectives

- 1.1 BPI/MS Insurance Corp. is committed to conducting its business in an honest and transparent manner at all times. All staff must maintain the highest ethical and professional standards at all times: failure to do so could result in disciplinary proceedings.
- 1.2 No member of staff will be penalised or criticised if business is lost as a result of applying these standards.

2. Exceptions

- 2.1 There are no exceptions to this policy.

3. The Policy

- 3.1 BPI/MS Insurance Corp. will be fair, open, and transparent in all our business dealings.
- 3.2 All whom we come in contact with, will be treated with courtesy, respect and integrity.
- 3.3 All laws and regulations will be complied with at all times.
- 3.4 The BPI/MS Insurance Corp. Code of Business Conduct forms part of the staff handbook, and all staff are required to read and comply with the requirements.

4. Non Compliance with Policy

- 4.1 Where a department is unable to comply with specific requirement(s) of the policy, it may apply to the President & CEO, and Local Policy Owner for dispensation. The Policy Advisor shall provide his/her comments on the dispensation sheet.
- 4.2. Reasons for requesting dispensation must be given in writing.
- 4.3. All such applications will be considered on their merits.

4.4. Written dispensation may be given on a permanent basis, or on a transitional basis.

5. Policy Owner

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Chapter 2 - The Regulations

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Regulations

1. Employee Behavior

- 1.1. All Employees should conform to the BPI/MS Employee Code of Conduct and other Employee policies. The BPI/MS Employee Code of Conduct covers behavior relating to person, productivity, company and other person's property, health, safety and security, and company interest and business ethics.
- 1.2. Employees are to conduct their job in accordance with applicable laws and regulations, and perform their duties in good faith and to the best of their ability.
- 1.3. BPI/MS will comply with all the laws, rules and regulations applicable to employment.
- 1.4. Employees shall not engage in any unauthorized use, misappropriation or malicious disclosure of Employee information, which includes but is not limited to, human resources-related information, medical information, government-related information (as submitted to the different national or local government regulatory agencies such as BIR, SSS, Pag-Ibig, and others) and background check information under any circumstances.
- 1.5. Employees must similarly comply with the Data Privacy Act of 2012 and all laws and regulations relating to the proper handling of personal information of Employees as well as of individuals with special working relationships with BPI/MS such as the Board of Directors and consultants. Employees must use or share information only for the purpose for which it was collected, and only with authorized persons.
- 1.6. Employees who provide Employee information to third parties providing services to Employees of BPI/MS or under outsourcing arrangements, i.e., health insurance, payroll and human resources administration, etc., must strictly follow guidelines protecting the privacy and security of all Employees, as well as provisions of the respective Service Level Agreements and policies on Outsourcing.
- 1.7. Employees must ensure that client-, supplier-, distributor- and other third-party assets which they may be using for the company's operations under specific arrangement, rental or lease, are utilized only for approved purposes and in accordance with applicable laws and regulations, internal policies and the terms and conditions of use under the corresponding specific arrangement, rental or lease.

2. Conflicts of Interest

- 2.1. Employees should avoid putting themselves in situations where their personal dealings conflict with BPI/MS' business dealings or interests. Where this is unavoidable, such dealings must be disclosed to the Employee's Supervising Officer when it occurs.
- 2.2. Employees should consult with their Supervising Officer before entering into any business arrangement, which may cause a conflict of interest, e.g. conducting business with a family member or friend.

- 2.3. In cases when an Employee receives fees as a director, member or lecturer in another organization, in connection with his current function in BPI/MS, the fees should be surrendered to the Company.
- 2.4. Directors and Employees are prohibited from using their position of authority or rank in BPI/MS to directly or indirectly derive personal gain, profit or advantage.
- 2.5. All Directors and Officers should comply with the Governance Policy on Conflict of Interest indicated in the BPI/MS Corporate Governance Manual and with BPI/MS' policy on Conflict of Interest.
- 2.6. A Register of Conflicts of Interest and Gift or Entertainment ("The Register") will be maintained in the CEO's office that will be subject to review by Regional Compliance. Examples of conflicts of interest include but not limited to personal or financial interest in a supplier, business partner or competitor.

