



## INSIDER TRADING POLICY

### I. POLICY AND COVERAGE

Guided by the core value of Integrity, MREIT, Inc. ("MREIT" or the "Company") shall abide by the Securities Regulation Code ("SRC") of the Philippines or Republic Act No. 8799, and shall implement policies and procedures to prevent the unauthorized disclosure or misuse of material, non-public information in securities trading to preserve the reputation and integrity of the Company.

Through this Policy, MREIT aims to provide guidelines to promote compliance with the SRC relating to the prohibition of fraud, manipulation and insider trading,<sup>1</sup> as well as to maintain the trust and confidence of MREIT's investors by preserving the reputation of integrity and ethical conduct of the Company.

This Policy shall apply to the Company and its affiliates, to all transactions in the Company's securities, and covers the Members of the Board of Directors, Officers, Employees, Stakeholders, and Related Persons. This Policy also applies to material, non-public information relating to any other company with publicly-traded securities, including customers or suppliers obtained in the course of employment with, or the performance of services on behalf of the Company and for which there is a relationship of trust and confidence concerning the information.

### II. DEFINITIONS

1. **Blackout Period** – means the duration of time wherein Covered Persons who are privy to inside information are restricted to trade the Company's securities. The following shall be used as guide in determining the coverage:
  - 1.1. Structured Disclosures – Ten (10) trading days before and two (2) trading days after the disclosure of structured reports.
  - 1.2. Unstructured Disclosures – Two (2) trading days after the disclosure of any material information other than the structured reports.

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<sup>1</sup> Title VII – Prohibitions on Fraud, Manipulation and Insider Trading, 2015 Implementing Rules and Regulations of the SRC ("2015 SRC Rules").

2. **Insider** (may be subsequently referred to as **Covered Person**) – applies to anyone who, by virtue of a relationship with the Company possesses material, non-public information regarding the business of the Company. The insider includes:
  - 2.1. All members of the Board of Directors;
  - 2.2. All Key Officers as specified in the Company's By-Laws and other similar corporate documents;
  - 2.3. All Heads of Organizations and members of the Management Team;
  - 2.4. Consultants and Advisers of the Company;
  - 2.5. All other employees of the Company with regular access to material information which are not yet publicly disclosed;
  - 2.6. All Secretaries and Executive Assistants of the above;
  - 2.7. Related Persons to the above persons who are living in the same household with them.
3. **Material Information** – an information is deemed material if there is a reasonable likelihood that it would be considered important to an investor in making a decision to buy, sell or hold a security or where the fact is likely to have a significant effect on the market price of the security. Material information can be positive or negative and can relate to virtually any aspect of the Company's business or to any type of security – debt or equity. Material information include, but are not limited to:
  - 3.1. Financial information:
    - 3.1.1. Financial results;
    - 3.1.2. Financial liquidity problems;
    - 3.1.3. Projections of future earnings or losses or changes in such projections;
    - 3.1.4. Creation of a significant reserve or write-off/significant adjustment to the financial statements;
  - 3.2. Investments or Divestments:
    - 3.2.1. Acquisition/Divestitures/Joint Venture;
    - 3.2.2. News of a pending proposed merger;
    - 3.2.3. News of a significant sale of assets;
    - 3.2.4. New significant equity investments or debt offerings;
  - 3.3. Information affecting equity:

- 3.3.1. Stock buy-backs;
- 3.3.2. Stock splits;
- 3.3.3. Public or private sale of company securities;
- 3.3.4. Dividend declaration and changes in dividend policy;
- 3.4. Change in the corporate structure such as a re-organization or major changes in key senior management positions;
- 3.5. Significant changes in corporate objectives;
- 3.6. Significant projects or product developments;
- 3.7. Significant litigation exposure;
- 4. **Material, Non-Public Information (MNPI)**<sup>2</sup> – any material information that:
  - 4.1. Has not been generally disclosed to the public that would likely affect the market price of the security after being disseminated to the public and the lapse of a reasonable time for the market to absorb the information; or
  - 4.2. Would be considered by a reasonable person important under the circumstances in determining his course of action whether to buy, sell or hold a security.
- 5. **Related Person** – includes:
  - 5.1. Co-habitants like the person’s spouse, children and anyone else living the household; a person’s parent or sibling may be considered a Related Person if living in the same household;
  - 5.2. Controlled Parties like any legal entities where the Person has control including, but not limited to:
    - 5.2.1. Partnerships of which the Person is a partner;
    - 5.2.2. Trusts of which the Person is a trustee;
    - 5.2.3. Estates of which the Person is an executor.
- 6. **Securities** – are shares, participation or interests in a corporation or in a commercial enterprise or profit-making venture and evidenced by a certificate, contract, instrument, whether written or electronic in character:
  - 6.1. Shares of stock, bonds, debentures, notes, evidences of indebtedness, asset-backed securities;

