

INSIDER TRADING POLICY

Adjunct to the strict observance of confidentiality on material non-public information that they may acquire or learn by reason of their position, directors, officers, employees and other covered persons are prohibited from trading (buying and selling) the Issuer's securities based on this inside information and tipping or passing information to someone who may use such information to trade the Issuer's securities during prescribed trading blackout periods.*

I. Purpose

The purpose of the Insider Trading Policy is to apprise and ensure compliance by all members of the Board of Directors, officers and employees of A Brown Company, Inc. (ABCI or BRN) of their obligations under the applicable securities laws and regulations of the Securities and Exchange Commission (SEC) as well as the Philippine Stock Exchange (PSE) Black-out Policy.

Aside from complying with the law against insider trading as part of SEC and PSE regulations, the company adopted this policy in keeping with the trend on sound corporate governance practices and supporting the integrity of capital market based on the principle of "equal opportunity based on equal access of information".

II. Definition of Terms

"Black-out period" is a period during which directors, officers, employees and other covered individuals are prohibited from dealing which includes purchasing, selling or otherwise acquiring or transferring the Issuer's securities before and after the material non-public information has been released to the public.

"Material non-public information" refers to information which has not been generally disclosed to the public and (i) 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 (ii) 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. Material information is any information relating to the business and affairs of the company that results in or would reasonably expected to result in, a significant change in the market price or value of the company's securities or that would reasonably expected to have a significant influence on a reasonable investor's investment decisions.

"Securities" shall refer to common and preferred shares, if any as well as debt securities like bonds and notes. These may also include securities that are convertible or exchangeable into shares of the company and derivative instruments, agreements or securities (whether or not issued by the company), the market price, value or payment materially referenced to or materially based on a security of the company obligations of which are materially derived from.

"Tipping" refers to divulging or supplying any material non-public information to anyone who might have the intention to use the same in trading the Issuer's shares to their personal advantage

III. Prohibition Against Insider Trading

All ABCI directors, officers, employees and other covered persons are prohibited from trading or dealing BRN shares while in possession of material non-public information and from passing such information to any person who might use such information to trade BRN shares for personal financial gain.

Everyone should exercise prudence in evaluating whether the non-public information he possesses is material or not. Any doubt should be resolved in favor of treating such non-public information as material.

** Please refer to Annex A*

In order to prevent Company insiders from taking unfair advantage over the material non-public information, directors, officers, employees and other covered individuals are, restricted to trade BRN shares on the following prescribed periods:

- a) From the time material non-public information is obtained in relation to the preparation of the Annual and Quarterly Reports required by the SEC, (SEC Form 17-A and 17-Q, respectively,) and two (2) full trading days after the submission and approval of Annual Report and Quarterly Report; and*
- b) From the time material non-public information is obtained to two (2) full trading days after dissemination of the information to the general public other than item (a) above.*

Full trading days shall be counted from the day after the approval of the disclosure/report by the Philippine Stock Exchange (PSE) through posting on its website.

Covered persons by this policy are as follows:

- all members of the Board of Directors;*
- all key officers of the Company (officers enumerated in the Company's By-Laws including the positions of Vice-President and up)*
- all other officers (not included above) and employees of the Company*

who are or may be in possession of material non-public information about ABCI due to their responsibilities.

The consultants and advisers of the Company as well members of the immediate families of all persons mentioned above are also covered by this policy.

IV. Reportorial Requirements

ABCI' directors and key officers like any other listed companies are required under the Securities Regulation Code and the implementing rules and regulations issued by the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) to report their direct and indirect beneficial ownership of BRN securities as well as any changes in such beneficial ownership.

SRC Rule 23 of the Securities Regulation Code requires directors and key officers of reporting and public companies to submit SEC Form 23-A (Initial Beneficial Ownership Report) on their election or appointment of its beneficial ownership on its Issuer's securities and SEC Form 23-B (Changes in Beneficial Ownership Report) on any changes in such beneficial ownership. PSE Revised Disclosure Rules also require the said directors and officers to submit a report to comply with Section 13 (Disclosure on Transactions of Directors and Principal Officers in the Issuer's Securities) and Section 17.5 (Reports on Beneficial Ownership) of the said disclosure rules.

