

ATR KIM ENG GROUP Risk Management Policy	Subject: Managing Conflicts of Interest	No. 10-01
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Purpose of the Policy

As a diversified financial services institution, ATR KimEng Group's reputation is one of its most valuable assets. Every official, officer and employee of the Group is thus expected to protect the name of the institution, whether inside or outside the workplace. One of the best ways of ensuring this is by proactively identifying and managing conflict of interest situations so that both the appearance of, and actual, improprieties could be avoided.

This policy sets out guidelines for managing conflicts of interest in a manner consistent with the highest standards of professionalism and integrity.

Scope

This policy applies to all employees of ATR KimEng Group.

Basic Guidelines

Situations that give rise to conflicts of interest are unavoidable in financial institutions. While it is not possible to create an exhaustive list of such situations, observance of some basic guidelines can help avoid situations and conflicts of interest that may compromise, or give the appearance of compromising, one's ability to perform his or her responsibilities to ATR KimEng Group and its clients. These guidelines are enumerated below.

A. Compliance.

Compliance with the letter and spirit of all governmental laws and regulations as well as all Group policies and procedures is a basic prerequisite.

B. Personal Securities Trading.

Employees must ensure that their personal investment activities are conducted in compliance with Group policies applicable to their positions, especially in respect of-

- Complying with pre-clearance procedures prior to trading and with other post-trading disclosure requirements;
- Observing blackout trading periods;
- Giving priority to orders of clients vis-à-vis their own trades;
- **Not using material inside information for his/her or his/her family's benefit;**
- Not engaging in short-term trades¹ and short sale transactions.

C. External Affiliations².

Activities outside of work (e.g., directorships in other companies, secondary occupations) have a potential to pose conflicts of interest between the employee and the Group or its clients, and may involve substantial time commitment on the part of the employee. While the Group generally permits (and in certain cases, encourages) external affiliations, those must be disclosed pre-fact to the employee's supervisor for review. In addition, employees with external affiliations must ensure that:

- Time devoted to such activity does not interfere with his/her duties at and responsibilities to the Group;

¹ Short-term trade is generally defined as purchase and sell, or sell and purchase, of the same security within 15 trading days.

² Members of the Board of Directors of Group companies are not covered by this section.

- Where the organization that the employee is affiliated with is an ATR KimEng client, he/she recuses himself/herself from any business deliberations or decisions involving such organization.

Emoluments received from external affiliations can be kept by the employee.

D. Gifts and Entertainment.

Business must be conducted in such a manner that makes it clear to clients and suppliers that one is not seeking favors.

As a general rule, gifts of more than de minimis value (i.e., PHP10,000- per event) should not be accepted. Likewise, entertainment should not be accepted unless the employee or the Group could properly reciprocate.

Where gifts are accepted, gift reports must be filed promptly and accurately with Human Resources Department.

Disclosure and Reporting.

One of the core values upon which the Group's Risk Management Framework is founded is openness. In consonance with this, every employee must do his/her part in maintaining the **Group's high standards** by promptly disclosing and reporting to his/her supervisor or to the Compliance Officer any situation which represent or could develop into a possible conflict of interest.

Related Policies and Documents

This policy should be read in conjunction with the following documents:

- Anti-Money Laundering Operating Manual of the employee's business entity
- Code of Ethical Standards of the employee's business entity

Effective Date

This policy takes effect on October 18, 2010

Issue Date: October 18, 2010	Updates:
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