



INSIDER TRADING POLICY

INSIDER TRADING POLICY

I. Overview and Rationale

A strong and sustainable economy requires a capital market that efficiently moves long-term capital from fund sources to fund users. In turn, a capital market can only operate efficiently in a transparent environment where market players have ready and fair access to information. Under this environment, trading behaviors that may benefit from and/or result in information distortions are prohibited.

One such trading behavior is insider trading. Under Philippine jurisdiction, the Securities Regulation Code ("SRC"), the SRC Implementing Rules and Regulations ("IRR"), and the Revised Disclosure Rules of the Philippine Stock Exchange ("PSE") serve as framework regulating insider trading, ensuring adherence to best corporate governance practices. Furthermore, the Securities and Exchange Commission ("SEC") requires all publicly-traded companies to draw their respective insider trading policies that would govern the trade dealings of their directors and officers; and protect the investing public against abusive trade practices.

The purpose of this Insider Trading Policy ("Policy") is to set out the general principles and guidelines by which Macay Holdings, Inc. ("Macay" or "the Company") and its affiliates, directors, officers and employees address instances of insider trading activities.

II. Covered Persons and Entities

This Policy covers all "insiders" which refer to the following individuals and/or entities, consistent with the definition set forth in section 3.8 of the SRC:

- A. The Company and its affiliates;
- B. All directors or officers (or persons performing similar functions) of, or persons controlling Macay; and
- C. All persons whose current and previous relationship to Macay gives or gave them access to material non-public information about Macay or its securities.

III. Material Non-public Information

"Non-public information" refers to information that has not been disseminated broadly to the investing public. It becomes "public" after it has become publicly accessible through formal disclosure with the SEC, the PSE, other governmental agencies and/or publication of general circulation.

"Material information" refers to information that is considered by a reasonable person important, under the circumstances, in determining his course of action whether to buy, sell or hold a security. Material information may include, but not limited to:

- Financial results
- Projections of future earnings or losses
- News of pending or proposed merger
- Change in the corporate structure
- Acquisition / Divestiture / Joint Venture
- Dividend declaration and changes in dividend policy
- Stock splits
- New significant equity investment or debt offering
- Significant litigation exposure
- Major change in key senior management position

IV. Insider Trading

For purposes of this Policy, "insider trading" refers to the trading of the Company's securities (e.g. listed common shares) by covered persons and entities while in possession of material information not generally available to the investing public giving the covered persons and entities unfair advantage.

V. Blackout Period

"Blackout period" refers to the period during which directors, officers, and other covered persons or entities are prohibited from dealing in Macay's securities. Specifically, this prohibition includes purchasing, selling or otherwise acquiring or transferring Macay's securities, before and after the material non-public information has been released to the public. This is designed to give the non-insider market players ample time to absorb and act on the basis of the disclosed information.

VI. Policies

- A.** All covered persons and entities are strictly prohibited from trading Macay securities while in possession of material non-public information. Covered persons should refrain from trading Macay securities starting five (5) trading days before and ending at least, two (2) trading days after official disclosure of material information about the Company and/or its securities.
- B.** All officers, directors and employees of the Company have the legal and ethical obligation to maintain the confidentiality of material non-public information about Macay and its securities. They are strictly prohibited from communicating material non-public information to any person outside the Company except for the furtherance of legitimate business programs of Macay. Such permissible sharing of material non-public information should be governed, at all times, by non-disclosure agreements or any equivalent instrument.

VII. Policy Violation, Due Process and Penalties

Any violation of the this Policy shall be subject to disciplinary procedures and sanctions set forth in the Company's Code of Conduct and Discipline, without prejudice to any civil or criminal proceedings which the Company or regulators may file for violation of existing statutes. Insider trading, under the law, may be subject to penalty for damages or fine and/or imprisonment.

VIII. Policy Review and Revision

The Board shall perform a regular review of the implementation of this Policy. Any amendment to the Policy shall be endorsed for review and approval to governance bodies of Macay, in the following order:

- A.** Senior Management (through the Office of the President or the Executive Committee);
- B.** Corporate Governance Committee; and
- C.** the Board of Directors