

CODE OF BUSINESS ETHICS

The Company shall ensure that all actions and dealings with customers, suppliers, contractors, other business partners, competitors, guests, and co-employees are governed by the highest ethical standards.

1. Conflicts of Interest

- a. Employees are not allowed not have direct or indirect financial or business interest in the business of any supplier, contractor, or competitor of the Company unless with a written approval by the President or the Executive Committee in the absence of the President.
- b. Employees are not allowed to accept a position as an officer, director, or consultant of an outside business concern (except professional or civic organizations or family businesses which have no relationship of any kind with the Company) unless with a written approval by the President or the Executive Committee in the absence of the President.
- c. Employees are not allowed to personally or through subordinates or others, influence any business transaction between the Company and any outside company in which that employee has a financial interest or involvement, or in which the employee may stand to have financial or personal gain, or when the outside company employs any of the Company employee's relatives.
- d. Employees are not allowed to accept any salary, discounts, fee, commission, or other forms of compensation, or any other things of value from any supplier, contractor, competitor, or other business partners as enumerated in Section 4 unless with a written approval by the President or the Executive Committee in the absence of the President unless otherwise provided in this Policy.
- e. Employees or relatives of the employees are not allowed to make or guarantee a loan to, or accept a loan from suppliers, or have borrowings guaranteed by an individual or organization having business dealings with the Company.
- f. Employees are not allowed to accept concurrent employment (regular, consultancy, or commission basis) without written approval by the President or the Executive Committee in the absence of the President from any other employer.

2. Use of Company Assets, Resources, and/or Information

Employees are not allowed to use any asset, resource, and/or confidential information of the Company for financial or personal gain of the employee or any other person, interest, or entity other than the Company. All information received and/or acquired in the course of employment with by the Company is deemed confidential and the unauthorized disclosure thereof, for financial gain and the like, shall be dealt with accordingly.

3. Dealings with Customers or Suppliers

- a. Employees are not allowed to offer or give payments or any gifts or entertainment, directly or indirectly, to or for the benefit of any employee of the Company's customers, or to any organization in which an employee of the Company's customer is known to have a material, direct or indirect, financial or business interest, if such payments or gifts are for purposes of influencing said employee to commit or omit any act in violation of the lawful duty of said employee.
- b. Amenities, entertainment, and other courtesies that are modest may be extended to employees of the Company's customers, but only to the extent appropriate and reasonable under applicable laws and customs and only for legitimate business purposes.
- c. Cash or non-cash donations by the Company to Company customers, suppliers, contractors, or their employees shall be allowed if these:
 1. Are modest and are designed to promote the sale of the Company's products or to enhance business relationships between the Company and its customers, suppliers, or contractors; and
 2. Are legal and acceptable by local community standards and customs.

4. The following gifts or gratuities shall not be accepted by any Employee of the Company:

- a. Any amount of money or cash gifts;
- b. Any value of gift checks, prepaid cards, or any form of cash equivalents;
- c. Personal gifts that are inappropriately lavish or excessive, or create a perception of undue influence or of significant amount (over Php2,000.00);
- d. Business courtesies including discounts or benefits that are not made available to other employees;
- e. Tickets, pocket money, and lodging for leisure and business travels;
- f. Tickets to sporting, entertainment, or other non-fundraising events; and
- g. Testimonial dinners and events, except personalized plaques or trophies

5. The following gifts or gratuities are the exceptions and may be accepted within the context of this policy :

- a. Personal gifts on special occasions (eg. Christmas party, Birthdays, etc.) that conforms to the reasonable and ethical practices of the local community (e.g. flowers, fruit baskets, etc) or that would not exceed reasonable limits of propriety (Php2,000.00 and below);
- b. Corporate gifts donated to or solicited by the Company during special occasions (e.g. Christmas party, anniversaries, etc.) as raffle prizes;
- c. Promotional materials made available under customer relations programs, such as but not limited to pens, corporate diaries, key chains, coffee mugs, books, reports, pamphlets, calendars, periodicals, videotapes, free admission to informational conferences or seminars, corporate giveaways or marketing items of insignificant value, i.e., less than Php2,000.00;
- d. Gifts donated to a charitable institution; and

- e. A discount or rebate in the normal course of business which shall be deducted from the proposed price / cost of the contract or the purchase order.
6. The following gifts or gratuities are the exceptions and may be accepted/received from the supplier/vendor or a contracting party only after the project/purchase was already awarded to the same supplier/vendor or a contracting party (Refer to Appendix A for tabular illustration):
 - a. Any perishable goods of insignificant amount;
 - b. Infrequent business courtesies such as payment for lunch or dinner in connection with a business meeting;
 - c. Infrequent invitations to Company-sponsored invitational events (golf, badminton, etc.).
7. Procedures on accepting gifts or gratuities:
 - a. All gifts or gratuities received by Employees must be turned over and/or reported to the Internal Audit Department within five (5) days from receipt for recording, review, and corresponding disposition following the guidelines.
 - b. Internal Audit Department shall maintain and update the records on gifts or gratuities received by Employees and submit a report to the Executive committee every 5th of each succeeding month. In cases where IA is uncertain about its propriety, the President or the Executive Committee in the absence of the President will be immediately consulted for guidance.
8. Violations of the Provisions

Violations of any of the provisions contained herein shall be meted with disciplinary action, the severity of which shall be dependent on the gravity of the violation, the degree of trust reposed on the position of the concerned Employee, and other mitigating or aggravating circumstances.
9. Communication of this Policy:

Employees directly transacting business to suppliers/contractors/etc are responsible to inform them regarding the company's policy on receiving gifts/gratuities/& other benefits.