



WHISTLEBLOWER PROGRAM AND COMPLAINT POLICY

A. OVERVIEW / INTRODUCTION

Macay Holdings, Inc. (the “Corporation”) recognizes that, in order to ensure best practices in its corporate governance and realize its mission, vision, and corporate goals and objectives, it is necessary to foster an environment of transparency, fairness, and accountability. The Corporation must therefore conduct its business in accordance with all laws, rules, and regulations, as may be applicable to a publicly listed company such as the Corporation.

It is strictly prohibited in the Corporation for its board members, officers, employees, and stakeholders to engage in fraudulent practices, unethical conduct, and other improprieties. In furtherance of this, all officers or employees and other stakeholders are encouraged to report genuine concerns about possible fraudulent practices, unethical conduct, and other improprieties in the conduct of the business of the Corporation.

This Whistleblower Policy of the Corporation is intended to provide effective protection for whistleblowers so that officers or employees and other stakeholders are made aware of how to report any possible violation of a law, rule, or regulation or unethical or fraudulent conduct. Thus, this Policy shall define who may qualify as a whistleblower, provide a procedure for whistleblowers to raise such concerns that he or she may reasonably believe in good faith may constitute a possible violation of a law, rule, or regulation or unethical or fraudulent conduct or other improprieties, and institute safeguards to protect Whistleblowers from retaliation or retribution.

B. DEFINITION

“WHISTLE-BLOWING” – the term refers to the process whereby individuals are encouraged to report suspected violations, complaints or concerns involving financial disclosure, accounting, internal control, code of conduct and ethics or policies. Whistle-blowing encourages individuals to bring unethical or illegal practices to the forefront and addresses them before they become fatal to the organization. Whistle-blowing is a key defense against override of internal controls and thus, can help improve corporate governance.

C. OBJECTIVES OF AN INTERNAL WHISTLEBLOWING POLICY

A Whistleblowing Policy is an important element of internal audit and control. Its main objectives are as follows:

1. To encourage individuals to bring suspected malpractices, ethical and legal violations they are aware of to an internal authority.
2. To avoid exposing the Corporation to risk or damage that may occur when individuals circumvent internal control mechanisms or violate the Corporation's policies or other rules of conduct. A strong whistle-blowing policy should be the Corporation's best means of reducing the impact of fraud and serious misconduct.
3. To help promote and develop a culture of transparency, accountability, and integrity within the Corporation. The policy supports and assists individuals who have genuine concerns to bring it to the attention of people within the Corporation who can take the appropriate action.

D. SCOPE OF THE POLICY

1. The policy shall apply to the following:
 - Directors;
 - Officers and employees of the Corporation, whether full-time, part-time, regular, probationary, project, or casual employees, at any level of seniority and however long employed;
 - Former employees;
 - Any person with a contract to supply services or goods to the Corporation, such as but not limited to consultants, contractors, advisers, agents, representatives, suppliers, or counterparties;
 - Any officer or employee of a person who has a control to supply services or goods to the Corporation; and
 - Individuals who provide supporting information in furtherance to or in connection with an investigation or proceeding or those who assist or attempt to assist a whistleblower.
2. The following concerns and issues shall encompass reporting by concerned individuals:
 - 2.1 Fraud, financial malpractice or negligence;
 - 2.2 Failure or refusal to comply with a legal or regulatory obligation;
 - 2.3 Criminal offence has been, is being, or is likely to be committed;

- 2.4 Breach of the Corporation's code of conduct or professional ethics or conduct which is illegal, corrupt, fraudulent, or unethical, including but not limited to the following:
- a. Making false or malicious statements against the Corporation;
 - b. Willful destruction of the Corporation's physical assets (including property and equipment);
 - c. Coercion and intimidation of co-employees, clients, and other parties to the detriment of the Corporation's interest;
 - d. Gross negligence which has resulted in or is reasonably expected to result in damage or loss to the Corporation, such as but not limited to financial loss or loss of public goodwill);
 - e. Any form of dishonesty, whether involving money or property of the Corporation or with respect to the Corporation's documents, records, and forms;
 - f. Engaging in activities (even outside office hours and outside the business premises of the Corporation) which could be in direct conflict of interest with one's functions in the Corporation, such as but not limited to:
 - f.1 Engaging in business with or in any firm or supplier with whom an individual deals in the course of the performance of his functions with the Corporation;
 - f.2 Receiving commissions from those who have dealings with the Corporation;
 - f.3 Utilizing the Corporation's human, material, or financial resources for his personal gain.
 - g. Failure to declare outside business interests or employment;
 - h. Unauthorized disclosure of confidential information to persons within or outside the Corporation;
 - i. Offering, receiving money or other valuables from co-employees, clients, suppliers and other parties as a bribe for one's own personal gain;
 - j. Borrowing money from clients;
 - k. Misleading or deceptive conduct of any kind;

