



Insider Trading

POLICY

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Insider Trading Policy

Document No.: POL-CSOO-CMPL-0005

Version. No. 1.0

Governing policy:	--
Brief description of policy:	This policy provides a brief overview of the company's controls and guidelines to address Insider Trading concerns.
Policy applies to:	<input checked="" type="checkbox"/> Company-wide <input type="checkbox"/> Specific group or employees only
Documented type:	<input checked="" type="checkbox"/> New <input type="checkbox"/> Revision of existing documented information
Policy document status:	<input type="checkbox"/> INITIAL DRAFT <input type="checkbox"/> INITIAL REVIEW <input type="checkbox"/> FINAL REVIEW <input checked="" type="checkbox"/> APPROVED
Policy / Process Control Review Authority:	Compliance Management Group COMPLIANCE MANAGEMENT GROUP OFFICE
Compliance governance review owner:	<div style="border: 1px solid black; padding: 2px; display: inline-block;">ORIGINAL SIGNED</div> John Michael C. Avila <i>Business Compliance Specialist</i> Date: <u>4 May 2021</u>
Compliance governance review officer:	<div style="border: 1px solid black; padding: 2px; display: inline-block;">ORIGINAL SIGNED</div> Marlyn E. Malabanan <i>Business Compliance Manager</i> Date: <u>4th of May 2021</u>
Compliance governance review officer	<div style="border: 1px solid black; padding: 2px; display: inline-block;">ORIGINAL SIGNED</div> Atty. Laurice P. Esteban-Tuason <i>Corporate Compliance Officer</i> Date: <u>03 May 2021</u>
Investor Relations governance review officer	<div style="border: 1px solid black; padding: 2px; display: inline-block;">ORIGINAL SIGNED</div> Owen Kieffer D. Ocampo <i>Investor Relations Director</i> Date: <u>4 May 2021</u>
Executive approval authority:	<div style="border: 1px solid black; padding: 2px; display: inline-block;">ORIGINAL SIGNED</div> Grace Y. Uy <i>President and Chief Resource Officer</i>
Implementation effectivity date:	May 4, 2021
Approval Date of last revision	N/A
Effectivity Date of last revision	N/A
Date of governing policy review*	April 30, 2022

***unless otherwise indicated, this policy will still apply beyond the review date**

Related legislation, standards, policies, procedures, guidelines and local protocols

POL-SARC-QRMS-1007 Code of Business Ethics Policy
CICT PPHRD – Employee Code of Conduct and Discipline
POL-SARC-QRMS-1008 – Conflict of Interest Policy
R.A. 8799 – Securities Regulation Code
Philippine Stock Exchange - Insider Trading Policy
GUI-PQM-ISM-003 – Information Classification and Handling Guidelines
POL-PQM-ISM-023 – Information Classification and Handling Policy

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1. Purpose of this policy

The purpose of this Insider Trading Policy (the “Policy”) of Converge Information and Communications Technology Solutions, Inc. (the “Company”) is to safeguard material non-public information of the Company and ensure that Insiders (as defined below) while in possession of such information shall not gain an unfair advantage in dealing and trading of the Company’s securities.

The Policy adheres to the rules on insider trading as mandated under the Securities Regulation Code, and complies with the disclosure requirements in dealing with securities as prescribed by the Securities and Exchange Commission (SEC) and Philippine Stock Exchange (PSE).

2. Scope of this policy

The Insider Trading Policy shall apply to all individuals and/or entities who have access to and knowledge of undisclosed material information about the Company. Unless otherwise stated, Insider (as defined below) covers the following individuals of the Company, its subsidiaries and affiliates:

- a. Board of Directors;
- b. Principal Officers of the Company as enumerated in the By Laws, General Information Sheet, and other reportorial requirements as disclosed with the SEC and PSE;
- c. Members of the Senior Leadership Team and Heads of the Business Units;
- d. Consultants and Advisers;
- e. Employees, officers, consultants, secretaries, executive assistants, and former employees/consultants of the Company, its subsidiaries and affiliates who have knowledge of undisclosed material information or material change from time to time until such information has been publicly disclosed;
- f. The spouse or relatives by affinity or consanguinity within the second degree, legitimate or common-law, which include grandparents, parents, siblings, children, and grandchildren of the individuals identified in a. to e. above; and
- g. Anyone who obtains undisclosed material information or material change from any of the foregoing individuals.