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<sup>2</sup> As defined in Sec. 27.2 of the 2015 SRC Rules.

- 6.2. Investment contracts, certificates of interest or participation in a profit sharing agreement, certificates of deposit for a future subscription;
  - 6.3. Derivatives like option and warrants;
  - 6.4. Certificates of assignments, certificates of participation, trust certificates, voting trust certificates or similar instruments;
  - 6.5. Proprietary or non-proprietary membership certificates in corporations; and
  - 6.6. Other instruments that may in the future be determined by the Securities and Exchange Commission.
7. **Stakeholders** - the Company's customers, employees, suppliers, financiers, government and business partners, including the communities and environment it operates in, all of whom are important to a successful business.
  8. **Structured Disclosures**<sup>3</sup> - are the defined periodic reportorial requirements of the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE), and the Philippine Dealing & Exchange Corporation (PDEX).
  9. **Unstructured Disclosures**<sup>4</sup> - any material fact or event not covered by the structured reports and which are disclosed as they occur for purposes of updating the investing public on the activities, operations and business of the Company.
  10. **Tippling** - the act of providing material, non-public information about a publicly-traded company to a person who is not authorized to have the information.
  11. **Trading Day** - any day when the PSE is open for business;<sup>5</sup> generally on weekdays between normal business hours.

### III. GENERAL RULES

#### 1. INSIDER TRADING

Insider Trading is prohibited. It refers to:

- 1.1. *Buying or selling by an Insider of a security of the Company, in breach of a fiduciary duty or other relationship of trust and confidence, while in possession of MNPI about a security.*

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<sup>3</sup> As defined in the PSE Consolidated Listing and Disclosure Rules.

<sup>4</sup> Sec. 2, Article VII, PSE Consolidated Listing and Disclosure Rules.

<sup>5</sup> Sec. 1, Article II, PSE Consolidated Listing and Disclosure Rules.

No employee who is aware of any MNPI concerning the Company or a third party with whom the Company does business, shall engage in any transaction in the Company's or such third party's securities, including any offer to purchase or sell, during the Blackout Period.

- 1.2. *Disclosing or "Tipping" MNPI about the Company or the security to others where the Insider communicating the information knows or has reason to believe that such person will likely buy or sell a security of the Company in while in possession of such information.*

No employee shall disclose or "tip" MNPI where such information may be used for another person's benefit by trading in the securities of the company to which such information relates, nor shall an employee make any recommendations, offer assistance or express any opinions as to trading in the Company's securities to any person on the basis of MNPI.

- 1.3. *Assisting someone who is engaged in any of the above activities.*

## 2. BLACKOUT PERIOD

- 2.1. An Insider is enjoined from buying or selling, directly or indirectly, listed and publicly traded shares of MREIT within the Blackout Period.
- 2.2. To avoid possible violation of the Blackout Period policy, an Insider may consult the Office of the Compliance Officer or the Legal Department prior to the trading of MREIT shares.
- 2.3. The Company's Compliance Officer is tasked to announce or disseminate Blackout Period at least –
  - 2.3.1. one week prior to the release of Structured Reports, or
  - 2.3.2. one trading day for the Unstructured Reports.

It is noted, however, that the Blackout Period applies regardless of the issuance or receipt of the Blackout Period reminder notice.

- 2.4. The Company or the Covered Persons shall be responsible for relaying the Blackout Period announcement to their Related Persons for their guidance.

