

## Metro Retail Stores Group Inc. Code of Conduct for Directors and Senior Management

The members of the Board of Directors of Metro Retail Stores Group, Inc. ("MRSGL" or the "Company") acknowledge and accept the scope and extent of their duties as Directors. They acknowledge and confirm that they have a responsibility to carry out their duties in an honest and businesslike manner and within the scope of their authority, as set forth in the laws of the Philippines as well as in the Articles of Incorporation and By-laws of the Company. They understand that they are entrusted with and are responsible for the safeguard, protection and oversight of the assets, properties and business affairs of MRSGL in an honest, fair, diligent and ethical manner. As Directors, they must act within the bounds of the authority conferred upon them and with the duty to make and enact informed decisions and policies in the best interests of the Company and its stakeholders<sup>1</sup>. The Board of Directors has adopted the following Code of Conduct and the Directors and senior managers are expected to adhere to the standards of care, loyalty, good faith and the avoidance of conflicts of interest<sup>2</sup> that follow.

The Board Members and senior managers shall at all times:

- act in the best interests of, and fulfill their fiduciary obligations to, MRSGL;
- act honestly, fairly, ethically, and with integrity;
- conduct themselves in a professional, courteous, and respectful manner and not take improper advantage of their position;
- will deal fairly with all stakeholders;
- comply with all applicable laws, rules and regulations;
- act in good faith, responsibly, with due care, competence, and diligence, without allowing their independent judgment to be subordinated or compromised;
- not use the Company's property, resources, or position for personal gain;
- will not accept from or give to stakeholders gifts or other benefits not customary in normal social intercourse;
- not use any information or opportunity received by them in their capacity as Directors or senior managers in a manner that would be detrimental or prejudicial to the Company's interests;
- act in a manner to enhance and maintain the reputation of the Company;
- disclose any personal interest that they may have regarding any matters that may come before the Board and abstain from discussion, voting or otherwise influencing a decision on any matter in which the concerned Director or senior manager has or may have such an interest;
- abstain from discussion, voting or otherwise influencing a decision on any matters that may come before the Board in which they may have a conflict or potential conflict of

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<sup>1</sup> Stakeholders - refer to those who will be affected by MRSGL's acts, resolutions, policies, and programs. Covered are stockholders, directors, officers, employees, customers, creditors, suppliers, government agencies and instrumentalities, and the communities where it operates.

<sup>2</sup> Conflict of Interest means a situation that has a potential to undermine the impartiality or objectivity of an individual because of the possibility of a clash between the individual's own personal interest and the interest of the Company.





interest<sup>3</sup>

- respect and preserve the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors or senior managers, except when authorized or legally required to disclose such information;
- not use confidential information acquired in the course of their service as Directors or senior managers for their personal advantage or for the advantage of any other person or entity; and
- help create and maintain a culture of high ethical standards and commitment to compliance in the Company.

Any concern involving malpractice or wrongdoing by any member of the Board of Directors or any senior manager of the Company shall be reported to the Company's Chief Strategy and Governance Officer. Concerns may be raised orally or in writing and should specify whether the employee or complainant wishes his/her identity to be kept confidential or not. The Company's Governance Committee shall then proceed to investigate the said concern and report directly, and make the appropriate recommendations, to the Company's Chairman and Chief Executive Officer.

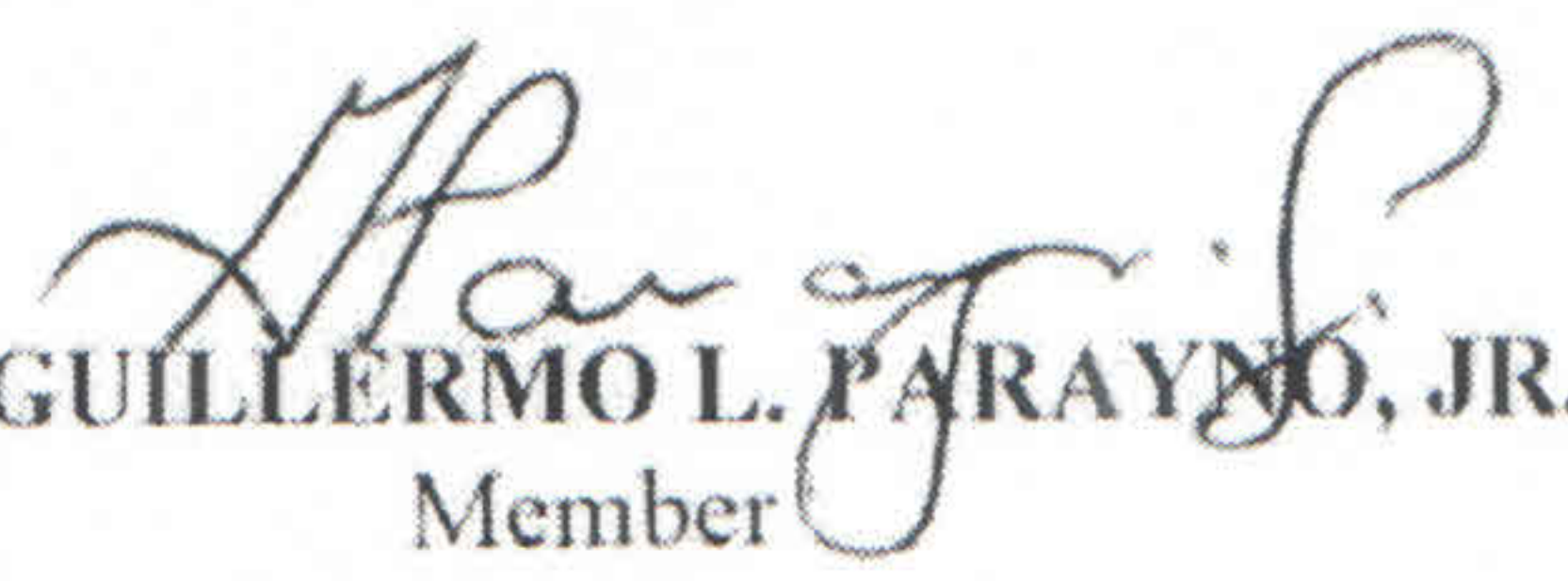
A Director or senior manager who has concerns regarding compliance with this Code should raise those concerns to the Chairman of the Board and the Chairman of the Audit and Risk Committee, who will determine what action shall be taken to deal with the concern. In the extremely unlikely event that a waiver of this Code for a Director or senior manager would be in the best interest of the Company, said waiver must be approved by the Audit and Risk Committee and the Board of Directors.

For this purpose "senior management or senior managers" shall mean members of management one level below the executive directors and shall include all functional heads.

Directors and senior managers shall annually sign a confirmation that they have read, have complied with and will continue to comply with this Code.

Signed and approved by the members of the Governance Committee on March 16, 2016 in Mandaue City.

  
EDWARD S. GAISANO  
Chairman

  
GUILLERMO L. PARAYNO, JR.  
Member

  
MARGARET G. ANG  
Member

  
ARTHUR EMMANUEL  
Member

[replaces draft MDCS CODE]

<sup>3</sup> There may be situations in which a Director would be in breach of his duty of confidentiality to another entity where he to disclose a conflict of interest to the Board of the Company. In such a situation, it shall be sufficient for the Director concerned to abstain from any participation in the matter concerned, without disclosing the nature of the conflict.

