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# CODE OF ETHICS & CONDUCT

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## BACKGROUND

As an institution involved in dealing with the public - individuals, corporations, and the government, Maybank ATR Kim Eng has to safeguard its integrity and credibility. Public confidence is vital to a financial institution. The Employees of financial institutions must not only ensure that that these institutions are professionally managed but soundly based. Thus, the Employees of financial institutions must conduct their business with the highest level of ethical behavior.

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 Company in the discharge of their duties.

The guidelines and recommendations enumerated within this Code shall not be undertaken to oust any statutory provision relevant to the business of the Company. Where there is any change to the statutory provisions which subsequently contradicts any recommendation of the Code, the statutory provisions shall prevail. As such, the statutory provisions referred to in this Code may be varied and/or amended from time to time and the penalties so amended and modified shall apply.

At the heart of these guidelines are six principles:

- To avoid conflict of interest;
- To avoid misuse of position;
- To prevent misuse of information gained through the Company's operations either for personal gain or for any purpose other than that intended by the Company;
- To ensure completeness and accuracy of relevant records;
- To ensure confidentiality of communication and transaction between the Company and its Clients; and
- To ensure fair and equitable treatment of all Clients and others who rely on or who are associated with the Company.

## COVERAGE OF THE CODE

This Code shall apply to all Employees of the Company.

Employees are bound to observe all legislation which may comprehensively cover the subject matter in this Code.

The provisions of this Code are deemed as part of the Terms and Conditions of Service which all Employees are required to sign upon acceptance of employment with the Company, to signify their observance to the Code.

## DEFINITION OF ABBREVIATIONS

The following abbreviations used in this Code shall have the meaning as follows:-

Abbreviation	Meaning
AMLA	Anti-Money Laundering Act 2001
GBA/NCBA	General Banking Act (RA8791)/New Central Bank Act (RA7653), and includes all rules and regulations made thereunder and amendments as may be made from time to time
Code	Code of Ethics and Conduct
Company	Maybank ATR Kim Eng
e-CA	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
FRO	Fraud Reporting Officer
PSE	The Philippine Stock Exchange
SEC	Securities and Exchange Commission
SRC	Republic Act 8799 - Securities Regulation Code (SRC), and includes all rules and regulations made thereunder and amendments as may be made from time to time

### DEFINITION OF TERMS

The following terms used in this Code of Ethics and Conduct shall have the meaning as follows:-

<b>Term</b>	<b>Meaning</b>
Maybank IB the Company the organization the financial institution	Maybank Investment Bank Berhad Maybank ATR Kim Eng
Approval	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.
Client	Client of the Company
Director	A member of the Company's Board of Directors
Employee (s)	Means and includes employees, consultants, secondees (i.e. internal secondments within Maybank Group), trainees (i.e. , university on-the-job trainees, etc.) and contract/ temporary employees who are materially involved in investment banking/insurance business or whose term of employment exceeds one month
Insider Information	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).

Term	Meaning
Relative	<p>As defined in the SRC and PSE's Amended Market Regulation Rules, "relative" in relation to a person means his relative up to the fourth degree of consanguinity or affinity and refers to the following:-</p> <p>By Consanguinity</p> <ul style="list-style-type: none"><li>(a) parents and children</li><li>(b) brother or sister, grandparents, grandchildren</li><li>(c) great grandparents, great grandchildren</li><li>(d) uncles, aunts, first cousins</li></ul> <p>By Affinity</p> <ul style="list-style-type: none"><li>(a) the spouse of the person;</li><li>(b) parents-in-law</li><li>(c) brother-in-law, sister-in-law, grandparents-in-law</li><li>(d) great grandparents-in-law</li><li>(e) cousins-in-law</li></ul>

Any reference in this Code to words denoting the singular shall include the plural number and vice versa unless the context otherwise requires.

## **1. CONDUCT**

All Employees must ensure that decisions and actions on behalf of the Company conform to the highest standards of ethical conduct. This involves notions of integrity and morality that must not be compromised in the name of profit or competition.

