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Introduction

Code of Ethical Behavior

The Code of Ethical Behavior (the “Code”) covers all Cebu Holdings, Inc. (“CHI” or the “Company”) employees, its subsidiaries and affiliates. It outlines the general expectations of and sets standards for employee behavior and ethical conduct. As it does not cover every conceivable subject, it is recommended that employees refer to its general principles to guide them in their activities. It does not address every situation or set forth every rule, nor is it a substitute for the responsibility of every employee to exercise good judgment.

This Code of Ethical Behavior must be read in conjunction with the Company’s Employee Handbook which includes the Code of Conduct.

Workplace Behavior

The Company, in the spirit of its shared and corporate values, holds its employees in esteem and believes in protecting their rights while implementing discipline with firm but fair actions. At the same time, CHI expects every employee to respect the rights of colleagues at all times

and strive to live out the following shared values in conducting personal and business affairs:

- Focus on the Customer
- Bias for Results
- Teamwork
- Concern for People
- Entrepreneurial Drive
- Empowerment of People
- Pursuit of Excellence
- Responsibility to the Community
- Love of God
- Enhancement of the Quality of Life

CHI strives to create and maintain a conducive and harmonious working environment for all employees. In turn, all CHI employees are expected to observe proper workplace decorum for the orderly operation of the Company as well as for the protection of rights, safety and benefits of the entire workforce. A CHI employee carries with him/her the Ayala name even outside of work. In order to protect the Company reputation, CHI employees, especially members of its Management Team, are expected to conduct themselves properly and consistently with the Company's values.

The specific policies on punctuality, attendance, proper use of the company identification cards, and similar employee-oriented policies mentioned in this Code of Ethics are likewise incorporated in the Company's Code of Conduct.

Contact the Human Resources and Administration Department for further clarification on the policy enforcement of Company rules and regulation.

CHI in the Community

Corporate Social Responsibility

The organization aligns its business practices with its corporate social responsibility (CSR) agenda, creating programs that are sustainable to significantly improve the quality of life of the communities that it serves.

These social development projects correspond with Ayala Group's unified strategic program – Ayala Social Initiatives – effecting change on three critical areas: Entrepreneurship, Environment and Education implemented in the communities surrounding the company's projects.

The commitment to serve the community is linked to the Company's core values: Concern for People, Responsibility to the Community and Enhancement of Quality of Life. These core values drive us to fulfill our promise of creating landmarks, of setting standards and in the process, of building and nurturing relationships. As such, all employees are encouraged to actively integrate CSR and sustainable development as part of the normal business operations.

The organization continues to enhance its partnership with its surrounding communities through the alliances it has created. It also maintains a liaison with NGOs, business and civic organizations and takes on a leadership role in public policy formulation aimed at improving the competitiveness of the real estate and retail industries.

Employee Volunteerism

To engage every member of the organization in meaningful community service, the Company provides the platform for employee volunteerism which helps develop awareness of the needs of the communities and how the Company responds to such needs while empowering employees to make use of their time, skills and talents. All employees are encouraged to participate in socio-civic activities in their personal capacities. They should ensure, however, that no conflict of interest, either factual or potential, exists between their CHI employment and their duties in public or civic affairs, whether elective or appointive, paid or voluntary.

Compliance to International Standards

CHI complies with the laws, regulations and international standards of quality, environmental, health and safety. The Company promotes awareness on environmental protection and considers environmental criteria when evaluating projects, products, processes and purchases.

For details on Corporate Social Responsibility and Employee Volunteerism Programs, contact the Corporate Communication and Customer Affairs Division (CCCAD). For employee wellness programs, contact the Human Resources and Administration Department.

Corporate Governance

“Corporate governance refers to a system whereby shareholders, creditors and other stakeholders of a Corporation ensure that Management enhances the value of the Corporation as it competes in an increasingly global market place.

The machinery for corporate governance of CHI is principally contained in the Corporation’s Articles of Incorporation and By-Laws and their amendments. These constitutive documents lay down, among others, the basic structure of governance, minimum qualifications of directors, and the principal duties of the Board of Directors and officers of the Corporation. The function of the Manual of Corporate Governance is to supplement and complement the Corporation’s Articles and By-Laws by setting forth principles of good and transparent governance.

The Board of Directors, Management, Officers and employees of CHI commit themselves to the principles and best practices of governance contained in the Manual as a guide in the attainment of its corporate goals. The Corporation shall make a continuing effort to create awareness of a good corporate governance within the organization.”

