

Foreword from the President and CEO

The Philippine Seven Corporation Code of Conduct and Business Ethics is drafted to strengthen our commitment towards Corporate Governance and to provide a thorough guidelines for actions of employees.

This Code shall lead all employees and pave a definite path on how to attain our vision and mission. I ask all employees to abide by the Code and uphold the rules prescribed in their work endeavor.

Jose Victor Paterno

President and CEO

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The Philippine Seven Corporation Code of Conduct and Business Ethics

The Philippine Seven Corporation remains committed in providing excellent customer service in all of its business endeavors. All instruments for the fulfillment of its goals and objectives shall be utilized with transparency as its main foundation. The company firmly believes that business ethics is the end-result of the employee's conduct governing relationships among themselves, directors, officers, business partners and the public.

To realize its vision and mission, all employees shall dedicate themselves in vigorous discipline in the observance of the conduct, aligning decisions for the company's best interest and in accordance to its business ethics, understanding that this Code shall be the best identification of the company.

The Company's Values

The Code shall be consistent with the values espoused by the company. All employees, directors and officers, must, at all times, be consistent in following these values which are defined as follows:

- A. Teamwork:** We foster an environment of synergy to attain the goals of the organization through active participation and mutual respect.
- B. Integrity:** We are honest and trustworthy to our fellow employees, customers and business partners.
- C. Reliability:** We deliver what we promised.
- D. Customer Focus:** We put our customers first.
- E. Results-oriented:** We take the initiative to improve area of business by applying the four step process.

The Standards of the Code of Conduct

Below are the principles and standards of action guiding all employees, directors and officers towards their relationship to their position, to their fellow employees and of the company's resources:

A. Confidentiality of Information

1. Recognizes that the position with the Philippine Seven Corporation is one of the highest trust and confidence by the reason of his access and contact with all documents pertaining to the business. Such trust cannot be separated from the position and the nature of work. Confidentiality of information shall extend to store operations, support divisions, and any other affiliates or subsidiaries.
2. To uphold the Company's trust is to protect all Information be it trade secrets or business information that could damage, hinder or cause competitors an advantage against the Company. In such circumstances that information is legally required, any disclosure shall be acted based on full compliance of the law following standards and procedures set.
3. Strictly follow Company policy and applicable laws and policies, confiding with the proper guidelines in case of doubt. Ensure that any records and documents are not concealed, altered, destroyed or falsified to obstruct or influence the outcome of any investigation by or proceedings before any official Company Committee or body, governmental, regulatory or judicial body having jurisdiction.
4. Trading of business practices, information and securities in exchange for monetary benefit or a favor shall also be construed as a violation of Company information.

B. Compliance

1. To represent the Company would require the highest form of compliance with all the applicable laws, the rules and regulations especially prohibitions on insider trading on whichever form it take. Discipline would counter any pressure for violating any rules and guidelines caused by the demands of the business. There are no avenues for excuses for giving into such pressure.
2. Personally implement and apply all the standards and guidelines imposed by laws, rules and regulations set.
3. Committed to follow the rules and regulations set forth, to comply means avoiding any instances, be it a covert or an overt act of corruption and bribery to any government officials or regulators to win the favor, facilitate transaction or to gain advantage for the company.

C. Decorum of Employees

1. Everyone shall treat each other as a customer. A customer might not always be right but should always be treated rightly and with every respect due. Since everybody is a customer, any action to tarnish credibility and personality shall be regarded as an action against the company.
2. Set aside differences that impede cooperation and communication. At the same time adheres to the company policies and guidelines whether oral or written; withholding personal grudges and opinions that may cause damage.
3. Being accountable relies with work responsibility; with the actions, authority and decisions attached therein. Avoid blaming others for mistakes but take immediate action to correct the errors made.
4. Striving to achieve the goals and deliver high quality results is to comply with standards, following guidelines and making decisions that are based on studies.
5. Take into consideration the feelings and needs of others. Everyone shall have the opportunity to share views and ideas provided that there are avenues available for such input.
6. Recognize the actions which were dutifully done and have contributed to the growth and goals of the company. Avenues for commendation would be both oral and written. Diligence and hard work shall not go unnoticed.

D. Attitudes with Superiors

1. Communicate and clarify objectives, goals and instructions; verifying if there is ambiguity. Comply with the objective and thrust of the project.
2. Offer due respect to superiors by observing the proper communication channels and avoid using destructive actions and uncalled for statements against superiors.
3. Implement decisions regardless of personal inhibitions or opinions maintaining the proper chain of authority.
4. Facilitate information that can contribute at arriving on a better decision or to change strategies

E. Management of Subordinates

1. Strictly monitor the implementation of the rules and guidelines of the company and apply immediate remedy to settle differences and minimize conflict.
2. Avoid acts that would question the credibility of a decision both in discipline management and designation of duty and tasks. Favoring whether in verbal or in action tarnishes directives even when applied the best decision.
3. Observe the proper avenue of providing feedbacks among erring or non-performing employees to lessen its impact on group morale and synergy.
4. Discipline management should always be between management and erring employees. The proper disposal of hearing and penalty should remain as discreet as possible.

F. Managing Decisions

1. Align efforts of the individuals and the plans of the synergized groups to establish clear, specific purpose without sacrificing the vital goals of the company.
2. Utilize data to diagnose problems, conduct market research and benchmarking activities to come up with the best resolutions. Projects and proposals should have a clear-cut objective and should always consider minimizing risks while maximizing profits.
3. Application of the 4-step process and determination of the root cause facilitate assessment of the problem and lessen potential business risks that may arise in the future.

