

MEMORANDUM

To: All Directors, Officers and Employees of Metro Retail Stores Group, Inc. ("MRSGL")
From: Legal Department
Date: 04 February 2016
Re: Guidelines on Transactions Concerning MRSGL Shares

The following guidelines are to be strictly observed in connection with the acquisition and/or sale of the shares of MRSGL (or the "Company"):

1. As a **general rule** and subject to the rules prescribed below, MRSGL Directors, Officers and Employees **are allowed to transact, buy or sell** MRSGL shares listed on the stock exchange at any time.
2. **Disclosure on Transactions of Directors and Principal Officers in MRSGL Shares. All Directors and Principal Officers of MRSGL must inform MRSGL's Compliance Officer Atty. Karen Gaviola-Climaco of any acquisition, disposal or change in their direct and indirect shareholdings of MRSGL shares on the same day of the transaction**, so that MRSGL can make the necessary disclosure of such transaction to the Philippine Stock Exchange ("PSE").

For purposes of the foregoing, Principal Officers are those occupying the following positions:

- a. Chairman and Chief Executive Officer;
- b. President and Chief Operating Officer;
- c. Treasurer and Chief Finance Officer;
- d. Corporate Secretary; and
- e. Asst. Corporate Secretary

A Director or Principal Officer shall be deemed to have indirect ownership of MRSGL shares which are:

- a. Held by members of his Immediate family sharing the same household;
- b. Held by a partnership in which he is a general partner;
- c. Held by a corporation in which he is a controlling shareholder ; or
- d. Subject to any contract, arrangement or understanding which gives him voting power or investment power with respect to such shares.

3. Prohibition on Short Swing Profits. For the purpose of preventing the unfair use of information which may have been obtained by a director, or officer or a stockholder owning more than ten percent (10%) of MRSGL Shares, by reason of his relationship to the Company, **any profit**

APPROVED 3.
FOR POL...

DATE 3/07/2016
APPROVED BY: [Signature]

Vicsal Building corner of C.D. Seno and W.O Seno Sts.
Guizo, North Reclamation Area, Mandaue City

[Signature]

realized by him from any purchase and sale, or any sale and purchase, of any MRSGL shares within any period of less than six (6) months shall inure to the Company.

4. **Black Out Rule.** A Director or Principal Officer or any employee who qualify as an insider must not deal in MRSGL shares during the period within which a material non-public information is obtained and up to two (2) full trading days after the price sensitive information is disclosed.

5. **Insider Trading.**

a. *What is prohibited?*

(i) It shall be unlawful for an insider to sell or buy a security 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.

(ii) It shall also be unlawful for any insider to communicate nonpublic information about the issuer or the security to any person who, by virtue of the communication, becomes an insider.

b. *Who is an Insider?* An Insider means (a) the issuer; (b) a director or officer (or person performing similar functions) of, or a person controlling the issuer; (c) a person whose relationship or former relationship to the issuer gives or gave him access to material information about the issuer or the security that is not generally available to the public; (d) a government employee, or director, or officer of an exchange, clearing agency and/or self-regulatory organization who has access to material information about an issuer or a security that is not generally available to the public; or (e) a person who learns such information by a communication from any of the foregoing insiders.

The foregoing prohibition also applies to an Insider's spouse or relatives by affinity or consanguinity within the second degree (children, parents, grandparent and siblings, including in-laws).

c. *What is material information?* Material information is information that (a) would likely affect the market price of MRSGL shares; or (b) considered by a reasonable person important under the circumstances in determining his course of action whether to buy, sell or hold MRSGL shares. This includes, among others, financial information as well as information regarding MRSGL transactions or potential transactions.

When is information considered to be "not generally available to the public"? Information is "not generally available to the public" when the information has already come into existence but before disclosure/dissemination of such information to the public through

Vicsal Building corner of C.D. Seno and W.O Seno Sts.
Guizo, North Reclamation Area, Mandaue City

APPROVED
FOR POSTING

3/17/2016
Fallu


the Securities and Exchange Commission ("SEC") and the PSE and the lapse of reasonable time for the market to absorb such information.

- e. *When is the prohibition lifted?* When the material information has already been disclosed/disseminated to the public and the public has had reasonable time to absorb the information. For the avoidance of doubt, it is the Company's policy that prohibition from transacting in MRSGL shares shall be lifted two (2) trading days after the information has been disclosed to the SEC and the PSE.

Should you have any questions or require clarification on the foregoing rules, please contact MRSGL Compliance Officer Atty. Karen Gaviola-Climaco.



VINCENT E. TOMANENG
Chief Legal Counsel



KAREN H. GAVIOLA-CLIMACO
Compliance Officer

APPROVED
FOR POSTING
3/17/2016
[Signature]