The following rules which must be complied with in Employees' daily business activities provide the groundwork for compliance with the Company's standards of good business practice and ethical conduct:-

- 1.1 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.
- 1.2 Compliance with all applicable laws, regulations and the Company's internal policies and guidelines must be assured in all respects.
- 1.3 All decisions and actions must not damage the Company's reputation, integrity and credibility.
- 1.4 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.
- 1.5 All communications and dealings for and on behalf of the Company must be honest, fair and trustworthy, in the best interest of Clients and the integrity of the market.
- 1.6 Employees' dignity cannot be compromised for the sake of profit, commercialism or competition.
- 1.7 All Employees must strictly observe the line of authority by first consulting their immediate superior before making any decision or taking any action. Correspondingly, any recommendations made by the Employee's immediate superior after consultation must be strictly complied with.
- 1.8 Compliance with the above rules, both in letter and in spirit, must be recognized as a direct and personal responsibility of every Employee of the Company.

## **2. 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 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.

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

## 2.1 Outside Financial Interest

2.1.1 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 disclosed immediately** to the Employee's immediate supervisor who shall bring it to the notice of the Company.

2.1.2 Thereafter, the Employee shall not be involved in the Company's dealings with the Client so long as the interest continues to exist.

2.1.3 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 staff concerned.

In any event, holdings of 5% or more of the voting shares of a public quoted company shall be regarded as material.

2.1.4 An Employee who borrows or deposits money with other financial institutions with whom the Company has dealings is also exempted from this prohibition.

2.1.5 In assigning duties, supervisors should not place their subordinates in situations where conflict of interest could arise.

## 2.2 Other Business Interest

2.2.1 Employees are prohibited from conducting business other than the Company's business during office hours within the Company's premises.

2.2.2 The prohibition also applies to any business activity conducted outside office hours, which demands excessive time and attention from the Employee thereby depriving the Company of its Employee's best efforts on the job.



## 2.3 Other Employment

2.3.1 Before making any commitment, Employees should discuss possible part time employment or other business activities outside the Company's working hours with their manager or Head. Any Employee who wishes to embark on a part-time employment or business activity outside the working hours of the Company must obtain the Company's prior written approval and such approval will only be granted where the interest of the Company will not be prejudiced.

## 2.4 Entertainment and Gifts

2.4.1 Employees shall not use their employment status to seek personal gain from Clients, those doing business or seeking to do business with the Company, nor accept such gain if offered.

2.4.2 Employees or their Relatives are prohibited from:-

- directly or indirectly asking for or receiving or consenting or agreeing to receive, any gift, commission, emolument, gratuity, money, property, token or thing of value or any service facility or other tangible benefit whether for his own or any other person's personal benefit or advantage, from any person other than the Company, as consideration for the procurement of credit facilities or other facilities or anything relating to the business or affairs of the Company;
- accepting costly entertainment or any form of benefit under a will or trust made by Clients where the gifts or benefit from a relationship with the Client arising in the ordinary course of duties in the Company or as a result of services rendered by the staff as a representative of the Company.

2.4.3 Under no circumstances, should gifts in the form of cash, bonds, negotiable securities, personal loans, airline tickets or use of vacation property be accepted. It is not realistic to rule out acceptance of all gifts. Nor it is realistic simply to set a dollar limit on gifts which may be acceptable although as a matter of policy, gifts greater than de minimis value (Php10,000) and entertainment that one cannot properly reciprocate should be politely declined.

2.4.4 Acceptance of any gifts or items of value for an Employee's own benefit or advantage from any person other than the Company as consideration for procurement of credit or other facilities for any person is prohibited.

2.4.5 An Employee may accept:

- (i) any normal business entertainment, e.g. a meal involving no more than ordinary amenities;
- (ii) any personal benefit arising from kinship/marriage;
- (iii) token gifts of no commercial value from the Company's Clients, business associate or suppliers during festive seasons;

if the acceptance of such gifts would not place the Employee in a compromising position and if refusing the gifts would jeopardize Client relations.

2.4.6 A gift report shall be filed annually with the Human Resources Department indicating from whom received (client's name), item or particular and estimated value.

2.4.7 The Company has an 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 the Company to decide on how to handle or dispose of such gift(s).

## 2.5 Credit Facilities

2.5.1 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.

2.5.2 Employees should not derive any improper benefits either in cash or kind at the expense of it or its Clients.

2.5.3 Employees should not obtain for themselves or any of their Relatives any property or business advantage if that properly belongs to the Company or its Clients.

## 2.6 Corporate Directorship

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

2.6.2 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 organisations as approved by the Company.