To ensure that such reportorial requirements are timely complied with, directors and key officers must inform the Investor Relations Officer of their direct and indirect beneficial ownership in BRN securities not later than a day after their election or appointment. Likewise, they shall be required to advise the same Investor Relations Officer through email or facsimile the details (transaction type, no. of shares, unit price, and transaction date) of all their transactions (acquisition, disposal and lodgment) with BRN securities the day after the transaction date.

For purposes of the reportorial requirements of the SEC and PSE, a director's or an officer's beneficial ownership of BRN securities shall include not only BRN securities which he directly owns but also BRN securities which are:

- (i.) held by members of his immediate family sharing the same household*
- (ii.) held by a partnership in which he is a general partner*
- (iii.) held by a corporation of which he is the controlling shareholder*
- (iv.) subject to any contract, arrangement or understanding which gives him voting power or investment power with respect to such securities*

A director or an officer is directly and indirectly the beneficial owner of any equity security with respect to which he has or shares:

- (a) voting power which includes the power to vote or to direct the voting of such security and/or*
- (b) investment power which includes the power to dispose of, or to direct the disposition of, such security.*

All other officers (not included above as key officers) and employees of the Company are required to file the Disclosure of Compliance to the Insider Trading Policy using the format shown on Annex B on or before January 31 of each year.

For the initial year of the implementation, other officers and employees not covered by SEC Form 23-A shall disclose its shareholdings using the same form. The newly hires shall likewise file the disclosure within five (5) days from the assumption of employment.

V. Monitoring and Compliance

Violation or non-compliance with this policy may result to disciplinary action without prejudice to any criminal and civil liabilities which the company or regulators may file for violation of existing laws. Violation of such securities laws could expose directors, officers, employees and other covered persons to personal liability or other penalties. Penalties or fines may likewise be imposed by the regulators for the late filing of SEC Form 23-A (Initial Beneficial Ownership Report) and SEC Form 23-B (Changes in Beneficial Ownership Report) of the directors and officers based on Rule 23 of the Securities Regulation Code as well as the requirement of Section 13 (Disclosure on Transactions of Directors and Principal Officers in the Issuer's Securities) and Section 17.5 (Reports on Beneficial Ownership) of PSE Revised Disclosure Rules.

Strict observance of these guidelines is therefore enjoined. For any clarifications about the enforcement of the policy, covered persons may contact the Compliance Officer for consultation.

Grievance Procedure

The procedure on handling administrative cases embodied in Employee's Code of Conduct shall be followed as it deems practicable for determining violations and providing due process to the employees concerned.

The Governance Committee should conduct an investigation or create a special fact-finding committee, if warranted, to determine any violations of this policy. The special fact-finding committee may be composed of the HRD, Vice President –Administration, Vice President – Finance or other officer as the Governance Committee deemed fit. A disciplinary action or penalty for erring employees will be recommended by the special fact-finding committee with the approval of the Governance Committee and Executive Chairman for any violation against this policy, in consultation with the Compliance Officer. Any member of the panel who are accused of the violation shall be deemed relieved from its post as member of the panel.

Likewise, the Governance Committee in consultation with the Compliance Officer shall be responsible for determining violations committed by any directors and/or officers through notice and hearing and shall recommend to the Chairman of the Board the penalty for such violation, for further review and approval of the Board.

The Offense and Disciplinary Action

Violation of this Insider Trading Policy by the employees can be classified depending on the degree of violation: non-submission of the disclosure form can be classified as Type B offense and transacting the securities during black-out period and tipping can be classified as Type E offense. Tipping of material non-public information constitutes also violation of Section 11 of the Article III of the Employee Code of Conduct which is Type E offense with penalty of dismissal.