3. Definitions

Term	Definition
Securities	These refer to shares, participation or interests in a corporation or in a commercial enterprise or profit-making venture and evidenced by a certificate, contract, instruments, whether written or electronic in character. It includes: (a) Shares of stocks, bonds, debentures, notes evidences of indebtedness, asset-backed securities; (b) Investment contracts, certificates of interest or participation in a profit sharing agreement, certifies of deposit for a future subscription; (c) Fractional undivided interests in oil, gas or other mineral rights; (d) Derivatives like option and warrants; (e) Certificates of assignments, certificates of participation, trust certificates, voting trust certificates or similar instruments (f) Proprietary or nonproprietary membership certificates in corporations; and (g) Other instruments as may in the future be determined by the Securities and Exchange Commission. ¹

¹ Section 3.1 of the Securities Regulation Code.

Issuer	This refers to the originator, maker, obligor, or creator of the security/ies. ²
Insider	"Insider" means (a) the issuer; (b) a director or officer (or any person performing similar functions) of, or a person controlling the issuer; (c) gives or gave him access to material information about the issuer or the security that is not generally available to the public; (d) xxx or (e) a person who learns such information by a communication from any forgoing insiders. ³
Insider Trading	<p>The unlawful act wherein an insider sells or buys securities of the issuer, while in possession of material information, with respect to the issuer or the security that is not generally available to the public.⁴</p> <p>It also refers to the unlawful act of communicating material nonpublic information about the issuer or the security to any person who, by virtue of the communication, becomes an insider as defined above, where the insider communicating the information knows or has reason to believe that such person will likely buy or sell a security of the issuer while in possession of such information.⁵</p>
Material Non-Public Information	<p>It refers to any information which (a) has not been generally disclosed to the public and 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 (b) 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.⁶</p> <p>For purposes of this policy, material information include those events mandating prompt disclosure under Section 4.4. of the Disclosure Rules issued by the Philippine Stock Exchange (PSE).</p>
Structured Disclosures	Structured continuing disclosures are the periodic reportorial requirements required by the SEC and the PSE. ⁷
Unstructured Disclosures	Unstructured continuing disclosures are communications of corporate developments as they occur and are intended to update the investing public with any material fact or event that occurs which would reasonably be expected to affect investors' decision in relation to the trading of its securities. ⁸

4. Policy statement

This Policy aims to establish mandatory requirements for the Company with respect to the transactions of its securities. This Policy also aims to uphold the Company's reputation of integrity, and maintain investor confidence by promoting equitable treatment of shareholders, and by ensuring that the Company complies with legal and regulatory requirements with regard to insider trading and timely disclosure of material non-public information.

5. Blackout Period

An Insider must not deal in the Issuer's securities during the period within which a material nonpublic information is obtained and up to five (5) full Trading Days after the price sensitive information is disclosed.⁹

² Section 3.2 of the Securities Regulation Code.
³ Section 3.8 of the Securities Regulation Code.
⁴ Section 27 of the Securities Regulation Code.
⁵ Section 27.3 of the Securities Regulation Code.
⁶ Section 27.2 of the Securities Regulation Code.
⁷ Section 17.1 of the PSE Disclosure Rules.
⁸ Section 4 of the PSE Disclosure Rules.
⁹ Section 13.2 of the PSE Disclosure Rules.

In addition, the Company has four (4) routine quarterly blackout periods coinciding with the release of the Company's financial and operational results. In connection with these quarterly disclosures, the blackout period will be fifteen (15) full trading days prior and five (5) full trading days after the release of the above-mentioned report. Any Insider of the Company are subject to these quarterly blackout periods.

The Company's Corporate Secretary or Compliance Officer or their representatives will send a notice at least a day prior to the specific blackout period. The Company shall impose these blackout periods upon notice by the Corporate Secretary or the Compliance Officer or their representatives to the concerned persons.

6. Disclosure Requirements on the Trading of Company Securities by the Board of Directors and Principal Officers

6.1. Report of Trading Activities of Directors and Principal Officers

The members of the Board of Directors and Principal Officers of the Company must report to the Company any purchase, sale, or change in their shareholdings of the Company's securities within three (3) trading days from the date of transaction. The reports on dealings in Company securities must be submitted to the Compliance Officer, who shall then file the required forms to the PSE and SEC within five (5) trading days from the date of transaction.

