



CONFLICT OF INTEREST POLICY

In ensuring that PSBank's business interests are duly safeguarded, this policy requires all PSBank employees to make sure that their personal interests and those of their "affiliates" e.g. their relatives up to the third degree of consanguinity and affinity, their immediate family/household members, persons to whom they furnish financial or material support, business in which they have a financial interest, etc. do not conflict with the duties which they perform for the Bank or with the duties which the Bank performs for its clients.

This policy prohibits employees from venturing into conflict of interest situations such as:

1. Transacting business, on behalf of the Bank, with entities or organizations in which they or their affiliates are connected;
2. Engaging in lending and/or investing, trading, buying and selling of foreign exchange currency and other similar business activities as well as the borrowing and lending of money between and among employees and clients whether within or outside the Bank;
3. Dealing, directly or indirectly, with the Bank's clients, suppliers, contractors, service providers, etc. which includes the following:
 - Attempts to influence business decisions including procurement and/or delivery of services by way of any compensation, commission, kickback, paid vacation, special discount on a product or service, entertainment or any form of gift or gratuity;
 - Purchasing goods or services from clients or suppliers of the Bank at lower than normal market rates
 - Using Bank-client relations to be able to avail of special terms with respect to clients' products and services; and
 - Solicitation of personal business for personal gain from clients or the Bank's business partners.

4. Engaging in another employment or accepting outside jobs without management approval; and
5. Accepting gifts from clients or suppliers in any form subject to the following rules:
 - This prohibition includes the acceptance of presents from clients or suppliers at Christmas as well as the acceptance of money, property or services from individuals or corporations who transact with the Bank.
 - Gifts of nominal value that may be impractical to return and which are intended to generate ordinary goodwill, such as the traditional food baskets and the like especially during the Christmas season and on special occasions, are however permitted.
 - For any valuable gift that an employee chooses to accept, for any reason or occasion, he/she is required to fill out a gift report upon acceptance of the gift, stating the item received, its approximate value, and the name of the giver. During the Christmas season, officers and staff who chose to accept gifts are encouraged to donate what they received to a pool of gifts to be raffled within the department or branch, or the entire Bank during the Christmas party or donated to charity.

In cases of possible conflict of interest, an employee should promptly disclose or submit for review any such situations to one's supervisor or to the Human Resource Group (HRG).