(from the Manual of Corporate Governance, Preamble, Art. 1)

Compliance

CHI has established a compliance structure which assigns oversight responsibility for the Manual of Corporate Governance to the Compliance Officer or his/her designate.

Every CHI employee is expected to comply to the letter and spirit of all applicable laws and regulations, with the provisions of this Code and with CHI’s Company policies and procedures. Ultimately, the employee’s conduct is his/her own responsibility. None of the employees should ever commit dishonest, destructive, or illegal acts even if directed to do so by a manager or colleague, nor should they direct others to act improperly. In addition, CHI, employees should not deviate from CHI’s policies and procedures even if by doing so, the Company is benefited unless proper approval is obtained.

Compliance affirms the employees’ commitment to the highest standards of integrity in their relationships with one another and with customers, suppliers, shareholders and others in the communities where they live and work.

While compliance is every individual's responsibility, CHI has established a compliance structure which assigns oversight responsibility for the Company's Code of Ethical Behavior programs to the Human Resources and Administration Head or his/her designate. All Division Heads are responsible for establishing, implementing and maintaining an effective program, including a system of internal controls, to ensure compliance by everyone with all laws and regulations and the provisions of this Code. People who manage others have a social responsibility to show, through words and actions, personal commitment to the highest standards of integrity. As coaches and leaders, supervisors and managers must:

- Maintain an environment of open communication in which the CHI values and the provisions of this Code and related policies and instructions are shared, discussed and even debated.
- Ensure that their people understand the CHI values and the provisions of this code and provide additional training, when appropriate.
- Take reasonable steps to ensure that unethical conduct within their areas of responsibility is detected and addressed.
- Consider whether a person lives the CHI values before placing him or her in a position of responsibility.

Everyone is responsible for notifying the Human Resources and Admin Department, the Audit Department or the Compliance Officer immediately if he/she suspects, observes or learns of any unethical business conduct or the commission of any dishonest, destructive, or illegal act. The President is the appointed Compliance Officer of the Company.

The following offices can be reached through these numbers: (032) 2315301 to 08 or (032) 415-1411 to 15.

The appropriate department will investigate all reports and provide feedback when appropriate. There will be no reprisals against those who report suspected violations in good faith, and their identity will be protected to the extent consistent with the law and CHI policy.

Because CHI strongly believes in ethical behavior, employees who do not comply with the provisions of this Code and other Company policies and procedures may be subject to a range of disciplinary actions, up to and including dismissal. Additionally, violations to these standards could result in criminal penalties and/or civil liabilities.

Insider Trading

CHI employees who are transacting (also referred to as the act of buying and selling) for their respective accounts in CHI shares of stock/securities are advised to consult the Company's policy on insider trading.

It is the policy of CHI that directors, officers and employees of the Company who are considered to have knowledge, from time to time, of materials facts or changes in the affairs of CHI, which have not been disclosed to the public, including any information likely to affect the market price of CHI's securities, cannot buy or sell ("trade") CHI securities, except in accordance with this policy.

Covered persons by this policy are as follows:

- All members of the Board of Directors
- All key officers of the Company who are or may be in possession of material non-public information about ALI due to their responsibilities. Key officers of the Company include all members of the Management Team wherever they are assigned or seconded to the subsidiaries;

- Consultants and advisers of the Company;
- All CHI employees who are made aware of undisclosed material information from time to time until such information has been publicly disclosed; and
- Members of the immediate families of key officers and covered persons mentioned above.

Information, whether positive or negative, is considered material when it is believed to be considered important to an investor in making a decision regarding the purchase or sale of securities.

These categories of information include:

- Financial results
- Adjustment of reported earnings
- Projections of future earnings or losses

- News of a pending or proposed merger
- Change in the corporate structure such as reorganization
- Acquisition/divestitures/joint ventures
- Dividend declaration and changes in dividend policy
- Stock splits
- New significant equity investments or debt offerings
- Significant litigation exposure
- Solvency problems which may arise from litigation, final judgments, loan defaults and losses of major clients or contracts
- Major changes in key senior management positions
- Public or private sale of company securities

- Plans to repurchase securities or go public with a new issue
- Other major developments which may affect the price of CHI shares of stocks/securities

Key officers and covered persons are restricted from participation in trading CHI securities on the following blackout periods:

- For structured disclosures, ten (10) calendar trading days before and three (3) calendar trading days after the disclosure of the Company's quarterly and annual financial results.
- For non-structured disclosures, three (3) calendar trading days before and three (3) calendar trading days after the disclosure of any material information other than the Company's quarterly and annual financial results.