Section 11 of Article III (Offenses Against Company Interest and Policy) of the Employee Code of Conduct: Giving away or disclosing without permission any valuable information acquired by his office, or by him

on account of his position, to unauthorized persons, or making available such information in advance of its authorized release date and where in the process, the interest of the company is prejudiced. (Type E offense)

TYPE OF OFFENSE	LEVEL OF OFFENSE	DISCIPLINARY ACTION
<i>E</i>	<i>1st</i>	<i>Dismissal (Included in type E offenses are those covered by law as just cases for termination of employment.)</i>

Likewise, if a director and/or officer is found to be in violation of this policy and/or securities laws (e.g. non-submission for the report on SEC 23-A and SEC 23-B for key officers; transacting the Company's securities within the black-out period; tipping of material non-public information), the Governance Committee in consultation with the Compliance Officer shall recommend to the Chairman of the Board, for further review and approval of the Board, the penalty for such violation depending on the gravity of the offense which can either be reprimand, suspension or removal from office.

VI. Policy Review

The Governance Committee shall review and assess periodically the adequacy of this Policy for consideration by the Board of Directors. Any provisions may be amended and shall be effective upon due notice given to directors, officers and employees of the company including those covered persons by this policy.

ANNEX A:

MATERIAL INFORMATION – SEC FORM 17-C (CURRENT REPORT) OF SRC RULE 17 AND SECTION 4.4 (EVENTS MANDATING PROMPT DISCLOSURE) OF PSE REVISED DISCLOSURE RULES

SRC Rule 17.1 – Reportorial Requirements

Every issuer (reporting and public companies) shall file with the Commission:

iii. 1. A current report on SEC Form 17-C, as necessary, to make full, fair and accurate disclosure to the public of every material fact or event that occurs, which would reasonably be expected to affect investors' decisions in relation to those securities.

An illustrative, non-all inclusive, list of events which shall be reported pursuant to this paragraph is contained in SEC Form 17-C. Merely because as an event does not appear in that list does not mean that it does not have to be reported if, in fact, it is material.

The following are considered as material information based on SEC Form 17-C:

- Item 1. changes in control of Issuer*
- Item 2. acquisition or disposition of significant amount of assets or amounting to ten percent (10%) or more of the company's total assets*
- Item 3. changes in Issuer's certifying accountant (resignation or dismissal and appointment of new independent accountant)*
- Item 4. resignation, removal or election of registrant's directors or officers*
- Item 5. legal proceedings*
- Item 6. changes in securities*
- Item 7. defaults upon senior securities*
- Item 8. change in fiscal year*
- Item 9. other events*

(a) To the extent not covered above, the following are illustrative of the types of events required to be reported under this Item

- 1) changes in the issuer's corporate purpose and any material alteration in the issuer's activities or operations or the initiation of new ones;*
- 2) resignation or removal of officers or senior management and their replacements;*
- 3) any decision taken to carry out extraordinary investments or the entering into financial or commercial transactions that might have a material impact on the issuer's situation;*
- 4) losses of a significant part of the issuer's net worth;*
- 5) occurrence of any event of dissolution with details in respect thereto;*
- 6) acts and facts of any nature that might seriously obstruct the development of corporate activities, specifying its implications on the issuer's business;*
- 7) any licensing or franchising agreement or its cancellation which may materially affect the issuer's operations;*
- 8) any delay in the payment of debentures, negotiable obligations, bonds or any other publicly traded security;*
- 9) creation of mortgages or pledges on assets when they exceed a significant part of the issuer's net worth;*
- 10) any purchase or sale of stock or convertible debt securities of other companies when the amount exceeds a significant part of the issuer's or purchaser's net worth;*
- 11) contracts of any nature that might limit the distribution of profits with copies thereof;*
- 12) postponement of stockholders' meeting according to the by-laws or as previously scheduled;*
- 13) declaration of any kind of dividend;*
- 14) change in business address or location of principal plant;*
- 15) facts of any nature that materially affect or might materially affect the economic, financial or equity situation of those companies controlling, or controlled by the issuer including the sale of or the constitution of sureties/pledges on an important part of such issuer's assets;*

