

## CODE OF BUSINESS CONDUCT & ETHICS

- 1) 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>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 director who has a continuing material conflict of interest should seriously consider resigning from his position.</p> <p>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>(Item #2,D,3. Manual on Corporate Governance as Revised June 2010)</i></p>	<p>Each employee has a responsibility to the Company to avoid situations where a conflict of interest might occur. Employees are required to disclose to the Company any interest or benefits they have that may conflict with the business or interests of the Company.</p> <p>Employees are expected to devote their full attention to the business interests of the Company. They are prohibited from engaging in any activity that interferes with the performance of their responsibilities to the Company or is otherwise in conflict with or prejudicial to the Company. Employees are prohibited from accepting simultaneous employment with another company, or with a supplier, customer, or competitor, and from taking part in any activity that enhances or supports a competitor's position.</p> <p>As a general rule, employees should also avoid conducting Company business with related parties. Willful withholding of information regarding a prohibited relationship may be subject to corrective action.</p>	
(b) Conduct of Business and Fair Dealings	<p>The Company expects all employees to exercise good judgment to ensure the safety and welfare of the Company and to maintain a cooperative, efficient, and productive work environment and business organization. These standards apply while working on company premises, at offsite locations where company business is being conducted, at company-sponsored business and social events, or at any other place where the employee is a representative of the Company. Employees who engage in misconduct or whose behavior is unsatisfactory may be subject to corrective action.</p>		
(c) Receipt of gifts from third parties	<p>Under no circumstances may employees accept any offer, payment, money, gift, or anything of value from customers, vendors, consultants, etc. that is perceived as intended, directly or indirectly, to influence any business decision. Employees are required to disclose names of external parties who are engaged in these practices and to surrender to the company for proper disposition, any material object given to them arising from similar transactions.</p>		
(d) Compliance with Laws & Regulations	<p>Have a working knowledge of the statutory and regulatory requirements that affect the corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies.</p> <p>A director and an employee should also keep abreast with industry developments and business trends in order to promote the corporation's competitiveness. <i>(Manual on Corporate Governance as Revised June 2010)</i></p>		
(e) Respect for Trade	<p>A director or an employee should keep secure and confidential all non-public</p>		

Secrets/Use of Non-public Information	information he may acquire or learn by reason of his position as director or as employee. He should not reveal confidential information to unauthorized persons without the authority of the Board. <i>(Manual on Corporate Governance as Revised June 2010)</i>
(f) Use of Company Funds, Assets and Information	<p>All employees are responsible for the proper use of Company assets, and must safeguard such assets against loss, damage, misuse or theft. Employees who violate this policy or who demonstrate poor judgment in the manner in which they use any Company asset may be subject to disciplinary action.</p> <p>Company equipment and assets are to be used for business purposes only. Employees may not use them for personal use, nor should they allow any other person to use Company assets.</p> <p>Every Company employee is personally responsible for all Company funds over which he or she exercises control. Company funds must be used only for business purposes. Every employee must take reasonable steps to ensure that the Company receives good value for Company funds spent, and must maintain accurate and timely records of each and every expenditure. Expense reports must be accurate and submitted in a timely manner. Employees must not use Company funds for any personal purpose.</p> <p>The Company furnishes employees with equipment needed to efficiently and effectively do their jobs. Employees are expected to take care of that equipment and use it responsibly only for business purposes. They must take precautions to protect it from theft or damage, just as if it were their own. If they are no longer connected with the company, the same must be immediately returned.</p>
(g) Employment & Labor Laws & Policies	<p>Have a working knowledge of the statutory and regulatory requirements that affect the corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies.</p> <p>A director and an employee should also keep abreast with industry developments and business trends in order to promote the corporation's competitiveness. <i>(Manual on Corporate Governance as Revised June 2010)</i></p>
(h) Disciplinary action	<p>The HR Head is designated to take action he considers appropriate in order to investigate any actual or potential violations reported to him. If after such investigation, the officer believes that a violation has occurred, the HR Head shall report the matter to the Executive Committee. If the Committee concurs that a violation has occurred, it will consider appropriate action.</p> <p>Open-door policy. The open door is a voluntary process that allows the employee to talk with his/her immediate supervisor or to a higher level of management without fear of retaliation.</p>
(i) Whistle Blower	
(j) Conflict Resolution	

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

Yes. All directors, executives, division and department heads are tasked to ensure the thorough dissemination of this Manual to all employees and related third parties, and to likewise enjoin compliance in the process. *(Item#11. Communication Process. Manual on Corporate Governance as Revised June 2010)*

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

To ensure adherence to corporate principles and best practices, the Chairman of the Board shall designate a Compliance Officer who shall hold the position of a Vice President or its equivalent. He shall have direct reporting responsibilities to the Chairman of the Board.

He shall perform the following duties:

- a) Monitor compliance with the provisions and requirements of this Manual and the rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation;
- b) Appear before the Securities and Exchange Commission when summoned in relation to compliance with this Manual; and
- c) Issue a certification every January 30th of the year on the extent of the Corporation's compliance with this Manual for the completed year, and, if there are any deviations, explain the reason for such deviation. *(Item #5. Compliance Officer. Manual on Corporate Governance as Revised June 2010)*

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	The Company's policy with respect to related-party transactions is to ensure that these transactions are entered into on terms at least comparable to those available from unrelated third parties. There are no special risks or contingencies arising from these transactions and these transactions, being in the ordinary and regular course of business, do not materially affect the financial statements of the Company.
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

(b) 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.

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

(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.

	Directors/Officers/Significant Shareholders
Company	The Company follows the following steps in managing conflict of interest: 1. Identify relevant conflict of interest situations 2. Establish procedures to identify, manage, and resolve conflict of interest situations
Group	

	3. Demonstrate leadership commitment 4. Create partnership with employees 5. Enforce conflict of interest policy
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5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,<sup>1</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:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
The Company is not aware of any relation of a family, commercial, or contractual or business nature that exists between the holders of significant equity (5% or more).		

(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:

Names of Related Significant Shareholders	Type of Relationship	Brief Description
The Company is not aware of any relation of a family, commercial, or contractual or business nature that exists between the holders of significant equity (5% or more).		

(c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
None		

6) 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.

	Alternative Dispute Resolution System
<b>Corporation &amp; Stockholders</b>	1. Negotiation
<b>Corporation &amp; Third Parties</b>	2. Mediation
<b>Corporation &amp; Regulatory Authorities</b>	3. Arbitration

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