- l. Coercion, harassment, or distribution by or affecting any director, officer, employee, or other persons that engage in business with the Corporation, such as but not limited to consultants, contractors, advisers, agents, representatives, suppliers, or counterparties;
- m. Conduct or practice that poses health and safety risks, including risks to the public or to the Corporation’s directors, officers, or employees, or other persons that engage in business with the Corporation;
- n. Conduct or practice that causes damage to the environment; or
- o. Concealment of information or evidence pertaining to any matter in the foregoing enumeration.

E. POLICIES

1. A confidential reporting channel/mechanism shall be established wherein whistle-blowers may convey or communicate their concerns and/or complaints. For the Corporation, a hotline number may be assigned and dedicated to the policy. A specific person shall be assigned to handle calls from said hotline.
2. All reports by whistleblowers shall be treated fairly, properly, and confidentially to the greatest extent possible. As such, the process allows for anonymous reporting. If any employee is making an identity disclosure, said employee shall retain his/her anonymity unless he/she agrees otherwise.
3. The Whistleblowing Policy intends to provide warnings and promote ethical conduct in the Corporation. In this manner, in the event a whistleblower has a reasonable and good faith belief that any person connected to the Corporation has engaged in any act, or has failed to do an act, that may constitute malpractice, misconduct, or impropriety as enumerated above, the whistle-blower may raise such matters of concern or issues that are within the scope of the policy.
4. The Corporation shall ensure that no individual shall be at risk of suffering some form of retribution as a result of reporting or raising a concern in accordance with this policy. The Corporation recognizes that a Whistleblower may be subject to serious consequences as a result of reporting any malpractice, misconduct, or impropriety. Accordingly, aside from maintaining the confidentiality of the identity of the Whistleblower, the Corporation shall not tolerate any retaliation, harassment, or victimization of the Whistleblower, such as:

1. Reprimand
2. Change in work duties
3. Change in employment amenities
4. Punitive transfers
5. Reduced duties or hours
6. Withholding of professional promotion or training
7. Discrimination and disadvantages in the workplace
8. Direct or indirect disciplinary action
9. Loss of seniority rights or benefits
10. Unfair dismissal
11. Threats to do any of the above
12. Any conduct or omission similar or analogous to the above

The Corporation shall, upon proper notice and hearing, take disciplinary action (up to and including termination or dismissal) against an officer or employee who has engaged in retaliatory conduct in violation of this Policy. Furthermore, any Whistleblower who has been subjected to retaliation or reprisal shall be entitled to appropriate remedies.

5. Individuals shall be responsible to raise only genuine concerns, in good faith, and without an ulterior motive. The process should not be used to support personal grievances about conditions of employment or disputes. The Corporation recognizes that people may be motivated to make disclosures under this Policy for dishonest or malicious reasons. To gain protection under this Policy, the Whistleblower must act in “good faith,” or the individual making the disclosure must make a report with a genuine belief in its truth. Where the intent of the Whistleblower for making a report is to harm another person or abuse this Policy or when a whistleblower intentionally makes a false statement or the report made is frivolous or vexatious, the whistleblower may be subject to disciplinary action or other sanctions in accordance with the Corporation's Code of Conduct and other applicable policies.
6. The Audit Committee may create and appoint a committee that will handle the overall responsibility for the implementation and maintenance of the policy or it may appoint an existing Management committee to perform such functions (the “Whistleblower Policy Committee”).

F. PROCEDURES

1. WHISTLEBLOWER
 - a) Calls the hotline number that will be used solely for the Policy or otherwise makes his concern known to the Audit Committee, the Whistleblower Policy Committee, or any representative of the Corporation;

- b) Information furnished through this Policy may be made anonymously; however, the whistleblower may identify himself/herself if he/she chooses to do so.