## 2.7 Trusteeship

2.7.1 An Employee shall not solicit or accept appointment as an executor, administrator or trustee of the estate of a Client of the Company. Where such an appointment is made however, and the Employee is a beneficiary of the estate, his signing authority for the estate's Company account must be approved by the Board of Directors who shall not unreasonably withhold approval.

2.7.2 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 the Company and the Employees. It demonstrates good faith on the part of the Employee and protects his or her reputation and that of the Company's.

2.7.3 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. So if in doubt, it is advisable that the Employee disclose the conflict situation.

## 3. MISUSE OF POSITION

3.1 An Employee and/or his Relatives shall not use the Company's name, or their connection with the Company, or any of its properties, facilities, equipment, stationery or any other item belonging to the Company for his personal advantage whether acting personally or on behalf of other parties.

3.2 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.

3.3 An Employee should not bribe Clients when soliciting business. Corporate gifts offered or presented to Clients on marketing trips are not considered as a bribe.

3.4 An Employee shall not use the Company's facilities and influence for speculating in commodities, gold, silver, foreign exchange or securities whether acting personally or on behalf of friends or Relatives.

3.5 An Employee shall also 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.

3.5 Such abuse of position may be grounds for dismissal from service.

#### 4. MISUSE OF INFORMATION

4.1 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.

4.2 It is regarded as a misuse of information if an Employee uses information of the Company or its' Customers to benefit himself or confer an advantage on himself or others.

4.3 An Employee who possesses confidential information should not use it (i) to influence any Customer or any third party in dealing in any transaction or (ii) to communicate such information to any Customer, for the benefit of himself or herself or other persons.

4.4 Employees in one department or unit of the Company should not retrieve or obtain information of the Company or the Client from another department or unit unless the information so received is necessary in their course of work. Any transmission or transfer of information among the departments or units should be properly authorised.

#### 4.5 Insider Trading

4.5.1 Insider trading is a civil liability prescribed under the R.A. 8799 - Securities Regulation Code (SRC). Under Section 3.8 of the SRC, "insider" means:

(a) the issuer; (b) a director or officer (or person performing similar functions) of, or a person controlling the issuer; (c) a person whose relationship or former relationship to the issuer gives or gave him access to material information about the issuer or the security that is not generally available to the public; (d) a government employee, or director, or officer of an exchange, clearing agency and/or self-regulatory organization who has access to material information about an issuer or a security that is not generally available to the public; or (e) a person who learns such information by a communication from any of the foregoing insiders.

Section 27.1 of the SRC states that "it shall be unlawful for an insider to sell or buy 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, unless: (a) The insider proves that the information was not gained from such relationship; or (b) If the other party selling to or buying from the insider (or his agent) is identified, the insider proves: (i) that he disclosed the information to the other party, or (ii) that he had reason to believe that the other party otherwise is also in possession of the information. A purchase or sale of a security of the issuer made by an insider defined in Subsection 3.8, or such insider's spouse or relatives by affinity or consanguinity within the second degree, legitimate or common-law, shall be presumed to have been effected while in possession of material non-public information if transacted after such information came into existence but prior to dissemination of such information to the public and the lapse of a reasonable time for the market to absorb such information: *Provided, however,* That this presumption shall be rebutted upon a showing by the purchaser or seller that he was not aware of the material non-public information at the time of the purchase or sale.

Section 27.2. For purposes of this Section, information is "*material non-public*" if: (a) It has not been generally disclosed to the public and would likely affect the market price of the security after being disseminated to the public and the lapse of a reasonable time for the market to absorb the information; or (b) 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.

Section 27.3. It shall be unlawful for any insider to communicate material non-public information about the issuer or the security to any person who, by virtue of the communication, becomes an insider as defined in Subsection 3.8, where the insider communicating the information knows or has reason to believe that such person will likely buy or sell a security of the issuer while in possession of such information."

4.5.2 An Employee of the Company who possesses such information as described above can be categorized as an "insider". As such the Employee shall be prohibited from:

- (a) acquiring or disposing of, or entering into an agreement for or with a view to acquire or dispose such securities; or
- (b) 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.