- 16) authorization, suspension, retirement or cancellation of the listing of the issuer's securities on an exchange or organized over-the-counter electronic marketplace domestically or abroad;
- 17) fines of more than P 50,000 and/or other penalties to the issuer or to its subsidiaries by regulatory authorities and the reasons therefore;
- 18) merger, consolidation or spin-off of the issuer;
- 19) Entry into or termination of a material agreement not made in the ordinary course of business;
- 20) Termination or reduction of a business relationship with a customer that constitutes a significant amount of the company's resources;
- 21) Events triggering a direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- 22) Material modifications to rights of holders of the company's securities;
- 23) Grant of the subscription rights to new shares as stock options;
- 24) Credits of subsidiary become likely to be in default;
- 25) Material conditional provisions in any agreement concerning ownership or control;
- 26) Changes in a material contract which may have financial, technological or administrative impact on the company;
- 27) Renegotiations or restructuring of debts;
- 28) Modification of disclosed projects by the company;
- 29) Any restructuring of the company's equity which has been approved by the Board of Directors;
- 30) similar transactions as items 3, 10 and 18, entered into by any director, officer or substantial stockholder of the issuer as a representative of a group of companies in which the issuer is a member thereof

Item 10. fraud and error

Item 11. financial statements and exhibits

- (a) financial statements of businesses acquired
- (b) pro-forma financial information
- (c) exhibits

Section 4.4 – Revised Disclosure Rules of the Philippine Stock Exchange

Events Mandating Prompt Disclosure – The following events, while not comprising a list of all the situations must be disclosed to the Exchange in compliance with Section 4.1 hereof:

- a.) A change in control of the Issuer
- b.) The filing of any legal proceeding by or against and/or its subsidiaries, involving claim amounting to 10% or more of the Issuer's total current assets or any legal proceedings against its President and/or any member of its Board of Directors in their capacity as such
- c.) Changes in the Issuer's corporate purpose and any material alterations in the Issuer's activities or operations or the initiation of new ones
- d.) Resignation or removal of directors, officers or senior management and their replacements and the reasons for such
- e.) Any decision taken to carry out extraordinary investments or the entering into financial or commercial transactions that might have a material impact on the Issuer's situation
- f.) Losses or potential losses, the aggregate of which amounts to at least ten percent (10%) of the consolidated total assets of the Issuer
- g.) Occurrence of any event of dissolution with details in respect thereto
- h.) Acts and facts of any nature that might seriously obstruct the development of corporate activities, specifying its implications on the Issuer's business
- i.) Any licensing or franchising agreement or its cancellation which may materially affect the Issuer's operations
- j.) Any delay in the payment of debentures, negotiable obligations, bonds or any other publicly traded security