The exercise of vested stock options (i.e. acquiring shares) may be done at any time, even during blackout periods. However, the liquidation, (i.e., the sale of shares acquired from option) is not subject to blackout periods.

Contact the C&A Manager for clarifications on the enforcement of CHI's Insider Trading Policy or the Security and Exchange Commission (SEC)'s applicable law.

Ombudsman

A committee may be convened by the President for cases concerning the non-compliance with this Code. This Committee is a fact-finding body and all its reports, particularly as regards functions are recommendatory in nature. The committee shall document the proceedings which will form part of the records of the case. The President will make the final decision on the case based on the report, recommendation and/or conclusion of the Committee.

Reporting Improper Conduct

It is the right and obligation of a CHI employee to bring to the attention of the management, any suspected or observed violation of the Code, Company policy and Philippine laws. To reinforce this, CHI has adopted a “whistle-blowing” procedure which allows employees to raise concerns or complaints of suspected or observed improper business conduct with management, for management to investigate and validate issues, such as, but not limited to, the following:

- Commission of a crime;
- Failure to comply with any legal obligation;

- Miscarriage of justice;
- Danger to health and safety;
- Damage to the environment;
- Deliberate concealment of information tending to show one of the above is occurring or likely to occur;
- Fraud and financial irregularities;
- Deliberate improper business conduct; and
- Inappropriate behavior inside and outside the workplace.

This procedure however would not extend to mismanagement which may arise from error or incompetence. Nor will it apply to personal grievances which should be pursued through line managers in accordance with existing and applicable local grievance procedure.

If the whistle-blower wishes to protect his/her identity, management will not disclose it without the complainant's consent. For clarity and accuracy, management will put down in written form all the information furnished by the complainant and obtain the latter's conforme to the same. All legitimate concerns will be considered and investigated. However, given the fact that the investigation of concerns will vary depending upon their nature, no specific time frame can be set.

If the whistle-blower raises a genuine concern in good faith, he/she will not be at risk of suffering any form of retribution as a result even if it is subsequently found that the whistle-blower was mistaken.

Wherever possible, concerns should be raised through the line managers. Where it is believed that a line manager is the source of the malpractice or that a group of managers is colluding in the malpractice, then the concerns should be raised with the employee's corresponding Division Head. In any case, if the employee wishes to raise the matter with someone independent of line management, the President or the Human Resources and Admin Department may be contacted directly.

Prudent Use of Company Resources

Company Assets

All CHI employees are responsible for the proper use of all Company property. These include, but are not limited to, information, facilities, equipment, software, vehicles and supplies owned or leased by the Company.

Plans, manuals, strategies, systems, developments, and other relevant documents prepared by CHI employees in the course of their work become the intellectual property of the Company.

Additionally, CHI employees must exercise great care in ensuring the proper safekeeping of legal documents, including, but not limited to tax returns, titles, claims ad stock certificates.

Company Representation

CHI employees may be provided representation allowances for the main purpose of promoting the Company's business interests. It is incumbent on the recipient employee to make sure that the expenses are used only for legitimate business purposes. Accurate and complete recording of

use of funds should be in accordance with existing accounting policies and procedures.

Disclosure of Company Data

CHI employees, by virtue of their functions and responsibilities, have access to classified or confidential information. Classified information includes corporate plans, objectives, personnel, resources, organizational structures, customer data, and other similar records and data.

The release of any of the above classified information must have the prior approval of the President or his authorized representative. Moreover, any public statements to be made in behalf of CHI, whether such is intended or limited to general circulation will require the approval of the President or his authorized representative.

The approval of the Head of the Human Resources and Admin Department, or her authorized representative shall be obtained for releasing information about a CHI employee's salary, position, address and other personal data. In case of employment and/or credit investigation, authorization from the employee concerned is required.

Likewise, CHI employees should not release personal information to external parties about colleagues, ex-employees, customer, and property sales/broker channels, unless given explicit permission from authorized personnel to do so.

Furthermore, CHI employees who are exiting the Company should not bring out any form of classified or confidential data for personal or commercial gain. If found out, CHI can use every legal means available to deal with the erring personnel.

Information and Communication Systems

Computers and network resources, and the information they contain, are valuable company assets that must be safeguarded. Computers and networks must only be used for Company business including access to external (non-company) information services such as the Internet. The employee must protect Company computers, networks and the data they contain against unauthorized access, use, modification, disclosure or destruction.