4.5.3 The Employee shall also be prohibited from communicating the information or causing such information to be communicated to another person, directly or indirectly, if the Employee **knows** or

ought reasonably to know that the person which the information if disclosed to, would or would tend to:

- (a) acquire or dispose of, or enter into an agreement with a view to acquire or dispose such securities; or
- (b) procuring a third person to acquire, dispose of or enter into an agreement with a view to acquire or dispose of such securities.

4.5.4 An Employee who has committed the offence of insider trading shall upon conviction be liable under Section 73 of the SRC to a penalty of not less than Php50,000 nor more than Php5 Million or imprisonment of not less than seven (7) years nor more than twenty-one (21) years, or both at the discretion of the court.

#### 4.6 Chinese Wall<sup>1</sup>

4.6.1 The objective of the Chinese Wall is to provide a form of protection or defense to prosecution under Section 27 of the R.A. 8799 - Securities Regulation Code (SRC) which may be accorded to the Company to absolve itself from liability arising out of allegation of insider trading offence committed by any of its Employees.

4.6.2 A Chinese Wall arrangement includes among others, physical barriers and procedural requirements to ensure separation, e.g. restriction on physical access, computer access, data storage system and file-safe system, e-mail; telephone taping and control over watch list and restricted list.

4.6.3 The burden of proof for defense to prosecution of the existence of such defense lies with the accused. It is therefore imperative that Chinese Wall procedures are put in place and are adhered to by all Employees.

#### 4.7 Grey Market Trading (“over-the-counter”)

4.7.1 Where the Company is the manager, adviser or underwriter for a public issue of securities, Employees of the Company and their relatives must not deal in the securities concerned until such securities have been officially listed and traded on a stock exchange.

4.7.2 The above guideline does not in any way restrict subscription to public issues of securities subject to existing pre-clearance procedures.

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<sup>1</sup> This section should be read in conjunction with the regional “Chinese Wall Policy (CWP)” and Guidelines on Management of Watch List, Restricted List and Black-out List as well as the Guidelines on Personal Investments.

## 5. TRADING IN SECURITIES

- 5.1 An Employee intending to trade securities for his or her own account shall only trade through the Company or the Company's broker dealer subsidiary, as stipulated under the Amended Implementing Rules (IRR) of the Securities Regulation Code (SRC) Rule 34.1(1)(C) and the Amended Market Regulations of the Philippine Stock Exchange (PSE).
- 5.2 Authorisation to trade for each transaction must be sought prior to placing the order with a Designated Trader/Dealer, in accordance with Article IV Section 4 (d) of the Amended Market Regulations of the Philippine Stock Exchange (PSE) and the local version of the Regional Guidelines on Personal Investment (RGPI).
- 5.3 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 SRC and its Implementing Rules and Regulations as amended and the Amended Market Regulations of the PSE.
- 5.4 An Employee must ensure that the shares are available before they can sell and full settlement is required for every purchase.
- 5.5 Compliance Unit shall monitor Employee's trading.
- 5.6 An Employee must only deal with Designated Trader/Trading Staff for Employee Transaction and the list of Designated Traders/Dealers currently in force can be obtained from the Head of Dealing.
- 5.7 Traders/Dealers and Salesmen shall likewise be governed by Article IV Section 4 (d) of the Amended Market Regulations of the Philippine Stock Exchange (PSE) - Code of Conduct and Professional Ethics for Salesmen and Traders<sup>2</sup> over and above this Code.

## 6. INTEGRITY OF RECORDS AND TRANSACTIONS

- 6.1 An Employee must ensure that all records pertaining to the Company's business, 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 the Company's records must be immediately reported to the Heads upon discovery of the same.

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<sup>2</sup> Where a particular provision of the Code of Conduct and Professional Ethics for Salesmen and Traders as provided in the Amended Market Regulations runs in conflict with the internal Code of Ethics and Conduct, the more conservative policy or provision should be followed.

- 6.2 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 the Company’s management.
- 6.3 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.

## **7. CONFIDENTIALITY**

- 7.1 The confidentiality of relations and dealings between the Company and its Clients is paramount in maintaining the Company’s reputation.
- 7.2 An Employee must take every precaution to protect the confidentiality of information relating to the business, affairs and transactions of the Company and the Company’s Clients during his term of office or tenure of employment with the Company. This confidentiality requirement shall continue to apply after the Employee leaves the employment of the Company.
- 7.3 Upon cessation of their employment with the Company, all Employees must return without the need for a demand, all documents or records in their possession by reason of their employment with the Company relating to its Clients which belong to the Company or its Clients.
- 7.4 Business and financial information about any Client may be disseminated only with the prior written consent of the Client or in accordance with the arrangement for the proper sharing of information between financial institutions about credit risks or where such disclosure is required or authorized in writing by the Company or where such disclosure is required or authorized by law and other permitted disclosures.

