



## INSIDER TRADING POLICY

### INTRODUCTION

Bank of the Philippine Islands (BPI) is adopting a policy on Insider Trading. Employees transacting (also referred to as the act of buying and selling) for their own account in BPI securities or BPI clients' securities are advised to consult this Policy before transacting. If you have specific questions regarding this Policy or the applicable law, contact our Compliance Officer.

### DEFINITION OF TERMS

#### Securities

Includes BPI's shares of stock and options to purchase stocks and other securities and evidences of indebtedness and shares of stock of BPI clients.

#### Covered Persons

For the purpose of this Policy, an "insider" will be defined as follows:

- i. All members of the Board of Directors of BPI;
- ii. All Officers of BPI with the rank of Senior Vice Presidents and up and other officers or employees who are or may be in possession or knowledge of material non-public information about Bank of the Philippine Islands or companies/institutions BPI deals with either as lender, trustee, investment advisor, consultant or simply as client because of their position, privity to information or responsibilities. The above described Officers and/or employees include the Officers and employees of BPI's subsidiaries;
- iii. Consultants and Advisers of BPI in possession, or with knowledge of material non-public information about BPI and/or clients of BPI;
- iv. All other BPI employees who have access or who are made aware of undisclosed material information described above until such information has been publicly disclosed;
- v. Spouses and/or members of the immediate families (children and parents) of the Covered Persons living in the same home with the Covered Persons.

#### Material Information

Information is deemed to be material if there is a reasonable likelihood that it would be considered important to an investor in making a decision regarding the purchase or sale of securities. While it is not possible to define all categories of material information, there are various categories of information that are particularly sensitive and, as a general rule, should always be considered material in nature. Such material information includes, but not limited to:

- Financial results
- Projections of future earnings or losses
- News of a pending or proposed merger
- Material change in the corporate structure
- Acquisitions / Divestitures / Joint ventures
- Dividend declarations and changes in dividend policy



- Stock splits
- New significant equity investments or debt offerings
- Significant litigation exposure
- Major changes in key senior management positions
- Public or private sale of BPI securities

Either positive or negative information maybe material.

## **POLICIES**

It is the policy of the Bank of the Philippine Islands (BPI) that directors, officers, employees, consultants and advisers of BPI who are considered to have knowledge, from time to time, of material facts or changes in the affairs of BPI or BPI clients, which have not been disclosed to the public, including any information likely to affect the market price of BPI's securities or BPI clients' securities, cannot buy or sell ("trade") said securities, for their own personal account except in accordance with this policy. BPI clients include clients of subsidiaries.

### **1. RESTRICTIONS ON TRADING**

#### **1.1 Blackout Periods**

Covered Persons are strictly prohibited from trading during the following periods.

The prohibition also includes passing on material, nonpublic information relating to BPI or clients of BPI to someone who may buy or sell securities – which is commonly referred to as "tipping"

Structured Disclosures:

- (a) Five (5) trading days before and two (2) trading days after the disclosure of quarterly and annual financial results;

Non-Structured Disclosures:

- (b) From date of disclosure of material non-public information and until two (2) trading days after the disclosure of any material information other than Item (a) above;
- (c) Office bulletins for special Blackout Periods pertaining to the above will be issued by the Compliance Officer.

#### **1.2 Exception**

- a. The exercise of vested stock options (i.e., acquiring shares) may be done at any time, even during Blackout periods. However, the liquidation, (i.e., the sale of shares acquired from options) is subject to Blackout periods.

### **2. COMPLIANCE AND REPORTING POLICIES**

#### **2.1 Compliance Policy**

- i. When in doubt, all Covered Persons should consult the Office of the Compliance Officer, prior to transacting securities of BPI and/or its clients, regardless of when they would like to perform such transactions, in order to determine if the trade will or will not violate the Policy.
- ii. Certain Rank and File personnel may at certain times or from time to time possess or have knowledge of material non-public information about potentially market-affecting activities. The staff should consult the Compliance Officer about any plan to trade on securities if they have knowledge or believe to have knowledge of such material non-public information, to ensure compliance with this Policy.



## **2.2 Reporting Policy**

Without prejudice to the normal / regular reportorial requirements of the Securities and Exchange Commission and the Philippine Stock Exchange for purchase and/or sale of BPI shares by Directors and Officers which must be timely complied with, all Covered Persons are required to report their trades to the Office of the Compliance Officer on a quarterly basis.

## **3. CONSEQUENCES OF NON-COMPLIANCE**

Violation of this policy shall be subject to disciplinary action as may be determined by management of the Board of Directors, without prejudice to any civil or criminal proceedings which BPI or the regulators may file for violation of existing laws. Insider Trading under the law may be subject to penalty for damages or fine and/or imprisonment.

## **4. EFFECTIVITY**

This policy shall take effect immediately and shall continue to be in full force and effect until amended or revoked by BPI.