- k.) *Creation of mortgages or pledges on assets exceeding ten (10%) or more of the Issuer's total assets*
- l.) *Any purchase or sale of stock or convertible debt securities of other companies when the amount is ten percent (10%) or more of the Issuer's total assets*
- m.) *Contracts of any nature that might limit the distribution of profits with copies thereof*
- n.) *Facts of any nature that materially or might materially affect the economic, financial or equity situation of those companies controlling, or controlled by the Issuer including the sale of or the constitution of sureties/pledges on a substantial part of its assets*
- o.) *Authorization, suspension, retirement or cancellation of the listing of the Issuer's securities on an exchange or electronic marketplace domestically or abroad*
- p.) *Fines of more than Php 50,000.00 and/or other penalties on the Issuer or on its subsidiaries by regulatory authorities and the reasons therefor*
- q.) *Merger, consolidation or spin-off of the Issuer*
- r.) *Any modification in the rights of the holders of any class of securities issued by the Issuer and the corresponding effect of such modification upon the rights of the holders*
- s.) *Any declaration of cash dividend, stock dividend and pre-emptive rights by the Board of Directors*
- t.) *Any change in the Issuer's fiscal year and the reason(s) therefor*
- u.) *All resolutions, approving material acts or transactions, taken up in the meetings of the Board of Directors and Stockholders of the Issuer*
- v.) *A joint venture, consolidation, acquisition, tender offer, take-over or reverse take-over and a merger*
- w.) *Capitalization issues, options, directors/officers/employees stock option plans, warrants, stock splits and reverse splits*
- x.) *All calls to be made on unpaid subscription to the capital stock of the Issuer*
- y.) *Any change of address and contact numbers of the registered office of the Issuer*
- z.) *Any change in the auditors of the Issuer and the corresponding reason for such change*
- aa.) *Any proposed amendment to the Articles of Incorporation and By-Laws and its subsequent approval by the Commission*
- bb.) *Any action filed in court, or any application filed with the Commission, to dissolve or wind-up the Issuer or any of its subsidiaries, or any amendment to the Articles of Incorporation shortening its corporate term*
- cc.) *The appointment of a receiver or liquidator for the Issuer or any of its subsidiaries*
- dd.) *Any acquisition of shares of another corporation or any transition resulting in such corporation becoming a subsidiary of the Issuer*
- ee.) *Any acquisition by the Issuer of shares resulting in its holding 10% or more of the issued and outstanding shares of another listed company or where the total value of its holdings exceed 5% of the net assets of an unlisted corporation*
- ff.) *Any sale made by the Issuer of its shareholdings in another listed or unlisted corporation; (1) resulting in such corporation ceasing to be its subsidiary; (2) resulting in its shareholding falling below 10% of the issued capital stock*
- gg.) *Firm evidence of significant improvement or deterioration in near-term earnings prospects*
- hh.) *The purchase or sale of significant assets amounting to ten percent (10%) or more of the Issuer's total assets otherwise than in the ordinary course of business*
- ii.) *A new product or discovery*
- jj.) *The public or private sale of additional securities*
- kk.) *A call for redemption of securities*
- ll.) *The borrowing of a significant amount of funds not in the ordinary course of business*
- mm.) *Default of financing or sale agreements*
- nn.) *Deviation from capital investment funds equivalent to twenty percent (20%) of the original amount appropriated*
- oo.) *Dispute with subcontractors, customers or suppliers or with any other parties*
- pp.) *An increase or decrease by 10% in the monthly, quarterly and annual revenues on a year-on-year basis*

Section 13 (Disclosure on Transactions of Directors and Principal Officers in the Issuer's Securities) of the Revised Disclosure Rules provides that "A Director or a Principal Officer of an Issuer must not deal in the Issuer's securities during the period within which a material non-public information is obtained and up to two full trading days after the price sensitive information is disclose." (Section 13.2)

Disclosure of any material fact or event that would reasonably be expected to affect investor's decision in relation to trading of its securities or price-sensitive information including submission of SEC Form 17-Q (Quarterly Report) and SEC Form 17-A (Annual Report) is covered under the Black-out Rule.

ANNEX B:

DISCLOSURE OF COMPLIANCE TO THE INSIDER TRADING POLICY

For the Year _____

☐ Initial Disclosure

☐ I hereby certify that I have no ownership of any securities (e.g. shares of stock, bonds, notes, etc.) of the company as of _____.

☐ I hereby certify that I have ownership in the securities of the company with the following details:

Type of Securities (Shares/Bonds/Notes)	Number of Units	Price/Cost	Total Price/Cost

☐ Subsequent Disclosure

Trading of Securities

☐ I hereby certify that I have no ownership of any securities (e.g. shares of stock, bonds, notes, etc.) of the company and thus, did not transact any of the company's securities within the reporting period.

☐ I transacted in the securities of the company with the following details: (Please use another sheet if necessary)

Date of the Transaction	Nature of the Transaction (Sale/Purchase)	Type of Securities (Shares/Bonds/Notes)	Number of Units	Price/Cost	Total Price/Cost

Tipping of Material Non-Public Information

I hereby certify that I



was not



was

involved in tipping any material non-public information that violates Insider Trading Policy.

I understand that if I have violated the Insider Trading Policy, I will be subjected to disciplinary action under this policy and the Company's Employee Code of Conduct.

Signature over Printed Name/Date