## **8. FAIR AND EQUITABLE TREATMENT**

- 8.1 An Employee must act in a fair and equitable manner in all dealings conducted on behalf of the Company.
- 8.2 All business dealings on behalf of the Company with existing and potential Clients, with other members of Employees and with all those who may have caused to rely upon the Company, shall be conducted fairly and equitably. 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.

- 8.3 All preferential transactions with insiders or related interest should be avoided. If such transactions occur, however 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.

## **9. REQUIRED KNOWLEDGE AND COMPLIANCE**

- 9.1 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.
- 9.2 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.
- 9.3 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 superior.

## **10. PECUNIARY EMBARRASSMENT**

- 10.1 Every Employee is expected to manage their financial matters well. The Company takes a serious view of pecuniary embarrassment i.e. the state of one's indebtedness. Pecuniary embarrassment, whatever the cause, will be regarded as necessarily impairing the efficiency of an Employee and render him liable to dismissal from service.
- 10.2 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 judgment against him in favor of the Official Assignee remains unsatisfied and a stay of execution has not been granted.

## 11. CRIMINAL PROSECUTION

- 11.1 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.

## 12. COMPUTER CRIMES

- 12.1 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.
- 12.2 An offense under Section 33(a) of the e-CA on hacking and unauthorized access to computers for example 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.**
- 12.3 An Employee would also be guilty of an offense under the e-CA in the event of unauthorized modification of the contents of the Company's computers and unauthorized communication directly or indirectly of a number, code, password or other means of access to the Company'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.

## 13. MONEY LAUNDERING

- 13.1 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.
- 13.2 The Anti-Money Laundering Act 2001 (AMLA) was signed into law on September 29, 2001 and took effect on October 17, 2001. The Implementing Rules and Regulation took effect on April 2, 2002. On March 7, 2003, R.A. No. 9194 (An Act Amending R.A. No. 9160) was signed into law and took effect on March 23, 2003. On June 8, 2012, R.A. No. 10167, R.A. No. 10168 and R.A. No. 10365 (An Act Amending R.A. No. 9160 and further strengthening the Anti-Money Laundering Law) were signed into law and took effect subsequently.
- 13.3 Rule 3.b.1 of the Revised Implementing Rules and Regulations of R.A. 9160 as amended by R.A. 9194 requires the reporting to the Anti-Money Laundering Council (AMLC) where it is suspected that a transaction involves

proceeds of an unlawful activity. In this regard, Employees should be vigilant against any attempt to use the Company for an illegal purpose or activity in particular, money laundering. All Employees are required to be familiar with the Company's policy and procedure on AMLA which is annexed to the Compliance Charter and are reminded to strictly adhere to the guidelines contained therein which inter alia, include:

- Client identification: to adopt a "Know Your Client" 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 staff 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.

13.4 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 Section 24 of AMLA as long as the information was disclosed or supplied in good faith and without malice.

#### **14. INTERNAL REPORTING OF SUSPECTED VIOLATIONS OF THE COMPANY'S CODE OF ETHICS AND CONDUCT, AND LAWS AND REGULATIONS**

14.1 In order to enforce the standards of compliance contained in this Code, it is imperative that Employees of the Company who have good reasonable ground to suspect that another Employee or group of Employees have committed a breach of the Company's Code to report such breach immediately.

14.2 An Employee should be directed by the Company's internal "Reporting Procedures for Fraud and Defalcation, Robberies, Break-in and Burglary and Breaches of Code of Ethics and Conduct"<sup>3</sup> (the Policy) when forwarding any suspicious report involving breach of the Code.

An Employee should report any suspicion on breach of the Code by another Employee to their respective Head, who in turn should forward such report to the Company's appointed Fraud Reporting Officer (FRO).

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<sup>3</sup> This refers to the Reporting and Disclosure Guidelines and the Integrity Hotline Handbook which sets out the process for reporting misconduct and corporate misdeeds including breaches of the Code of Ethics and Conduct. This document should be read in conjunction with the Whistleblowing Policy and Procedures.

