

## **POLICY ON INSIDER TRADING**

**Policy** It is the policy of Globe Telecom, Inc. (Company) to restrict trading of Securities (buy or sell) by Covered Persons considered to have knowledge of Material Information, during the Blackout Period, except in accordance with this policy.

**Securities** Includes the Company's shares of stock, options to purchase stocks, and other evidences of indebtedness.

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

- i. All members of the Board of Directors;
- ii. All Executive Officers of the Company who are or may be in possession of material non-public information about the Company because of their responsibilities. Executive Officers of the Company include the President/Chief Executive Officer, Chief Finance Officer, members of the Senior Leadership Team, and Band E & F employees wherever they may be assigned or seconded to the subsidiaries.
- iii. Consultants and Advisers of the Company;
- iv. All other Company employees who are made aware of undisclosed material information.
- v. Members of the immediate families of persons under (i) to (iv) who are living in the same household.

### **Material Information**

Information is deemed to be material if: (i) it would likely affect the market price of the Securities after being disseminated to the public and the lapse of three (3) days from dissemination; or (ii) it would be considered important by an investor in making a decision whether to buy, sell, or hold 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

- Change in the corporate structure such as reorganization
- Acquisition/Divestitures/Joint venture
- Dividend declaration 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 company securities

Positive or negative information shall be considered material.

## **1. RESTRICTIONS ON TRADING**

### **1.1 Blackout Periods**

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

(a) Structured Disclosures:

Ten (10) trading days before and three (3) trading days after any structured report/disclosure. Structured report/disclosure shall refer to periodic reports required by the Securities and Exchange Commission and/or the Philippine Stock Exchange to ensure public availability of continuing adequate information on the Company;

(b) Unstructured Disclosures:

Three (3) trading days before and three (3) trading days after any unstructured report/disclosure. Unstructured report/disclosure shall refer to corporate developments as they occur and as may be necessary to update information on the operations and business of the Company;

## **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 the Company, 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 Staff personnel may at certain times or from time to time possess 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**

All Covered Persons are required to report their trades to the Office of the Compliance Officer on a quarterly basis. Directors and Officers are required to immediately report their trades to the Office of the Compliance Officer to ensure timely report/disclosure by such Director/Officer to the SEC/PSE within three (3) business days from the transaction.

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

Violation of this policy shall be subject to disciplinary action under the Company's Code of Conduct, without prejudice to any civil or criminal proceedings which the Company or 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.