G. Proper Use of Property

1. Company properties are the resource which the company uses to conduct its business. These include physical property such as buildings, machines and inventories, business plans and ideas, whether stored on paper or computer media such as records, drawings, notes and memoranda made by an employee at the period of employment in the company. It shall be used efficiently and shall be protected from misuse, loss, damage or theft.
2. All properties owned by the Company are for conducting the company's business and are not for personal use and consumption. Incidental personal use of telephones, computers, email and the internet are permitted as long as it does not distract the employee's job responsibilities and is in compliance with relevant law and the company's ethical standards, policies and procedures.
3. The Directors, officers and employees of the Company are responsible for protecting the properties of the Company from misuse, loss, damage and theft.

These conducts among employees should likewise be reflected on their business transactions, deals and agreement complying with procedures set by the company. Every employee shall maintain the following principles and guidelines in their business dealings and engagement:

H. Fair Dealing

1. Transparency would mean the disclosure of information pertinent to the line of work. It shall cover methods, guidelines, and business process of the company to aid any organization in conducting properly its business with the company.
2. No employee shall exercise his power and position to side track deals and agreements in favor of any entity that signifies intention to conduct business deals with the company.
3. Fairness shall be exercised by dealing with all franchisees, suppliers and the like in a manner of giving equal opportunities on business ventures; evaluating transactions to the best interest of the company alone.

I. Conflict of Interest and Corporate Opportunities

1. Every employee should uphold the company's interest at all times and integrate it with its own personal interest without prejudice to the former. Regardless of consanguinal or affinity relations, all shall adhere with the guidelines of the Company and act on the basis of the Company's interest.
2. Avoid engagement, participation or involvement of oneself, directly or indirectly in any transaction, undertaking or business enterprise which should belong to the corporation, thereby obtaining profits which should refer to the company or otherwise causing prejudice to the corporation.
3. Avoid engaging in activities such as soliciting and accepting gifts and entertainment; and accepting cash or its equivalent from vendors, suppliers, contractors or any third party.
4. Employees regardless of rank shall act with prudence and careful judgment in their relations with all vendors, suppliers, contractors, and to any third party providers. They shall not engage themselves in situation and activity that can compromise their position affecting impression on relations, casting doubts on integrity and judgment.
5. Uphold one's integrity and that of the Company by following procedures in dealing with co-employees, government agencies, contractors and suppliers such that no employees must engage in rigging bids, nor use their power or position to manipulate/advance any agreement tainted with personal gains. The integrity of the company lies within its employees. Favors have no place in the business.
6. The Company's interest shall reign supreme in all the business decisions and actions. Therefore any legitimate opportunities that might arise should be advanced for the company.

J. Disclosure

1. All directors and employees regardless of rank shall disclose all their business/es, relationship/s and affinities among franchisees, merchandisers, providers and other third party entities dealing with the company in aid of transparency in bidding and other procedures that requires compliance;
2. Further, they shall follow procedures regarding disclosure of information on business guidelines and requirements unless otherwise disclosure will lead to business loss. This means familiarization with operations and marketing procedures of the company;
3. Each director, officer or employee shall extend all appropriate and accurate information that will lead to a sound decision
4. Do not misrepresent or cause others to misrepresent himself or his position as well as facts about the company which could damage the reputation of the organization or its officers causing legal action against the company

5. To assess the effectivity of all procedures set, divisions must properly review and push for disclosure accuracy to identify weaknesses or possibility of loopholes;
6. To extend all pertinent information and documents, procedures and controls to all government agencies for compliance.

K. *Relations with Shareholders and Investors*

1. Conduct the Company's affairs with a view to the best interests of the Company as a whole and to enhance shareholders value.
2. The Board of Directors of the Company shall duly and fairly inform its shareholders about all relevant aspects of the Company's business and disclose such information in accordance with the respective regulations and agreements.

Implementation and Monitoring of the Code

1. All employees of the Philippine Seven Corporation should commit themselves both in writing and spirit all the provisions prescribed in this Code of Conduct and Business Ethics; Implementing the guidelines, provisions and actions; embodying the corporate values and principles as a tradition that should be kept and maintained.
2. There shall be no exclusion neither by position nor situation to violate this Code of conduct except in cases that the Board of Directors deemed it necessary to veto any provisions of this code. In such cases, recommended revisions would be discussed with the Human Resource Division Manager.
3. Proper Imposition of penalty and disciplinary action on the provisions of this Code would warrant the same penalty as prescribed within the Philippine Seven Corporation's Employee Code of Discipline. Cases involving civil and/or criminal actions or other charges will be remedied using legal procedures.
4. Retaliation, whether direct or indirect and in any form that can impede or increase the suffering of work against an employee who reports, honestly and in good faith, any violations of this Code would not be tolerated. Sanctions as prescribed will be issued.
5. Reports regarding the violation of this Business Code of Conduct will be handled with confidentiality. All cases shall be forwarded to the Employee Welfare and Industrial Relations Specialist. He shall be responsible for the investigation and the imposition of penalty to erring employees. Any reports whether made anonymously or not should have the necessary evidence to warrant investigation. Otherwise, it shall be construed as hearsay.
6. Policies whether implemented or pending, will be reviewed for the purpose of incorporating all the necessary guidelines and spirit of this Code. All inconsistent practice whether verbal, written or in action that goes against the Code shall be repealed and rectified.
7. This code shall be reviewed at least once every two years however, upon the recommendation of the Board of Directors; any provision of this code can be repealed or changed.