- 14.3 The FRO should proceed with the required procedures to notify the suspicious report to the relevant parties specified in the Policy, immediately after it has been communicated to him/her.
- 14.4 The FRO shall first conduct an investigation of the alleged breach to verify the possibility of actual occurrence of a breach. Any indication from the investigation which implies actual occurrence of a breach shall form a basis for the FRO to further probe into for evidences.
- 14.5 The reporting Employee is safeguarded under the Company's internal Whistle Blowing Policy and Procedures<sup>4</sup>.
- 14.6 Any retaliatory action against an Employee who has in good faith made a report of a suspected violation is strictly prohibited.
- 14.7 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.
- 14.8 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.
- 14.9 The Head of Compliance Unit (CU) is the appointed FRO. The current Head of Compliance Unit is Numeriano B. Bolazo and he can be contacted by:

E-mail : numeriano\_bolazo@maybank-atrke.com

Tel : (632) 849-8908

## 15. CLIENT RELATIONSHIP AND COMPLAINTS

15.1 As a Client-Centric Organization, all Employees must:-

- anticipate and understand the Client's needs;
- be professional;
- proactively meet and exceed the Client's needs; and
- provide efficient and excellent Client's service.

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<sup>4</sup> The Whistleblowing Policy and Procedures is a document that sets out the policy and procedures adopted by the Company (as mandated by Maybank IB) whereby employees can express their concerns about malpractice or corporate misdeeds in the Company.

- 15.2 All Employees should practice open communication with their Clients by drawing the Client's to the terms and conditions governing the Company's products and services and by responding promptly to Clients' enquiries on these products and services.
- 15.3 The Company's policy is to deal with Client's complaints expeditiously and courteously.
- 15.4 A Client complaint is a direct or indirect complaint made to any of the Company's Employees about any of the Company's Employees or the Company itself.
- 15.5 A Client complaint need not be in the form of an outright complaint. It can be a passing criticism or remark about any of the Company's Employees or the Company itself.
- 15.6 Compliance Unit shall maintain a record of all complaints or comments made and the manner in which they are resolved.

## **16. COMPLAINTS PROCEDURE**

- 16.1 All Employees should be familiar with the complaints procedure set out herein.
- 16.2 Many complaints, particularly of an administrative nature, either involve minor clerical errors or are in substance no more than queries. Where such a complaint is raised orally by a Client and can be resolved to the satisfaction of both the Client and the Company by a simple explanation, no further action need be taken apart from providing the required explanation. In all other cases, especially when the complaint however minor is made in writing, any Employee to whom a Client has lodged a complaint should report the same immediately to the Complaints Officer.
- 16.3 Employees of the Company should not reply to the complainant without prior consultation with the Complaints Officer.
- 16.4 The Employee receiving the complaint should first complete the Complaints Report Raised by Employee (see Appendix "A"). A note of any telephone conversation with the complainant should be documented and attached to the Complaints Form. If the complaints are initially verbally communicated, Client should be encouraged to put their complaints in writing so as to clarify the circumstances which give rise to such complaints. All correspondence to and from the Complainant should be attached to the Complaints Form.
- 16.5 The Complaints Form must be completed in full, checked and signed by the Department Heads. The complaint should be referred directly to the

Complaints Officer and copied to Compliance Unit within one business day of receipt of the complaint.