Actual or suspected loss, damage, misuse, theft, embezzlement, or destruction of Company funds or property should be reported

immediately to the Information Systems Department and the Human Resources and Admin Department.

Please also refer to the Technology Resources Policy for more details.

Project Development

To ensure that the confidential nature of certain CHI projects is not compromised; employees on these projects should take the necessary measures to safeguard plans, designs, and financial computations. Codes should be used in reference to such projects. This precautionary step will prevent the leakage of vital information to competitors and premature public exposure.

Additionally, CHI employees should maintain the “clean-desk” habit to ensure that sensitive information and documents left to their care are secured against possible undue exposure and loss.

Promoting CHI'S Interest

Conflict of Interest

CHI employees are expected to promote primarily the Company's interests. No employee shall compete with CHI, nor shall he or she allow business dealings on behalf of CHI to be influenced, or even appear to be influenced, by personal or family interests.

CHI employees are required to promptly disclose any business and family-related transactions to the company to ensure that potential conflict of interest are surfaced and brought to the attention of management.

Conflict of Interest covers the following areas:

- Abuse of authority for personal advantage;
- Personal or business involvement with CHI or its competitors/customers/suppliers;
- Vested interest with Company suppliers/competitors/customers;

- Business transactions for the Company with relatives or personal friends;
- Disclosure of business activities outside the Company and business associates;
- Unauthorized disbursement of funds;
- Use of Company resources, information and data for personal gain;
- Giving out of confidential information for personal gain;
- Acceptance of gifts or bribes.

Every December of each year, all CHI employees are required to complete the mandatory form on “Conflict of Interest Disclosure Statement”. This is submitted to the Human Resources and Admin Department which collates them in a file and monitors compliance thereof.

Contact your Division Head and the Human Resources Department Manager for further clarification on issues involving any disclosures of any potential areas of conflict of interest.

Outside Employment

Outside employment means any activity undertaken for gain other than those undertaken for the Company.

CHI discourages its employees from accepting outside employment to ensure that full attention and energy is spent on activities related to the Company and eliminate or minimize potential conflicts of interest.

Outside employment includes, but is not limited to:

- Jobs, whether part-time or full time, for an entity or person other than the Company or the entity to which the employee is assigned;
- Consultancy work;
- Private practice of profession;
- Personally-held directorship in entities other than the purely professional, civic, religious or cultural.

However, teaching/tutoring/mentoring and volunteer work outside of one's job can be undertaken, provided that a written advice be given to the employee's manager for endorsement to the President for approval.

People and Relationships

Open Communication

Open communication is important in upholding the Company's value of concern for people. Communication is as much about listening as it is about talking. It involves exchanging ideas; sharing accurate and timely information about business issues; and listening to each other and to clients and suppliers. Differing opinions and expressions of concern are respected. Cooperation and trust are necessary in keeping our communication channels open.

On the other hand, the spreading of malicious or speculative gossip relating to employee movements, organizational changes, company strategy and the like, is considered unacceptable behavior that may hinder the execution of CHI's strategies and plans. Likewise, rumor-mongering, trash talking, scandalous conversations, and baseless gripes are highly disapproved acts that do not build comradeship, harmony and openness among CHI employees. Such acts, if committed, can be harmful to an employee's person, livelihood, career prospects, professional reputation, including, and up to CHI's external image. Any CHI employee found to be engaging in such activities will be strongly dealt with by management.

When the communication takes the form of a concern or complaint, the employee's course of action is to take that concern or complaint to the appropriate colleague or manager. If the complaint is about a manager, the employee can take the matter to higher management or other appropriate persons without fear of retaliation or retribution for making known, in good faith, that concern or complaint.

The employee is responsible for informing his/her manager, the Division head or the Human Resources Department:

- If he/she thinks he/she is the apparent subject or target of baseless rumors or malicious gossip; and/or
- If he/she is privy to critical information or has knowledge of a colleague whose behavior may have violated this Code, CHI policies or existing laws.

Office Romance

The employee's personal affairs are not subject to Company scrutiny. However, in the course of transacting with CHI colleagues, clients,

suppliers and stakeholders, the employee is bound to ensure that the relationship should not affect individual work performance and office productivity, employee morale or present a potential conflict of interest.

On this premise, CHI employees in this category are encouraged to inform their managers of the relationship, for the manager to determine the relationship's implications on employee morale, work productivity, and performance reviews.

