



Code of Ethics

The PhilNaRe Code of Ethics establishes principles to guide the Company's directors, officers and employees in evaluating and making day-to-day decisions. It defines the company's "right way" of doing business. PhilNaRe directors, officers, and employees endeavor to promote a culture of good corporate governance by observing and maintaining the core business principles of **Fairness, Accountability, Integrity, Transparency and Honesty (FAITH)** in our relationships among ourselves and within our Company's stockholders, customers, suppliers, competitors, business partners, regulators and the general public.

This Code identifies our Company's values. It characterizes the mode of behavior and conduct expected of all PhilNaRe directors, officers and employees in the performance of their respective duties and responsibilities, on behalf of the Company.

I. Principles and Values, the core of our Code

The essence of this Code of Ethics is that all actions of our Company, its directors, officers and employees must be consistent with our core business principles and values, defined under the acronym **FAITH**:

1. **Fairness** – upholding the value of justice and impartiality with every person we deal with and striving to establish mutually beneficial situations
2. **Accountability** – assuming responsibility for all business decisions, actions, and conduct
3. **Integrity** – acting in a righteous and legal manner
4. **Transparency** – engendering openness to scrutiny and the commitment to disclose material information in a timely manner
5. **Honesty** – discharging duties with utmost honesty, free from deceit and fraud

II. The Norms of Business Conduct and Ethics

PhilNaRe, its directors, officers and employees are committed to the following standards in their behavior and in their various business dealings:

1. Compliance

- a. Uphold right conduct and personally adhere to the norms and restrictions imposed by applicable laws, rules and regulations
- b. Do not accept demands brought on by prevailing business conditions or perceived pressures as excuses to violate any laws, rules or regulations

2. Competition and Fair Dealing

- a. Do not take unfair advantage of anyone through manipulation, collusion, concealment, abuse of privileged information, or misrepresentation of material facts.
- b. Do not make false statements against competitors, their products and/or services.
- c. Exercise reasonable and prudent professional judgment when dealing with clients. Deal fairly with the Company's customers, service providers, suppliers, competitors and employees

3. Confidentiality

- a. Maintain and safeguard the confidentiality of information entrusted by the Company, customers, business partners, or such other parties with whom the Company relates, except when disclosure is authorized or legally mandated. Confidential information includes any non-public information that might be of use to competitors, or harmful to the Company, customers, business partners, or such other parties with whom the Company relates, if disclosed.
- b. Speak publicly about the business only when authorized to do so by the Company. Disseminating confidential memos, reports or information to or for use by the media, competitors or third parties without the Company's permission, is unacceptable and unethical behavior.
- c. Abide by Company policy and applicable laws regarding business records retention. Ensure that records are not altered, concealed, destroyed or falsified to impede, obstruct or influence any investigation by, or proceeding before any official Company committee, governmental, regulatory or judicial body.
- d. Do not trade the Company's securities using price sensitive information that is not normally available publicly, and obtained by reason of position, contact within, or other relationship with the Company.

4. Proper Use of Company Assets

- a. Use Company property and resources, including Company time, supplies and software, efficiently, responsibly and only for legitimate business purposes.
- b. Safeguard Company assets from loss, damage, misuse or theft.
- c. Respect intellectual property rights.

5. Conflicts of Interest

- a. Avoid any actual or apparent conflicts of interest between private interests, including the private interests of family members, and the interests of the Company, unless prior approval has been obtained from the appropriate approving authorities as designated in applicable policies of the Company. Any actual or apparent conflict of interest, and any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest, must be immediately disclosed to the Human Resources Department or to the Corporate Secretary, in case any member of the Board is involved.
- b. Avoid activities and interests that could significantly affect the objective or effective performance of duties and responsibilities in the Company, including business interests or unauthorized employment outside the Company, the receipt from and giving of gifts of unusually high value to persons or entities with whom the Company relates, as well as insider dealing.
- c. Base all business decisions and actions on the best interest of the Company. These decisions must not be motivated by personal considerations and other relationships, which may interfere with the exercise of independent judgment.
- d. Whenever opportunities arise, constantly advance the Company's legitimate interest. Avoid competing with the Company on a business opportunity or acquiring an interest contrary to that of the Company's. Refrain from taking advantage of Company property, information or position, or opportunities arising from these, for personal gain, to compete with the Company, or act against the best interest of the Company. Directors, officers and employees who intend to make use of Company property or services in a manner not solely for the benefit of the Company should obtain prior approval from appropriate authorities as designated in applicable policies of the Company.

6. Disclosure

- a. Promptly and properly disclose to the public all material information (i.e., anything that could potentially affect share price, as well as other information), including earning results, financial position, related party and off-balance sheet transactions.
- b. Where relevant, comply with the Company's disclosure controls and procedures and internal controls to ensure that (i) financial and non-financial information is properly recorded, processed, summarized and reported and (ii) the Company's public reports and documents, including the reports that the Company files with the Philippine Stock Exchange and the Philippine

Securities and Exchange Commissions, comply in all material respects with the applicable laws and rules.

- c. Avoid knowingly misrepresenting, or causing others to misrepresent, facts about the Company to others, whether inside or outside the Company.
- d. Properly review and critically analyze proposed disclosures for accuracy and completeness.

7. Enterprise Risk Management

- a. Adopt best practices of Enterprise Risk Management so as to enhance long-term shareholders value.
- b. Periodically evaluate and manage risks involved in undertaking strategies, acquisitions, activities, products, services and other business endeavors of the Company.

8. Relations with Shareholders and Investors

- a. Adopt strategies, actions, decisions, and transactions to enhance shareholder value.
- b. Adopt best practices of good corporate governance in the conduct of the business.
- c. Maintain business and accounting records which accurately reflect the financial position of the business and issue financial statements to ensure transparency of information.
- d. Ensure an independent audit of the Company's financial statements by external auditors selected by the Company's Audit Committee.

III. Implementation and Monitoring of the Code

- 1. This Code of Ethics shall be distributed to all directors, officers and employees of the Company, who shall signify that they have received, read and understood this Code.
- 2. Illegal or unethical behavior by a colleague or co-employee, regardless of his or her level of authority, should not be condoned. It is the responsibility of each employee to report legitimate concerns so that problems can be properly resolved and corrective measures instituted. An officer or employee who becomes aware of any violation of this Code should immediately notify his Department/Division Head. The Department/Division Head shall in turn immediately inform the Human Resources Department (HRD). The Company's HRD shall conduct or manage the necessary actions or investigation of any reported violations of this Code. In case Senior Management or any Board Member is involved, the same should be referred to the Audit Committee.

3. Any officer or employee who commits a violation of this Code shall be subject to disciplinary action (including termination), without prejudice to any civil or criminal proceedings that the Company or regulators may file for violation of existing laws.
4. There shall be no exceptions from or waivers of any provision of this Code, except as expressly approved by the Board of Directors. The HRD shall maintain a record of all such requests for exceptions and waivers.
5. The responsibility for implementing and monitoring compliance of this Code rests with the Department and Division Heads in his own Department or Division. Generally, the HRD shall be responsible for Company-wide implementation and monitoring of compliance with this Code.
6. All matters involving the implementation and monitoring of this Code should be handled strictly on confidential basis.
7. This Code shall be reviewed at least once every two (2) years or such other frequency as may be determined by the Board of Directors and /or the Audit Committee.