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SECURITIES AND EXCHANGE COMMISSION

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(Company's Full Name)

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S T R E E T , B O N I F A C I O G L O B A L C I T Y ,
T A G U I G C I T Y , M E T R O M A N I L A , P H I L S .

(Business Address: No. Street City/Town/Province)

JONNA C. LLAGUNO

(Contact Person)

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(Company Telephone Number)

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Filipino Fund, Inc.
Policy on Related Party Transactions to Comply with
SEC Memorandum Circular No. 10 Series of 2019

A. Purpose of this Policy

In order to ensure that a Related Party Transaction will inure to the best interest of the Company and its stakeholders¹, it is the policy of Filipino Fund, Inc. (“FFI” or the “Company”) that Related Party Transactions are to be conducted on an arm’s length basis and that their terms are fair, with any consideration paid or received by the Company in connection with any such transaction being on terms no less favorable than terms available to any unconnected third party under the same or similar circumstances.

The purpose of this policy is to set out the procedures by which the Company may enter into a Related Party Transaction.

B. Definitions

“Related Party Transaction” is a transaction between the Company and any “Related Party”.

“Related Party” covers FFI’s directors, officers, substantial shareholders, and their respective spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, if these persons have control, joint control or significant influence over FFI. It also covers FFI’s principal stockholder or parent, subsidiaries, affiliates, associates, joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a Related Party.

“Substantial Shareholder” of the Company is any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

“Material Related Party Transaction” refers to any related party transaction/s, either individually, or in aggregate over a twelve (12)-month period with the same related party, amounting to ten percent (10%) or higher of the Company’s total assets based on its latest audited financial statements.

“Materiality Threshold” – Ten percent (10%) of the Company’s total assets based on its latest audited financial statements.

“Significant Influence” – The power to participate in the financial and operating policy decisions of the Company, but has no control or joint control over those policies.

“Control”- A person or an entity controls FFI if and only if the person or entity has all of the following:

- Power over FFI;
- Exposure, or rights, to variable returns from its involvement with FFI; and

¹ Stakeholders – refer to those who will be affected by FFI’s acts, resolutions, transactions, policies, and programs. Covered are stockholders, directors, officers, employees, clients/customers, creditors, suppliers, government agencies and instrumentalities, and the community where it operates.

- The ability to use its power over FFI to affect the amount of FFI's returns.

"Affiliate"- refers to an entity linked directly or indirectly to FFI through any one or a combination of any of the following:

- Ownership, control, or power to vote, whether by permanent or temporary proxy or voting trust, or other similar contracts, by an entity of at least ten percent (10%) or more of the total outstanding voting stock of FFI, or vice versa;
- Interlocking directorship or officership, except in cases involving independent directors as defined by law;
- Common stockholders owning at least ten percent (10%) of the total outstanding voting stock of FFI and the entity; or
- Management contract or any arrangement granting power to FFI to direct or cause the direction of management and policies of the entity, or vice-versa.

"Associate" – An entity over which FFI holds twenty percent (20%) or more of the total voting power, directly or indirectly, or which FFI has significant influence.

C. General Guidelines

All transactions between FFI and a Related Party are to be conducted at arm's length, at fair market values, and must always be fair and reasonable under the circumstances.

D. Disclosure of Related Party Transactions by Directors and Officers

It is the responsibility of each director or officer to promptly notify the Board, through the Audit Committee, of any proposed Related Party Transaction as soon as they become aware of it to ensure that potential conflicts of interest are disclosed and brought to the attention of Management.

E. Approval Procedures of Related Party Transactions

1. All Related Party Transactions that do not reach the Materiality Threshold and are not considered as Material Related Party Transactions shall be approved by the Audit Committee before Management will carry out and implement such transaction/s.

The Audit Committee shall review the proposed Related Party Transaction and determine whether or not the said transaction shall benefit the Company and if the price/consideration, terms, and conditions of the transaction are at arm's length and at fair market value.

However, the following Related Party Transactions shall be considered as pre-approved, can be commenced and implemented right away, and do not require the prior review and approval of the Audit Committee:

- a. Related Party Transactions whose contract price/consideration do not exceed the amount of Twenty Million Pesos (₱20,000,000.00) per individual transaction or in the aggregate over a 12-month period with the same Related Party.

b. The sharing of administrative services between the Company and a Related Party on a cost basis, where the cost of the services is identifiable and allocated to the parties involved in a fair and equitable basis.

c. Any transaction involving a Related Party where the price/consideration involved is determined by a competitive bid or fixed by law or governmental authority.

d. Compensation of directors and officers as approved by the Nomination Committee.

e. Any transaction with a Related Party being made in the ordinary and regular course of doing business, regardless of amount, provided that such transaction is on substantially the same terms as those prevailing at the time for comparable products or services with unrelated parties.

2. For Material Related Party Transactions that cross the Materiality Threshold either individually or in aggregate over a 12-month period with the same Related Party, the following steps and processes shall be followed and observed:

a. The Audit Committee shall review the proposed Material Related Party Transaction and determine whether or not the said transaction shall benefit the Company and if the price/consideration, terms, and conditions of the transaction are at arm's length and at fair market value.

b. The Audit Committee shall appoint an external independent third party who will be tasked to evaluate the fairness and reasonableness of the proposed price/consideration, terms, and conditions. The independent evaluation will ensure the protection of the rights of the stakeholders.

c. After the fairness and reasonableness of the proposed price/consideration, terms, and conditions have been validated and affirmed by the external independent third party and other factors have been considered by the Audit Committee, the Audit Committee shall make the appropriate recommendation to the Board of Directors the proposed Material Related Party Transaction for its action. Those proposed Material Related Party Transactions that have not been validated and affirmed by the external independent third party shall be disapproved by the Audit Committee and shall not be carried out and implemented.

d. All Material Related Party Transactions that are approved and endorsed by the Audit Committee shall be further approved by at least 2/3 vote of the Board of Directors with the unanimous concurrence of all independent directors. If both the 2/3 vote of the Board and the unanimous vote of all the independent directors cannot be obtained, the proposed Material Related Party Transaction shall be referred to, and approved by, the vote of the stockholders owning or representing at least 2/3 of the total outstanding capital stock of the Company.

3. Only upon the full and strict compliance with these Approval Procedures shall a Proposed Related Party Transaction be considered approved and to be implemented and carried out by Management in accordance with the approved price/consideration, terms, and conditions.

4. Any member of the Audit Committee and the Board who has a potential conflict of interest² in a particular Related Party Transaction presented for approval shall inhibit himself from voting to maintain credibility and integrity of the process.

F. Other General Provisions

1. Loans. The Company shall not make any personal loans to the directors, officers or shareholders with more than five percent (5%) of the total voting shares.

The Company shall not lend money to, or borrow money from, a Related Party unless done on market terms and conditions (arm's length basis and fair terms).

Lending money to a Related Party shall not exceed more than five percent (5%) of the Company's total stockholders' equity.

2. Disclosure Requirements. The Company shall disclose this Policy as well as its Whistle-Blowing Policy in its website.

A summary of all Material Related Party Transactions entered into by the Company during the reporting year shall be disclosed in the Company's Integrated Annual Corporate Governance Report or I-ACGR.

An Advisement Report shall be filed by the Company with the Securities and Exchange Commission within three (3) calendar days after the execution date of a Material Related Party Transaction, to be signed by the Corporate Secretary or any authorized representative.

3. Review by External Auditor. The Company's independent external auditor shall be required to review all Material Related Party Transactions included in the financial statements to provide assurance as to the accuracy of the information reported.
4. Duty of Compliance Officer. The Company's Compliance Officer shall ensure compliance with this Policy on Related Party Transactions and SEC Memorandum Circular No. 10 Series of 2019, and their amendments and/or supplements.

G. Policy Review


The Audit Committee may review and assess the adequacy of this policy as the need arises and to recommend to the Board for approval the needed changes.

H. Policy Violations

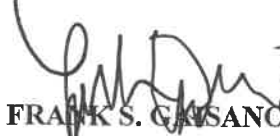
Any material breach or violation of this Policy shall merit a penalty as may be determined by the Board of Directors who have no conflict of interest.

Signed and adopted by the Board of Directors on October __, 2019 in Taguig City.

² 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 and a Related Party.



BERNARDO M. VILLEGAS
Chairman/Independent Director

MARGARET G. ANG
Director


FRANK S. GASANO
Director

ALJIM C. JAMANDRE
Director

VINCENT E. TOMANENG
Director


EDWARD S. GO
Independent Director


JOHN G. TAN
Independent Director

Assisted by:

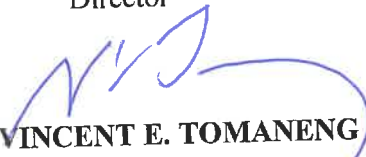

JONNA C. LLAGUNO
Compliance Officer

BERNARDO M. VILLEGAS
Chairman/Independent Director


MARGARET G. ANG
Director

FRANK S. GAISANO
Director


ALJIM C. JAMANDRE
Director


VINCENT E. TOMANENG
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JOHN G. TAN
Independent Director

Assisted by:


JONNA C. LLAGUNO
Compliance Officer



FILIPINO FUND, INC.

WHISTLE BLOWING POLICY

Filipino Fund, Inc. (the "Corporation") is committed to uphold its principles and values in the conduct of all its business affairs and transactions. In line with this goal, the Whistle Blowing Policy (the "Policy") is hereby enacted to encourage its board of directors, management, officers, employees, and business partners, to be more active in voicing out serious concerns about possible and perceived illegal and unethical practices related to the Corporation.

Should the Corporation's normal reporting channels or human resources contact be too intimidating or inconvenient for the concerns to be raised, the whistleblower can do so through the alternative reporting channels provided herein.

1. Aims and Coverage of this Policy

This Policy aims to provide better avenues for whistleblowers to raise issues and help apprise the Corporation about serious concerns so that they may take actions to resolve the matters reported.

Types of serious concerns covered:

- (a) Serious malpractice – covers illegal or unethical conduct within or outside the Corporation's premises that are related to the Corporation, its business partners, or its employees;
- (b) Violation of all relevant and applicable laws of the Philippines;
- (c) Violation of the Corporation's Manual of Corporate Governance;
- (d) Fraudulent acts; and
- (e) Any other gross misconduct similar or related to the foregoing.

2. Safeguards

2.1 Confidentiality

All whistleblowing disclosures made pursuant to this Policy will be treated as confidential. Before a disclosure is made, the whistleblower must be clear that one is making the disclosure within the terms of the Corporation's Policy to ensure that the recipient of the disclosure takes the necessary actions to protect and conceal the whistleblower's identity. However, while the Corporation can provide anonymity, the Corporation cannot guarantee that this veil of anonymity will be extended to the courts should legal action arise. The Corporation is not accountable for maintaining anonymity where the whistleblower has told others of the alleged serious concern.

2.2 Protection from Harassment or Retaliation

The Corporation believes that employees should be able to raise their serious concerns about corporate malpractices and report valid concerns without fear of

reprisals, and to have direct access to corporate channels that handle whistleblowing concerns. As such, the Corporation guarantees that whistleblowers shall not be harassed, victimized or be subject to retaliatory or disciplinary actions as a result of any good faith disclosure for as long as it is not made maliciously or for personal gain. Any harassment or retaliatory action shall be subject to disciplinary or legal action.

2.3 Anonymous Allegations

Anonymous reports will be considered at the discretion of the proper Reporting Channel. In the exercise of the Reporting Channel's discretion, the following are to be taken into account: the seriousness of the allegations raised; the credibility and likelihood of the concern raised; and the probability of confirming the allegation from reliable sources.

3. Reporting Channel

Whistleblowers may use any method of communication in reporting to the Corporation's Compliance Officer or its independent directors to raise a serious concern covered by this Policy at the following contact details:

- Compliance Officer Contact Number: 0920-909-0690
- Independent Directors Contact Numbers: 0927-293-6358, 0918-903-8574, 0918-800-0000

For fairness and practicality, the Compliance Officer and the independent directors will be made to decide whether or not an investigation is appropriate.

Within ten (10) calendar days of a concern being received, the Corporation's Compliance Officer or its independent directors will write to the complainant:

- Acknowledging receipt of the report made by the whistleblower and providing the following information:
 - o an indication of the steps to be taken by the officer; and
 - o an estimate of the duration to provide a final response.

The Corporation's Compliance Officer or its independent directors must always apprise the whistleblower of initial inquiries made and further investigations conducted, if any. Legal advice should be obtained without delay if such is deemed necessary after review of the report. The Corporation expects to recover attorney's fees and other legal costs incurred, when appropriate.

4. Possible Outcomes after Investigation

The Corporation warrants that no adverse consequences for anyone who reports a whistleblowing concern in good faith. However, malicious individuals who are found responsible for making allegations in bad faith will be subject to disciplinary or legal action pursuant to the policies and procedures of the Corporation, and any applicable laws.

The following actions may be taken after investigation;

- Subject to proper investigation, disciplinary or legal action against the wrongdoer;



- If the reported allegation is found to be malicious or otherwise made in bad faith, disciplinary or legal action against the whistleblower; or
- No action shall be taken if the whistleblower acted in good faith but the reported allegation is not confirmed by the investigation.

The whistleblower will be kept informed of the progress and outcome of the investigation, subject to legal and practical constraints, within the limits of maintaining confidentiality or observing legal restrictions.

5. Limitation of Scope and Review

This Policy is intended to encourage individuals to be more active in reporting who are believed to be acting with malpractice or impropriety. It is not designed to question financial, business, or management decisions taken by the Corporation. Furthermore, this Policy should not be used to as a mode of appeal or reconsideration on any matters which have already been investigated under the Corporation's human resource disciplinary policies and procedures.

This Policy shall be reviewed by the Board when the need arises.

Approved on _____ 2017 in Makati City.


BERNARDO M. VILLEGAS

Chairman


FRANK S. GAISANG
Director

JOHN G. TAN
Director


MARGARET G. ANG
President

EDWARD S. GO
Director


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Director