## 3. TRADING OF DIRECTORS AND KEY OFFICERS OF THE COMPANY

- 3.1. A director or an officer of the Company as the issuer of the security is required to file, at the time either such requirement is first satisfied or within ten (10) days after he becomes such a beneficial owner, director, or

officer, a statement with the SEC and to the PSE and the PDEX (if the security is listed for trading) of the amount of all equity securities of the Company of which he is the beneficial owner, and within ten (10) days after the close of each calendar month thereafter, if there has been a change in such ownership during such month.<sup>6</sup>

- 3.2. Directors and principal officers of the Company are required to disclose their direct and indirect ownership of the Company's securities (or shares) within five (5) trading days after any of the following circumstances:<sup>7</sup>
  - 3.2.1. The Company's securities is first admitted in the Official Registry of the Exchange;
  - 3.2.2. Director is first elected or an Officer is appointed; or
  - 3.2.3. Any acquisition, disposal, or change in the shareholdings of the Directors and Officers.
- 3.3. In any of the above circumstances, the concerned Company Director or Key Officer shall immediately accomplish a Statement of Changes in Beneficial Ownership ("SCBO") and submit the same to the Investor Relations Officer for review and validation not later than one (1) trading day after the occurrence of the event. The validated SCBO shall be submitted to the Office of the Compliance Officer within the same deadline. The Compliance Officer shall ensure that the accomplished SCBO shall be submitted within two (2) trading days after the event occurrence.

#### IV. RESPONSIBILITIES

1. All Covered Persons shall be responsible for:
  - 1.1. Understanding and complying with this Policy and applicable provisions of law;
  - 1.2. Abiding to the ethical and legal obligation to maintain confidentiality of MNPI;
  - 1.3. Maintaining files securely and avoiding storing information in computer systems that can be accessed by other individuals;
  - 1.4. Avoiding the discussion of confidential matters in areas where the conversation could possibly be overheard;
  - 1.5. Not engaging in activities that may result to inadvertent disclosure of MNPI or Company affairs;
  - 1.6. Restricting the copying and distribution of sensitive documents within the Company;

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<sup>6</sup> Sec. 23, SRC.

<sup>7</sup> Sec. 13, Article VII, PSE Consolidated Listing and Disclosure Rules.

- 1.7. Seeking guidance from the Compliance Officer in case of doubt about a planned trading in Company securities;
  - 1.8. Avoiding improper trading by exercising appropriate judgement in any trade of Company securities. Covered persons should carefully consider how the trade may be construed with the benefit of hindsight;
  - 1.9. The actions or violations of Related Persons like family members, co-habitants and controlled parties.
2. Human Resources shall be responsible for orienting new employees and assisting the Company in implementing this Policy.
  3. Finance Department shall be responsible for ensuring that undisclosed financial information is kept confidential.
  4. The Investor Relations Officer shall be responsible for validating the SCBO of the Directors and Key Officers, and for ensuring its submission to the Compliance Officer not later than one (1) trading day after the occurrence of the event requiring submission of the SCBO.
  5. The Compliance Officer shall be responsible for:
    - 5.1. Reminding Covered Persons of the Blackout Period;
    - 5.2. Circulating the Policy to all employees;
    - 5.3. Assisting the Company in the implementation of the Policy;
    - 5.4. Guiding Covered Persons on the assessment whether a planned trading may be construed as Insider Trading;
    - 5.5. Coordinating with the Corporate Secretary regarding compliance requirements, changes in the requirements, recommendations and amendments necessary to comply with such requirements.
  6. The Legal Department shall be responsible for providing legal advice and help in legal proceedings should there be any.

## V. CONSEQUENCES OF NON-COMPLIANCE

Violation of this Policy shall be subject to disciplinary action under the Company's Code of Business Conduct and Ethics without prejudice to any civil or criminal proceedings which the Company or regulators may file for violation of existing laws.

## VI. APPROVAL, IMPLEMENTATION AND REVIEW OF POLICY

This Policy has been approved and adopted by Board of Directors. The Corporate Governance Committee has the overall responsibility for implementation, monitoring and periodic review of this Policy. The Policy will be reviewed annually and revised as needed.

- SIGNATURE PAGE FOLLOWS -



MREIT, Inc.

By:



**Francisco C. Canuto**  
Chairman of the Board



**Kevin Andrew L. Tan**  
President and CEO