6.2. Report of Initial or Change in Beneficial Ownership of Securities

In addition to the above report of trading activities, a newly appointed Director or officer, whether or not beneficially owning the Company's securities, must file a statement with SEC and PSE using SEC Form 23-A (Initial Statement of Beneficial Ownership) within ten (10) calendar days from the date of appointment indicating the amount of the Company's securities of which he/she is a beneficial owner.¹⁰

If there has been any change in such ownership, a Director or officer of the Company must file a statement with SEC and PSE using SEC Form 23-B (Statement of Changes in Beneficial Ownership) indicating his/her ownership of the Company's securities at the close of the calendar month. This report must be filed within ten (10) calendar days after the close of each calendar month thereafter.¹¹

7. Penalties and Other Causes of Action for Non-Compliance

The management, in the accordance with the Company's best interest, reserves the right to impose any other prohibitions from buying or selling securities, provided that, such prohibition has been unanimously agreed by majority vote of the members of the Board, and has been cleared of any legal or regulatory implications by the Legal Counsel and the Legal Department.

An employee found to have violated Insider Trading Policy may be subject to disciplinary action, up to and including termination of employment. Please refer to the table below.

OFFENSE/S	PENALTIES					
	1st	2nd	3 rd	4th	5th	6th
For violation of the prohibition on insider trading an employee shall be subject to penalties ranging from a formal written warning notice, discharge and up to including prison sentence, civil and criminal fines depending on the severity of the charges. While the entities that commit the violation may suffer from civil and criminal fines.						

¹⁰ Section 23.1.1 of the Implementing Rules and Regulation of the Securities Regulation Code.

¹¹ Section 23.1.2 of the Implementing Rules and Regulation of the Securities Regulation Code.

Breach of a fiduciary duty or other relationship of trust and confidence, while in possession of material, confidential trade information about the security.	Dismissal					
Maliciously and knowingly reports false information to the Company with intent to do harm to another person or the Company	Warning of Dismissal with Minimum of 10 days suspension	Dismissal				
An insider of the Company has acted, or intends to act, on inside information	Company Discretion					

Note: Offenders of this Policy will, by default, incur the offense of “Non-compliance with the Insider Trading Policy”.

Likewise, the Company shall have a recourse against the Insider for monetary penalties which the regulators may assess the Company for violation of the Insider Trading Rules. This is without prejudice to any other civil, criminal, and/or administrative penalties, which may be imposed for violation of insider trading rules, in accordance with SEC and PSE guidelines.

Lastly, in addition to any civil or criminal liabilities and disciplinary actions, any profit realized by beneficial owners, Principal Owners, Directors, or Principal Officers from any purchase or sale, or any sale or purchase, of any equity security of the Company within any period of less than six (6) months, unless such security was acquired in good faith in connection with a debt previously contracted, shall inure to and be recoverable by the Company, irrespective of any intention of holding the security purchased or of not repurchasing the security sold for a period exceeding six (6) months.¹²

8. Effectivity and Compliance

This Policy will take effect immediately upon approval. Compliance is tasked to immediately disseminate and to enforce this Policy company-wide.

An Insider may consult with the Corporate Secretary or Compliance Officer prior to trading to determine whether the non-public information they possess are material and/or whether there is an existing blackout period.

9. Related document references

The contents of this Policy are derived from various existing policies and guidelines, as well as laws and regulations such as:

- POL-SARC-QRMS-1007 Code of Business Ethics Policy

¹² Section 23.2 of the Securities Regulation Code.

- CICT PPHRD – Employee Code of Conduct and Discipline
- POL-SARC-QRMS-1008 – Conflict of Interest Policy
- R.A. 8799 – Securities Regulation Code
- Implementing Rules and Regulations of the Securities Regulation Code
- Philippine Stock Exchange – Insider Trading Policy
- GUI-PQM-ISM-003 – Information Classification and Handling Guidelines
- POL-PQM-ISM-023 – Information Classification and Handling Policy

10. Details of revision/s made to this Policy

From time to time the organization may make changes to this Policy and relevant Guidelines to improve the effectiveness of its operation.

Version No.	Date	Description of Change	Author	Approver
1.0	April 22, 2021	Initial draft	JM Avila	Marlyn Malabanan
1.0	May 3, 2021	Reviewed and revised draft	JM Avila, Marlyn Malabanan, Laurice Esteban - Tuason	Laurice Esteban - Tuason