- 16.6 In the event a Client lodges a written complaint with an Employee (see Appendix “B”), it is crucial that the Employee concerned follow the procedure outlined above. Employees should take details of the complaint and tell the Client courteously that it will be investigated immediately. Employees should not allow themselves to be drawn into an argument with the complainant and should not at all costs, say or do anything to a complainant without prior authorization, as it may otherwise be used against the Company to admit liability.
- 16.7 In instances where it is not possible to issue an immediate reply due to the nature of the investigation, the Complaint Officer shall write to the complainant acknowledging receipt of the complaint and informing the complainant that an investigation will commence or is in progress.
- 16.8 Depending on the severity of the complaint, in certain cases, the Department Head/Complaint Officer should seek legal counsel’s advise on whether there is a perception of a possible legal action on the matter.
- 16.9 If the complaint could be a basis for a legal action against the Company, the Complaints Officer must consult with the external legal counsel and if necessary, Compliance Unit, when preparing its reply to the complainant.
- 16.10 If the complainant is willing to discuss settlement, the Department Head and Complaint Officer should seek external legal counsel’s assistance in negotiating a settlement of the matter.
- 16.11 If the attempt at a negotiation of the matter fails and there is clear and imminent risk of litigation, the Department Head should consult and endorse the case to external legal counsel to defend the Company, in the event a suit is filed.
- 16.12 Sometimes, complaints are lodged against the Company by lawyers acting on behalf of Client. Upon receipt of such complaint, the Department Head must immediately notify and ensure the correspondence is passed to external legal counsel.
- 16.13 Thereafter, external legal counsel shall act for the Company and respond to the Client’s lawyers formally on the complaint.
- 16.14 The CEO will thereafter proceed with action based on established procedures. Compliance Unit shall be kept informed of the progress of the action being taken.
- 16.15 The Company shall appoint the following Complaints Officer:-

Location	Complaints Officer	Contact Number
Tower One Office		
<ul style="list-style-type: none"><li>• MATRKE Capital/Securities Financial/Land</li></ul>		
<ul style="list-style-type: none"><li>• Asset Management</li></ul>		
Morning Star Office		
<ul style="list-style-type: none"><li>• ALGA</li></ul>		

## 17. COMMUNICATIONS

17.1 All Employees must conduct themselves in a professional manner in accordance with the Company's reputation for integrity when communicating with others within the Company or outside, whether verbally or in writing or via the Internet or e-mail.

### Use of the E-mail System

17.2 The use of the external e-mail system is strictly for legitimate work related purposes only.

17.3 As e-mail is akin to any other form of written communication, all e-mail messages issued externally must be drafted with care and integrity and treated in the same fashion as other official written communication.

17.4 The circulation of e-mail messages relating to politics, the Government, rumours, pornographic material and other sensitive issues are prohibited, including messages containing inappropriate language, including racist and sexist jokes which regulators and our Clients may find offensive.

17.5 Confidential information should never be transmitted via the Internet as the risk of it being intercepted is high. As such, all Employees must strictly adhere to "the need to know" concept when forwarding work-related information.

17.6 Generally, all e-mail messages that may tarnish the Company's good image should not be sent.

17.7 It must be noted that e-mail messages, by virtue of the fact that they are the same as written communication, are admissible in court as evidence and individuals who originated the messages will be held fully responsible. It

must be assumed that in the event of a court proceeding or any form of inquiry by the regulators, any e-mail message may be made available and the message may be construed with the benefit of hindsight.

## **18. CONTRAVENTION OF CODE**

The above guidelines are meant to 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 the Company that conflict with the provisions of this Code.

In the event of doubt over matters relating to this, Employees are to seek guidance from their respective Heads.

Any contravention of this Code may, apart from the penalty stated, be grounds for disciplinary proceedings including dismissal from service.



APPENDIX A

**COMPLAINTS REPORT RAISED BY EMPLOYEE**

Department/Unit : .....  
Prepared by : ..... Date :.....  
Signature : .....  
Reviewed by HOD : ..... Date :.....  
Signature : .....

Name of complainant:	
Nature of complaint: Written or oral: Date received:	
Description of complaint:	
Rules breached (if any):	
Action taken:	
Further action proposed:	
Action taken to prevent recurrence:	

Notes:-  
Please provide attachment if space is insufficient  
cc:

APPENDIX B

**CLIENT'S COMPLAINT FORM**

Client's Particulars:	
Name:  Identification Card No: New: Old:	Address:
*Client ID/Account Number:  * :  <i>*If Applicable</i>	Contact Number:-  House: Business: H/phone:
<p><b>Details of Complaint</b></p> <p>Have you tried to resolve this complaint with the relevant Department/* Remisier/*Dealer?</p> <p> <input type="checkbox"/> Yes                      <input type="checkbox"/> No                 </p> <p>If yes, kindly indicate the name of the person contacts and his/her department</p> <p><i>*If Applicable</i></p>	
<p><b>MY COMPLAINT IS AS FOLLOWS</b> (Please provide a detailed account of the complaint in chronological order). <i>Please provide attachment if space is insufficient</i></p>	
Signature:	Date: Time:
Acknowledgement By Complaint Officer:  Name:	Date: