

## CONFLICT OF INTEREST POLICY

*The Company promulgated the Revised Manual on Corporate Governance and the Employee Code of Conduct and other policies to provide the framework of rules, systems and processes that governs the performance of the Board of Directors (also referred to as the “Board”), officers and the employees of their respective duties and responsibilities to company, its stockholders and other stakeholders which include, among others, customers, employees, suppliers, financiers, government and community in which it operates.*

*Directors, officers and employees have the fiduciary duty of loyalty, fidelity and the responsibility of administering the affairs of the company honestly and prudently, and of exercising their best care, skill, and judgment for its benefit. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions or knowledge gained there from for their personal benefit. The interests of the organization must be the first priority in all decisions and actions. Potential conflict of interests should be avoided and should be brought to the attention of the board and management.*

*Conflict of interest may cover (not exhaustively) the following areas: abuse of authority for personal advantage; personal or business involvement with the company or its competitors/customers/suppliers; business transactions for the company with relatives and personal friends; disclosures of business activities outside the company business associates; unauthorized disbursement of funds; use of company resources, information and data for personal gain; giving out of confidential information for personal gain; acceptance of gifts and bribes and other activities that are prejudicial to the interest of the company.*

### **Revised Manual on Corporate Governance**

*Compliance with the principles of good corporate governance shall start with the Board of Directors.*

*It shall be the Board’s responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.*

*A director’s office is one of trust and confidence. He shall act in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the corporation towards sustained progress.*

*A director shall have the following duties and responsibilities (one of those enumerated in the Manual):*

- *To conduct fair business transactions with the Corporation and to ensure that personal interest does not (bias Board decisions) conflict with the interests of the corporation;*

*The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process.*

*A conflict of interest shall be considered material if the director’s personal or business interest is antagonistic to that of the corporation, or stands to acquire or gain financial advantage at the expense of the corporation.*

### **Employee Code of Conduct**

*Article III of the Employee Code of Conduct provides for the offenses against company interest and policy. This section seeks a behavior that manifests Love for Truth. This includes the practice of such virtues as honesty, concern and loyalty towards the company which should go beyond self-interest. This hopes to instill a true spirit of service with high sense of responsibility.*

## CODE OF BUSINESS CONDUCT & ETHICS

- I.) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	<p><i>Revised Manual of Corporate Governance 3.2.1.3 (Duties and Responsibilities of a Director) -</i></p> <ul style="list-style-type: none"> <li>• <i>To conduct fair business transactions with the Corporation and to ensure that personal interest does not (bias Board decisions) conflict with the interests of the corporation;</i></li> </ul> <p><i>The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process.</i></p> <p><i>A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the corporation, or stands to acquire or gain financial advantage at the expense of the corporation.</i></p>	<p><i>Section 7 of Article III (Offenses Against Company Interest and Policy) of the Employee Code of Conduct: Directly or indirectly having financial or pecuniary interest in any business, contract, or transaction in connection with which he intervenes or takes part in his official capacity. (Type E offense)</i></p>	
(b) Conduct of Business and Fair Dealings	<p><i>Revised Manual of Corporate Governance 3.2.1.3 (Duties and Responsibilities of a Director) -</i></p> <ul style="list-style-type: none"> <li>• <i>To conduct fair business transactions with the Corporation and to ensure that personal interest does not (bias Board decisions) conflict with the interests of the corporation;</i></li> </ul> <p><i>The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making</i></p>	<p><i>Section 8 of Article III (Offenses Against Company Interest and Policy) of the Employee Code of Conduct: Unauthorized actions clearly in excess of one's authority such as but not limited to, acts of disbursing, releasing or authorizing disbursement of company funds without written authority by one's superior or similar acts that go beyond or outside his authority or responsibility, where the interest of the company is prejudiced. (Type D offense)</i></p>	

	<p><i>process.</i></p> <p><i>A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the corporation, or stands to acquire or gain financial advantage at the expense of the corporation.</i></p>	
(c) Receipt of gifts from third parties		<p><i>Section 5 of Article III (Offenses Against Company Interest and Policy) of the Employee Code of Conduct: Offering or accepting anything of value in exchange for a job, work assignment, work location, or favorable condition of employment. (Type E offense)</i></p>
		<p><i>Section 6 of Article III (Offenses Against Company Interest and Policy) of the Employee Code of Conduct: Directly or indirectly requesting or receiving gift, present, share, percentage or any form of benefit or favor, for himself or for any other person in connection with any business, contract, application or transaction between the company and any other party, wherein the employee in his official capacity has to intervene. (Type E offense)</i></p>
		<p><i>In addition to the offense mentioned in the Employee Code of Conduct, a memorandum has been disseminated to the employees with regards to Corporate Gifts which states that, "all gift packs received by any officer or employee of the company related to business transactions shall be considered corporate gifts. These gifts whether received in the office or at home or whether received before or after a function shall be turned over to the custodian for raffle purposes. If only one such personal gift is received, the staff can keep the gift. If more than one gift is received, the excess shall be turned over to the custodian or to the HR Dept. For perishable items - those liable to spoil or deteriorate (such as food items) if not immediately consumed or used: Because of their nature, these gifts must be immediately given to the employee concerned. However, items which can be preserved or refrigerated (e.g. fruit cake, candies, chocolates, cookies and ham) shall be classified as raffle items. During Christmas party, all gifts will be raffled off to all qualified employees.</i></p>

<p>(d) Compliance with Laws &amp; Regulations</p>	<p><i>Revised Manual of Corporate Governance 3.2.1.2 (Specific Duties and Functions of the Board) – To ensure a high standard of best practice for the Corporation and its stakeholders:</i></p> <ul style="list-style-type: none"> <li>• <i>Ensure to the best of its ability that that the Corporation complies with all relevant laws, regulations and codes of best business practice.</i></li> </ul> <p><i>Revised Manual of Corporate Governance 3.2.1.3 (Duties and Responsibilities of a Director) –</i></p> <ul style="list-style-type: none"> <li>• <i>To have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-laws, the requirements of the Commission, and where applicable, the requirements of other regulatory agencies.</i></li> </ul> <p><i>A director should also keep abreast with industry developments and business trends in order to promote the corporation’s competitiveness.</i></p>	
<p>(e) Respect for Trade Secrets/Use of Non-public Information</p>	<p><i>Revised Manual of Corporate Governance 3.2.1.3 (Duties and Responsibilities of a Director) -</i></p> <ul style="list-style-type: none"> <li>• <i>To observe confidentiality;</i></li> </ul> <p><i>A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.</i></p>	<p><i>Section 11 of Article III (Offenses Against Company Interest and Policy) of the Employee Code of Conduct: Giving away or disclosing without permission company trade secrets and/or trade practices or trade processes or 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)</i></p>
	<p><i>Revised Manual of Corporate Governance 6.4 (Reportorial Disclosure System of Company’s Corporate Governance Policies) -</i></p> <p><i>6.4. In compliance with Section 4.2 of the Revised Disclosure Rules of the Philippine Stock Exchange (PSE) entitled “Selective Disclosure of Material Information”, directors, officers and staff shall likewise observe the following:</i></p> <p><i>“An Issuer is prohibited to communicate material information non-public information about the Issuer to any</i></p>	

	<p><i>person, unless the Issuer is ready to simultaneously disclose the material non-public information to the Exchange. This rule does not apply if the disclosure is made to:</i></p> <p><i>A person who is bound by duty to maintain trust and confidence to the Issuer such as but not limited to its auditors, legal counsels, investment bankers, financial advisers; and</i></p> <p><i>A person who agrees in writing to maintain in strict confidence the disclosed material information and will not take advantage of it for his personal gain.</i></p> <p><i>The issuer shall establish and implement internal controls that will ensure that its officers, staff and any other person who is privy to the material non-public information shall comply with the requirement of this rule.</i></p> <p><i>The company being a listed company, if selectively disclosing material non-public information to securities analysts, institutional investors or other third parties who do not fall under letters a and b above, ahead of the general public, shall be considered as violating this exchange rule.</i></p>	
<p>(f) Use of Company Funds, Assets and Information</p>	<p><i>Revised Manual of Corporate Governance 6.4 (Reportorial Disclosure System of Company's Corporate Governance Policies) -</i></p> <p><i>6.1. The reports or disclosures required under this Manual shall be prepared and submitted to the Commission by the responsible Committee or officer through the Corporation's Compliance Officer;</i></p> <p><i>6.2. All material information, i.e., anything that could potentially affect share price, shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, if the amount of such acquisition or disposal shall involve a significant effect on the financial structure of the company or is not be in the normal course of business. Board changes, related party transactions, material changes in the share holdings of directors such as to affect management and or ownership control of the business must be disclosed.</i></p>	<p><i>Section 1 to Section 8, Article II (Offenses Against Property) of the Employee Code of Conduct: Our responsible dominion over material goods requires us to always practice honesty in its highest sense. This also asks us to practice justice by respecting the rightful property of our fellow workers and that of the companies we work with.</i></p>

	<p>6.3. <i>Other information that shall always be disclosed includes remuneration (including stock options) of all directors and senior management. Major changes in corporate strategy, and off balance sheet transactions, the size of which has a significant effect on the business should always be disclosed.</i></p> <p>6.5. <i>All disclosed information shall be released via the approved stock exchange procedure for company announcements as well as through the annual report.</i></p>	
<p>(g) Employment &amp; Labor Laws &amp; Policies</p>		<p><i>POLICY STATEMENT that "We adhere at all times the employment and labor laws of the Philippines. The company ensures the compliance to the basic rights of workers like:</i></p> <p><i>(1) Security of Tenure</i>  <i>* workers cannot be dismissed without just and authorized caused and due process</i>  <i>*workers shall be made regular after six (6) months of probation</i></p> <p><i>(2) Hours of work</i></p> <p><i>(3) Weekly Rest Day</i></p> <p><i>(4) Payment of Required Wage &amp; Wage Related Benefits</i>  <i>* minimum wage in the region; payment of holiday pay &amp; premium pay as the labor law require</i>  <i>*payment of night differential, paternity leave, maternity leave, 13th Month Pay, retirement pay and the like</i></p> <p><i>(5) Safe and Healthful Conditions of Work and Welfare Services</i></p>
<p>(h) Disciplinary action</p>	<p><i>Revised Manual of Corporate Governance 8.2 (Monitoring and Assessment) –</i>  <i>The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Manual. Any violation shall be subject officer or employee to the penalty provided under Part 9 of this Manual.</i></p> <p><i>Revised Manual of Corporate Governance 9 (Penalties for Noncompliance with the Manual) –</i></p> <p><i>To strictly observe and implement the provisions of this Manual, the ..... penalties shall be imposed, after notice and hearing, on the company's directors,</i></p>	<p><i>General Policies: ABCI policies including those described in the Code of Conduct, apply to ALL employees at all levels of the organization, regardless of their position. Failure of any employee to comply with the Code of Conduct, ABCI policies, or the legal and regulatory requirements applicable to their role with the company will subject them to disciplinary action up to and including termination from employment.</i></p> <p><i>1. Any and all acts violating, thus, and/or constituting a violation of the comprehensive policies detailed in the CODE of Conduct will be considered a violation, and liable to disciplinary action.</i></p> <p><i>2. Ignorance of the policies declared in</i></p>

	<p><i>officers, staff, subsidiaries and affiliates and their respective directors officers and staff in case of violation of any of the provision of this Manual.</i></p> <p><i>The commission of a third violation of this Manual by any member of the board of the company or its subsidiaries and affiliates shall be sufficient cause for removal from directorship.</i></p>	<p><i>the Code as well as notices or memoranda that may be promulgated in the future shall not justify an employee from non-observance nor from the disciplinary action to be imposed thereon.</i></p> <p><i>3. All disciplinary actions shall be imposed following the process enumerated in the Code.</i></p> <p><i>4. All actions to resolve or settle grievances shall abide by the relevant provisions of any mechanism installed for such purpose.</i></p> <p><i>5. Administration of disciplinary action on erring employees shall not hinder the company from filing criminal and/or civil charges in accordance with the applicable laws of the State.</i></p> <p><i>6. In cases where the infractions or offenses committed violate more than one provision of this Code, these shall be dealt with separately.</i></p>
(i) Whistle Blower	<p><i>The Board of Directors with the recommendation of the Governance Committee approved the Whistle-blower Policy that provides guidelines on handling employee as well as third party disclosures or complaints of violation of the corporate governance rules, protection of the whistle-blower from retaliation and ensuring confidentiality and fairness in the handling of a disclosure or complaint.</i></p>	<p><i>The Board of Directors with the recommendation of the Governance Committee approved the Whistle-blower Policy that provides guidelines on handling employee as well as third party disclosures or complaints of violation of the corporate governance rules, protection of the whistle-blower from retaliation and ensuring confidentiality and fairness in the handling of a disclosure or complaint.</i></p>
(j) Conflict Resolution		<p><i>When conflict arises, the procedure that applies is as follows: As stated in the Employee Code of Conduct:</i></p> <p><i>1. All administrative cases must be reported formally to the employee's immediate superior</i></p> <p><i>2. The immediate superior of the reported employee shall review, study, and validate the report submitted to him within forty-eight (48) hours.</i></p> <p><i>NOTE: In checking the validity of the report submitted, the 5Ws (Who, What, Where, When, Why) and 1 H (How) fact finding method is a proven effective guide.</i></p> <p><i>3. After establishing the validity of the submitted report, the immediate superior must determine whether or not the case merits preventive suspension. If so, the immediate superior must issue the same preventive suspension which must not exceed thirty (30) working days. However should the company decide to extend</i></p>

beyond 30 working days because more time is needed for investigation, extension can be made but with pay.

4. The immediate superior must issue a Notice to Explain (NTE) to the reported employee stating clearly the charges, purpose, reason and basis of such.

5. The employee must receive and submit his response to his immediate superior within the allowable time provided as stated in the NTE.

NOTE: An employee who fails to submit a written report as mandated in the NTE without any valid reason will lead to the waiving of his right to explain and be heard. This, therefore, would eventually mean IMPLIED ADMISSION on his part of the commission of acts constituting the charge brought against him.

6. Upon receipt of the employee's explanation, the immediate superior studies it and makes his recommendation to the department manager either to excuse or impose Disciplinary Action (DA) on the reported employee. The basis of his recommendation must always be in consonance with the Code and the Philippine Labor Laws.

7. Where the immediate superior recommends the imposition of the DA and such recommendation is approved by the department manager, the decision will be issued to the reported employee, and explained to him or her.

8. Where the immediate superior makes recommendations to excuse the imposition of the DA and the same is approved by the department manager, the employee will receive a copy of the decision.

9. In cases where the recommendation of the immediate superior is disapproved, the decision of the department manager shall prevail.

10. The employee, after receiving the copy of the decision approving the imposition of disciplinary action imposed upon him, must review his or her stand about the matter. Should she or he feel aggrieved about the decision, he or she may appeal and elevate the matter to the Division Head. The Division Head may opt to consult the HRD in reviewing the case. The decision of the Division head will be final and executory. Offenses that will impose dismissal however may be appealed to the President.

*Under the Employee Code of Conduct, the following are the levels of offenses;*

*Type A – light*

*Type B – minor*

*Type C – serious*

*Type D – grave*

*Type E – capital*

*The Board of Directors and Management (i.e. officers and staff) hereby commit themselves to the principles and best practices contained in the Manual. All directors, executives, division and department heads are tasked to ensure the thorough dissemination of the contents of this Manual to all employees and related parties and to likewise enjoin continuing compliance. An adequate number of printed copies of the Manual must be reproduced with a minimum of at least one (1) hard copy per operating division. A director shall, before assuming as such, be required to attend seminar on corporate governance which shall be conducted by a duly recognized private or government institute. The Revised Manual of Corporate Governance covers the corporate actions of the Board, directors, officers and employees of the company. It also includes dealings with shareholders, creditors and other stakeholders.*

*The Company is committed to the highest standards of ethics and business conduct. The Company conducts its business as a good corporate citizen and complies with all laws, rules and regulations applicable to it or the conduct of its business. This commitment and standard of conduct governs our relationships with customers, suppliers, shareholders, competitors, the communities in which we operate, and with each other as Employees at every organizational level.*

*The Code of Business Conduct and Ethics applies to all officers, directors and employees (collectively referred to as Employees) of ABCI and its subsidiaries. Entities that ABCI may have an interest in but does not have control should be encouraged, as far as possible, to adopt policies and guidelines that are consistent with the principles and values set out in this Code. Outside consultants, contractors and temporary employees engaged by ABCI are required to abide by the policies, principles and values set out in this Code when performing services for, or on behalf of, ABCI. The Code is an expression of the Company's core values and represents a framework for decision-making. To this end, Employees are responsible for understanding the Code and acting in accordance with it.*

II.) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

*The task of insuring that the Employee Code of Conduct will be understood and religiously complied with is collectively entrusted to the Human Resource Division and the Department or Division where the employee is affiliated. Human Resource Division is responsible to make sure that suitable measures are continuously taken to educate all employees on the policies of this Code of Conduct, to insure that the policies are updated and consistent with the requirements of all operating units, to established a control measures to assist in the progress of the implementation of corrective actions, to assist erring employees and to continuously forewarn department heads on the negative standing, if any, of employees under them and to prepare all documents and reports as may be needed to efficiently implement the provisions of this Code of Conduct. All line managers and supervisors of each department or division are also responsible to administer the policies including the enforcement of disciplinary actions to erring employees, to facilitate in the resolution or settlement of any grievance that may come to light relating to this Code and to prepare and submit to HRD the required reports and documentations on cases investigated and/or disciplinary actions meted out for proper recording and control.*

*The insure adherence to the Revised Manual on Corporate Governance, the Board of Directors shall appoint a Compliance Officer who shall monitor compliance with the provisions and requirements of the Manual and the rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Board and recommend imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation; appear before the Securities and Exchange Commission upon summons on matters relative to corporate governance that need to be clarified; issue a certification in a specific period as prescribed by the regulatory authorities on the extent of the*

*Corporation's compliance with the Manual for the completed year, explaining the reasons for the deviation and identify, monitor and control compliance risks.*

*The Company's Board of Directors shall likewise adopt the best practices on corporate governance and create different committees such as Audit and Risk, Nomination, Compensation and Governance. The Committee on Corporate Culture and Values Formation was also organized to promote, foster and institutionalize the corporate vision, mission and core values, good corporate governance and ethical conduct among the members of the Board, officers and employees of the company. The different board and management committees also perform oversight functions over compliance with the Manual and other corporate policies of the Company.*

III.) When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

*When related party transactions are involved, directors who have direct or indirect material interest will inhibit themselves in the approval of the transaction. The two independent directors should be present together with other directors who have no direct or indirect interest to approve the related party transaction. The Audit Committee will review and have prior-approval authority for related party transactions.*

*The Revised Manual on Corporate Governance provides that one of the duties and responsibilities of the director is to conduct fair business transactions with the Corporation and to ensure that personal interest does not (bias Board decisions) conflict with the interests of the Corporation. The director should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of the director, he should fully and immediately disclose it and should not participate in the decision-making process.*

*The company, being a parent company, in its course of trade or business, enters into transactions with its subsidiaries consisting of reimbursement of expenses, purchase of other assets, construction and development contracts, management, marketing and service agreements. Sales and purchases of goods and services to and from related parties are made at arms-length transaction.*

*All related party transactions are disclosed to the public through SEC Form 17-C and SEC Form 17-A as well as in the notes to the financial statements.*

IV.) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	<b>Details of Conflict of Interest (Actual or Probable)</b>
Name of Director/s	<i>None</i>
Name of Officer/s	<i>None</i>
Name of Significant Shareholders	<i>None</i>

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	<b>Directors/Officers/Significant Shareholders</b>
Company	
Group	

*It is one of the general principles of directors' duties to avoid conflicts between personal interests and the interests of the company. Likewise, it is the duty of the director to act in good faith for the benefit of the company as a whole and must not use his position to gain (directly or indirectly) and advantage for himself or someone else or which causes detriment to the company. Officers are also prohibited to directly or indirectly to be involved having financial or pecuniary interest in any business, contract, or transaction in connection with which he intervenes or takes part in his official capacity. The Revised Manual of Corporate Governance and Employee Code of Conduct to be ethical by avoiding dealings that conflict of interest would arise.*

*The Compensation and Remuneration Committee requires to submit Full Business Interest Disclosure as part of the pre-employment requirements for all officers and directors, which should require all officers and directors to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict with their performance of duties to the Corporation. Such Disclosures should be updated at least every year. It is mandatory for officers and directors even within the yearly reporting period to declare prior to actually investing in or acquiring an interest, being employed or retained in any manner by a competitor or potential competitor.*

*Directors, officers and significant shareholders shall promptly notify the company's Compliance Officer of any interest such person or an immediate family member of such person had, has or may have in a related party transaction.*

*The Audit Committee in discharging its oversight role is empowered to investigate any matter brought to its attention will full access to all books, records, facilities and personnel of the Company. It is the Committee's mandate to review and have prior-approval authority for related party transactions. The external auditor is engaged to review the related party transactions and compliance to disclosure as required in the reporting standards. The internal auditor may unveil any conflict of interest as he conducts independent audit function.*

#### V.) Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family,<sup>4</sup> commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

<b>Names of Related Significant Shareholders</b>	<b>Type of Relationship</b>	<b>Brief Description of the Relationship</b>
<i>Walter W. Brown and Annabelle P. Brown</i>	<i>Family Relationship</i>	<i>Walter W. Brown, the Chairman of ABCI is married to Annabelle P. Brown.</i>
<i>Walter W. Brown and PBJ Corporation</i>	<i>Business Interest</i>	<i>Walter W. Brown is also the Chairman of PBJ Corporation.</i>
<i>Annabelle P. Brown and PBJ Corporation</i>	<i>Business Interest</i>	<i>Annabelle P. Brown is the President of PBJ Corporation.</i>
<sup>4</sup> Family relationship up to the fourth civil degree either by consanguinity or affinity.		

- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

<b>Names of Related Significant Shareholders</b>	<b>Type of Relationship</b>	<b>Brief Description of the Relationship</b>
<i>Walter W. Brown and Annabelle P. Brown and ABCI</i>	<i>Contractual Relationship</i>	<i>Walter W. Brown/Annabelle P. Brown/Patricia B. Juat/ Victor P. Juat granted loan to ABCI duly supported by promissory notes.</i>

(c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company: *NONE*

<b>Names Shareholders</b>	<b>% of Capital Stock affected (Parties)</b>	<b>Brief Description of the Transaction</b>
<i>none</i>	<i>none</i>	<i>none</i>

VI.) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

	<b>Alternative Dispute Resolution System</b>
<b>Corporation &amp; Stockholders</b>	
<b>Corporation &amp; Third Parties</b>	
<b>Corporation &amp; Regulatory Authorities</b>	

*Consistent with policy of the State to encourage and actively promote the use of Alternative Dispute Resolution systems as effective tool in settlement of business disputes, A Brown Company, Inc., has adopted use of alternative dispute resolution (ADR) techniques e.g. arbitration, mediation, and the like to resolve appropriate disputes in a fair, timely, and cost efficient manner.*

*The Company, through its stock transfer agent, investor relations office and the Corporate Secretary attends to the needs of the stockholders.*

*The Company engaged on regular consultations with regulatory and government agencies to any regulations and compliance requirements.*