

HUMAN RESOURCES AND ORGANIZATION DEVELOPMENT	Page No. 1 of 3	
	Policy No. HROD 7.1.0-0	New Addition
	Date of Issuance July 29, 2011	Date of Effectivity August 15, 2011
Subject: <u>Conflict of Interest</u>		

## I. POLICY STATEMENT

STI adheres to high levels of professional and ethical standards of conduct. Hence, STI adopts this policy to serve as a guide for Employees in structuring their relationships in the industry. Among others, this policy is adopted to avoid public perceptions and financial consequences detrimental to STI arising from the misuse or perception of misuse of an individual's position or influence.

## II. OBJECTIVE

This policy aims to enable all Employees to identify situations that may constitute or may be construed as Conflict of Interest situations and deter them from being involved in such. Furthermore, this policy provides the procedures to appropriately manage conflicts in accordance with the legal requirements and the goals of accountability and transparency in the organization.

## III. COVERAGE

This policy applies to all Employees of STI.

## IV. GENERAL GUIDELINES

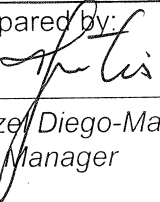
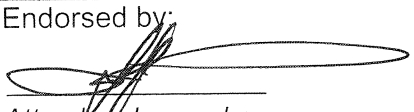
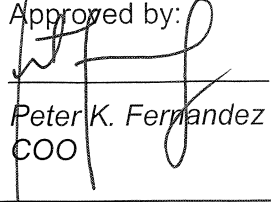
### Conflict of Interest Defined

Conflict of Interest is defined as a situation where an interest that might affect, or might reasonably appear likely to affect, the judgment or conduct of an individual associated with STI exists.

A conflict of interest may exist when the interests or potential interests of any employee, group or organization to which any STI employee is related to or associated with may be seen as competing with the interests or concerns of STI.

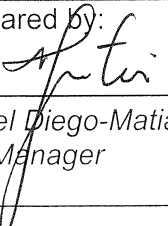
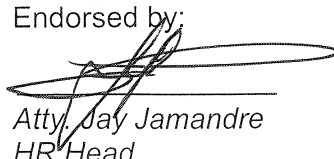
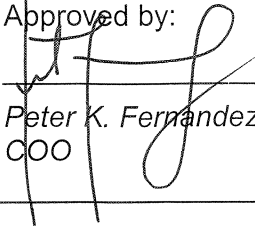
Conflict of interest may arise or be construed to arise in, but not limited to, the following situations:

1. When an Employee discloses STI's confidential business information or intellectual property (such as financial data, business processes, advertising methods or prospective transactions) to any other person, firm or corporation for personal benefit, for the benefit of the immediate family or any other person or entity.

Prepared by:  Liezel Diego-Matias HR Manager	Endorsed by:  Atty. Jay Jamandre HR Head	Approved by:  Peter K. Fernandez COO
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HUMAN RESOURCES AND ORGANIZATION DEVELOPMENT	Page No. 2 of 3	
	Policy No. HROD 7.1.0-0	New Addition
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2. When an Employee participates in any transaction leading to the approval or disapproval of transaction involving his/her immediate family by consanguinity/affinity and friends (e.g. spouse or domestic partner, parents, children, siblings, mother-in-law, father-in-law, sons-in-law, daughters-in-law, sisters-in-law, brothers-in-law, uncles/aunts, nephews/nieces, cousins up to the first degree, paramours and/or concubines, classmates, neighbors, friends, etc.)
3. When an employee participates in decisions involving recruitment, renewal, retention, supervision, promotion, evaluation, or compensation of the employee's immediate family and friends as described in paragraph two (2) above.
4. When an employee participates in a transaction with a former employer who may be a prospective supplier of the property, goods, or services needed to be purchased.
5. When an employee solicits and receives gifts from any third party on the basis of his or her position/employment with STI which may come in the form of payments, loans, services or gifts regardless of the amount or value in exchange for a favor. (For further details about this policy, please refer to the policy on Gifts).
6. When an employee has a business or financial interest in any third party dealing and/or competing with STI, such as, but not limited to:
  - ✓ Holding office, serving in the governing board, participating in management;
  - ✓ Deriving remuneration or other financial gain from a transaction involving STI other than salary and benefits;
  - ✓ Engaging in any outside employment or other activity that will materially encroach on such person's obligations to STI.
7. Relationship associated with consensual romantic and/or sexual relationships where a definite power differential between the parties exists.
8. Employees in the Purchasing Department are prohibited from participating in any transaction where a Conflict of Interest would or would prospectively arise.
9. And all other circumstances similar in nature.

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#### Procedures

Although this policy is designed to govern standards of relationship in dealing with third parties, it is not designed to eliminate or exclude all forms of relationships and activities that might create a duality of interest. Rather, its goal is to encourage transparency and careful deliberation in those cases where conflicts or perceived conflicts may arise. Hence, the following procedures must be observed when "Conflict of Interest" may or may be perceived to exist.

#### Disclosures

1. Prior to a board or committee action on a contract or transaction involving a Conflict of Interest, the Employee having a Conflict of Interest must disclose all information material to the Conflict of Interest which must be reflected in the minutes of the meeting. There must be full disclosure.
2. If an Employee who has influence or decision in any transaction has a Conflict of Interest or prospective Conflict of Interest, there must be full disclosure.
3. If an Employee has a Conflict of Interest or a possible perceived Conflict of Interest with STI, he or she shall consult with his/her supervisor or another member of the management team and, if warranted, notify the President of such conflict.

#### Conflict Management

With all interests disclosed, the management shall determine whether STI should take action or disclose the situation more broadly and solicit resolution of conflicts elevated to them.

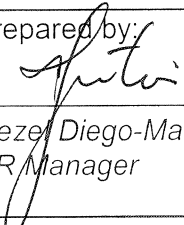
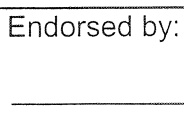
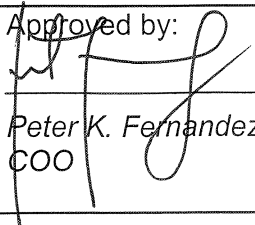
Disclosure of Conflict of Interest must be documented and reported to the Senior Ops. The Declaration of Conflict of Interest Form must be properly filled out and submitted to HROD (See attached Annex A).

#### V. Breach of Policy

Any Employee proven to have violated any of the provisions of this policy shall be accorded procedures, sanctions, and penalties as may be deemed proper based on appropriate company rules and the Company's Code of Conduct.

#### VI. POLICY REVISION

Policies, rules, and regulations not in accordance with this policy are deemed amended. STI reserves the right to adopt revisions to this policy if and when deemed necessary by management.

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