2. ASSIGNED RECEIVER OF REPORTS

- c) The individual receiving information under this Policy shall make a record of the information in a logbook containing the following information:
 - c.1 Date and Time Received
 - c.2 Details of the Report
 - c.3 Identity of the Caller (if applicable)

The logbook should be kept under lock and key and may be accessed only by the person responsible to maintain said logbook. The Chairman of the Audit Committee or the Whistleblower Policy Committee may request for the logbook when necessary.

3. THE COMMITTEE

- d) The Chairman of the Whistleblower Policy Committee may call for such meeting as often as may be required to review the calls/reports received during the period;
- e) The Whistleblower Policy Committee shall perform an initial assessment as to the validity and authenticity of the calls/reports received;
- f) The Whistleblower Policy Committee shall liaise/coordinate with the Investigating Unit to determine the next course of action to be taken on the call or report, such as a formal inquiry or conduct of investigation. This may include:
 - f.1 Scope and nature of investigation (depending on the nature of the concern/s raised);
 - f.2 The procedures to be followed;
 - f.3 The level of involvement of other units, e.g., Compliance;
 - f.4 Time frame to complete the inquiry/investigation.

4. INVESTIGATING UNIT

The investigation shall be handled by the Internal Audit Unit, which, for purposes of this Policy, shall have the following functions/responsibilities:

- a) Ensure that the investigation is carried out in strictest confidence, with utmost dispatch and due regard for the need to maintain confidentiality;

- b) Ensure all relevant information and data are collected;
- c) Prepare a formal report for submission to the Whistleblower Policy Committee following completion of the investigation, with details or recommendations on what further action (if any) shall be required, e.g.:
 - c.1. No case to file/no further investigation needed;
 - c.2. Possible review and amendment of policies;
 - c.3. Application of penalty based on the Corporation’s Code of Conduct;
 - c.4. Need to pursue a case against the individual due to the severity of the offense.

5. THE WHISTLEBLOWER POLICY COMMITTEE

The Whistleblower Policy Committee shall have the following functions:

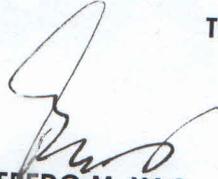
- a) Decide on the recommendation/s submitted by the Investigating Unit;
- b) Coordinate with the various units concerned on the implementation of the plan of action/s;
- c) Provide reports/updates to the Board's Audit Committee on matters related to the Whistleblowing Policy.

G. OTHER CONCERNS

- 1. The outcome of an investigation, which may result in disciplinary action under the Corporation’s rules of conduct, will remain confidential.
- 2. It is the role of the Internal Auditor to periodically evaluate the design and effectiveness of the Whistleblowing Policy as a whole. The Policy should reflect changes in operations and remain current with best practices.
- 3. All communications made through the whistleblowing process shall be treated with due diligence and properly investigated.
- 4. This Policy shall at all times be consistent with and shall supplement any whistleblower law, act or rule enacted by Congress or appropriate government or regulatory agency. The effectiveness of this Policy in practice shall be periodically evaluated and reviewed, and amended if necessary.

Approved by:

The Board of Directors



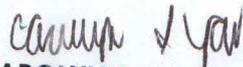
ALFREDO M. YAO
Chairman/Director

ARMANDO M. YAO
Director



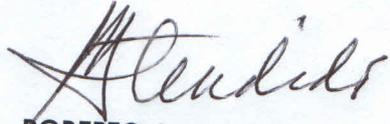
ANTONIO I. PANAJON
Director

JEFFREY S. YAO
Director



CAROLYN S. YAO
Director

MARY GRACE S. YAO
Director

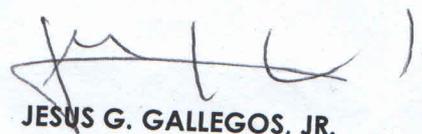


ROBERTO A. ATENDIDO
Director

FERNANDO R. BALATBAT
Director



ALBERT S. TORIBIO
Director



JESUS G. GALLEGOS, JR.
Director



ROBERTO F. ANONAS, JR.
Director