3. Giving and Receiving of Gifts

- 3.1. Generally, the giving and receiving of gifts and entertainment is discouraged, other than occasional items or entertainment of a modest value. Where gifts are in excess of Php 2,500, either arrives at the Director's or Employee's home or the office, or where entertainment is considered excessive (i.e. over Php 2,500 per person), the Employee must report this to their superior immediately. The manager must then record the gift or entertainment in The Register. Appropriate arrangements will be made to return or dispose of what has been received, and the supplier or client will be reminded of BPI/MS' policy.
- 3.2. The giving of gifts or entertainment to public servants with the purpose of gaining an unfair advantage is prohibited.
- 3.3. Where there are social norms and practices, e.g. presenting the regulator's staff with a cake at Christmas, this is acceptable. However, incidents or requests outside of these customs should be cleared with the Compliance Officer before doing so.
- 3.4. Political donations are prohibited. Directors and Employees may only make donations as individuals to legally registered political parties.
- 3.5. Bribes or inducements are prohibited.
- 3.6. If third parties approach BPI/MS Directors and Employees and offer bribes or inducements, this must be reported to the Compliance Officer.

4. Conducting Business with Suppliers

- 4.1. Where BPI/MS enters into a significant contract, there must be a minimum of 3 bidders who will be considered by a committee who will make a recommendation to the CEO. This process must be followed even where a potential supplier is an existing customer.
- 4.2. Suppliers should be paid within the agreed credit terms. Under no circumstances should BPI/MS receive reminders to pay their bills unless there are errors or items being disputed or the bill has not been received.

- 4.3. BPI/MS must comply with any terms and conditions agreed, e.g. not copying licensed software.
- 4.4. Generally, BPI/MS Directors and Employees should not give or accept money, gifts, entertainment or other benefits from existing or potential suppliers or business partners.
- 4.5. Directors and Employees must not enter into agreements with suppliers which are conditional upon the supplier becoming a customer.
- 4.6. Commercial transactions with suppliers should be economically beneficial to all parties involved and relationships should be based on the principle of fair and honest dealings. Compliance with internal policies must be in place to stop fraud, money laundering, bribery and corruption as well as to adhere to local or international laws and regulations.
- 4.7. Directors and Employees are expected to follow established processes for accreditation, vendor selection and suppliers audit to assure qualified suppliers of equal opportunity when bidding for projects with BPI/MS. All Employees, departments and divisions are also regularly advised to update and review their respective list of suppliers to meet accreditation requirements.
- 4.8. Directors and Employees must also develop mutually beneficial relationships with business partners that are founded on trust and respect. Directors and Employees are to conduct all transactions with business partners with fairness and integrity. Directors and Employees are also expected to follow BPI/MS' policies and processes with respect to accreditation and dis-accreditation of business partners, and to ensure that all standards and code provisions such as those on conflict of interest, related party transactions, and intellectual property and confidential information are enforced and complied with.

5. Conducting Business with Customers

- 5.1. Directors and Employees should treat clients with transparency, fairness, and honesty.
- 5.2. Employees should ensure that all customer concerns are handled promptly, correctly and efficiently. Employees must likewise see to it that clients are treated with fairness and empathy. Employees must ensure consistent execution, monitor the resolution of a complaint to the client's satisfaction, and provide complete, timely and accurate reporting and documentation of all aspects of complaint management.
- 5.3. Employees are expected to ensure confidentiality, security and proper sharing of client information. Employees are to follow BPI/MS' policies, procedures and related laws, and rules and regulations with respect to privacy and security of client information, particularly the Data Privacy Act of 2012.
- 5.4. Employees must follow all policies, practices and arrangements that are in place to maintain information privacy and security and guard against such risks as unauthorized access, collection, use, disclosure, copying, modification, disposal or destruction. Employees are to also provide notice to the proper authorities within BPI/MS, without

unreasonable delay, of any incident involving the loss of or unauthorized access to or disclosure of such confidential client information.

6. Managing Relationships with Regulators

- 6.1. BPI/MS maintains a proactive and constructive relationship with its regulators, primarily the Insurance Commission (IC). Employees are expected to be responsive, fair and transparent with IC auditors and provide appropriate support.
- 6.2. Compliance with Anti-Money Laundering (AML) Laws and Know-Your-Customer (KYC) Policy
- 6.3. Employees who deal with clients and clients' records are expected to comply with all AML laws and BPI/MS' KYC policy. Employees are expected to be knowledgeable about AML measures, to identify and escalate potentially suspicious activity, and to complete regular training in preventing BPI/MS from becoming a conduit for money laundering, terrorist financing and other criminal activity.