Business Gifts or Gratuities

In connection with an employee's affiliation or position with CHI, he/she may receive gifts or invitations to luncheons or dinners from clients or suppliers. In general, CHI may accept a gift or an invitation if:

- It is unsolicited;
- It does not violate any laws;
- It does not discredit CHI;
- It is directly attributable to personal or familial relationships;

- It is a promotional item or token of nominal value made available under the client's or supplier's customer or public relations program;
- It is part of business meetings or discussions;
- It is inexpensive. In monetary terms, the value of such a gift should not be more than P1,000, and;
- It is not given to influence judgment.

In such cases, the gift should be acknowledged with gratitude.

Otherwise, if the gift is more than P1,000, and meets all the conditions stated above, then the employee should accept it with gratitude on behalf of the Company and turn it over to the Human Resources Department for disposition.

Employees are cautioned never to solicit gifts directly or indirectly, from all CHI clients or suppliers. Under no circumstances should employees accept, directly or indirectly, payments, loans, kickbacks, special privileges, favors or services from anyone.

CHI obtains business on the basis of the quality of our products, services and people and it is unacceptable and contrary to CHI's policies to offer money, favors, inappropriate gifts or promises of gifts, or anything else of unusual value to influence, direct, obtain or retain business in CHI's favor. Such payments or favors maybe considered bribery which violates Company policy as well as existing laws. It is equally unacceptable for any employee to take bribes in any form.

If you have any doubts about the propriety of the business gift or gratuity received or to be given, consult your manager or the Human Resource and Admin Department.

Customer Care

The breadth of the Company's product/project portfolio and services has made Cebu Holdings a brand name that is trusted and associated with quality. Quality service to the Company's clients is not limited to external customers; this also includes internal customers in CHI.

A customer-centric mindset anticipates and responds to client needs.

For immediate attention to customer concerns, complaints received either through mail, e-mail, telephone or text messages are recorded in the Total Customer Satisfaction Management (TCS/MS). The TCS/MS is an online facility which all employees and outsourced personnel can access to record, respond to and handle complaints until these are resolved with closure and finality. A system coordinator oversees the forwarding of issues to the persons responsible and tracks the progress of the customer concern until it is resolved. Employees who are assigned as persons responsible for a customer complaint are enjoined to resolve the issue within the day.

Procurement

CHI employees are enjoined to observe at all times the policies and procedures for purchasing supplies and equipment for office and project-related use. This is to ensure that costly and unnecessary waste of resources are eliminated. Please refer to the company policies on Accreditation, Purchasing and Bidding for more details.

Sexual Harassment

The rules on sexual harassment shall not only apply to CHI employees but shall also cover outsourced personnel, those assigned in the managed

properties, trainees, and applicants against whom an act of sexual harassment has been committed by any CHI employee.

The Company upholds the provisions of Section 4, Republic Act No. 7877, An Act Declaring Sexual Harassment Unlawful in the Employment, Education or Training Environment, and for other purposes.

Sexual harassment is committed by any employee or any other person who, having authority or influence over another in a work environment, demands, requests or otherwise requires any sexual favor from the other. The offender or the victim of harassment may either be a man or a woman. Harassment can involve people of the same or the opposite sex.

The following are considered acts of sexual harassment:

- Overt sexual advances;
- Improper gestures of affection;
- Request or demand for dates, outings or the like;
- Green jokes, stalking, and unjust vexation; and

- Any other act or conduct towards sexual gratification, regardless of whether or not such act or conduct is annoying, disgusting or offensive to the victim.

These acts of sexual harassment may occur in ANY setting even after official working hours.

All complaints charging acts of sexual harassment must be made in writing to the Human Resources and Admin Department. The confidentiality of names, charges, and statements of fact will be kept in strict confidence during the course of investigating the case.

Corresponding penalties will be meted out to the offending party since the act of sexual harassment is considered a grave offense.

Please refer to the Anti-sexual Harassment Policy for more details.

Abuse of Authority

CHI employees who hold positions of authority are expected to be responsible for the people under their supervision and the care of physical, financial, and intellectual property resources entrusted to them for official use.

CHI employees should not use their title or position for personal gain, and should also not use intimidation, coercion, or blackmail to promote their vested interests.

Where To Go for Help

This Code of Ethical Behavior as written does not and cannot cover all types of situations an employee may encounter. As such, when in doubt about the best course of action in a particular situation, the Human Resources and Admin Department Head and staff are available to discuss employee concerns and answer additional questions.

Likewise, in matters of trading, the Compliance Officer is on hand for consultation with regards to doubts or concerns about transactions and may help determine if a trade will or will not violate the Insider Trading Policy.