7. Maintaining Company Records and Reporting Requirements

- 7.1. BPI/MS commits to integrity and transparency in financial reporting. BPI/MS' disclosures must always be full, fair, accurate, timely and understandable as mandated under applicable laws and regulation.
- 7.2. Employees who prepare reports and documents that are provided to regulators or for internal use of the Board and senior management, have a special responsibility to meet recording, processing and analysis standards of the data and information therein, and to ensure that these are prepared in accordance with applicable accounting standards, legal requirements and strict internal controls. In this regard, Employees should also properly follow established document management and record-keeping policies in order for BPI/MS to meet both legal and business requirements.

8. Handling Related Party Transactions

- 8.1. BPI/MS' Directors, Employees and Stockholders should comply with BPI/MS' Policy on Related Party Transactions.
- 8.2. BPI/MS' Related Party Transactions Policy guards against internal conflicts of interest between the company and/or its group and their Directors, Officers and significant shareholders and ensures that related party transactions classified as material transactions, which are enumerated in BPI/MS' Policy on Related Party Transactions, are made in the normal course of activities with terms and conditions that are generally comparable to those offered to non-related parties or to similar transactions in the market.

9. Encouraging and Assisting Whistleblowing

- 9.1. The Whistleblower Program is BPI/MS' mechanism for preventing and detecting fraud or misconduct, and enabling fast and coordinated incident responses and avenues for establishing cause, remedial actions, and damage control procedures.
- 9.2. It is the responsibility of all Employees to comply with the rules and regulations of BPI/MS and to report violations or suspected violations. Suspected violations can, in themselves, significantly compromise the reputation of BPI/MS or harm its clients or Employees. Early identification and timely resolution of suspected misconduct is therefore crucial in its prevention. Employees will also be expected to comply with the necessary Whistleblower Policy-related disclosures or affirmations as may be required by the company or mandated by law for good governance.
- 9.3. No action will be taken against anyone for reporting such violations in good faith, or participating or assisting in the investigation of a suspected violation of this Code. Any act of retaliation against a whistleblower is a violation of the Whistleblower Policy and this Code of Business Conduct and Ethics.

10. Enforcing Anti-Corruption and Anti-Bribery

- 10.1. BPI/MS puts the highest premium on sound, responsible and effective corporate governance and does not tolerate bribery, corruption or improper acts of any kind in all business dealings. Bribery or corruption does not only involve monetary consideration. Bribery or corruption may also involve favors or other material gain such as employment.
- 10.2. All Directors, Employees and business partners are expected to comply with all anti-bribery and anti-corruption laws. All Directors and Employees shall not offer, promise, give or authorize others to give anything of value, either directly or indirectly, to any client, person or entity for the purpose of corruptly influencing the recipient, secure an advantage, avoid a disadvantage or obtain or retain business. Offering or paying such remuneration either directly or through any intermediaries such as agents, attorneys or other consultants is also considered corruption and bribery and is also strictly prohibited.

Chapter 3 - The Guidelines

Version 2.0

Guidance Notes

1. Roles and Responsibilities

- 1.1. The administration and implementation of the Code shall be the primary responsibility of the Human Resources Management Department.
- 1.2. The Human Resources Management Department shall be responsible for:
 - 1.2.1.1. Dissemination of the Code to all Directors and Employees;
 - 1.2.1.2. Monitoring of actions taken for reported infractions and progress of any administrative proceedings;
 - 1.2.1.3. Coordination, facilitation and/or participation in any administrative proceedings;
- 1.3. Implementation of administrative sanctions.
- 1.4. Department or Section Heads shall be responsible for:
 - 1.4.1.1. Informing the Human Resources Department of all reported infractions. Department or Section Heads shall be held liable to the company for whatever damages that may result from inaction or delayed appropriate action.
- 1.5. Directors and Employees shall be responsible for:
 - 1.5.1.1. Reading, understanding and complying with this Code of Business Conduct and Ethics and all its related policies in order to be aware, at all times, of the pertinent regulations that are relevant in carrying out BPI/MS' business. Directors and Employees must know how the Code applies to their respective roles and duties in BPI/MS and are expected to behave according to the principles contained herein.

2. Communication

- 2.1. This Code of Business Conduct and Ethics can be accessed through BPI/MS' Quality Management System.
- 2.2. Communication such as inquiries, requests (including dispensation request), reports and supporting documentation related to the this PRG shall be made through or copied to Policy Advisor.