



Dear Fellow Employee,

The Board of Directors of Roxas Holdings Inc. has adopted a Business Conduct Policy to guide and remind us on the fundamental principles to which we all must adhere. It is my humble belief that only through our continuing efforts to abide by this policy will the good reputation of our Company be maintained.

The Business Conduct Policy, in addition to all existing rules and regulations, shall henceforth govern employee conduct in the workplace. Any violation of this Business Conduct Policy may result in termination of employment or other disciplinary action.

You are enjoined to read this Business Conduct Policy carefully in order to acquire knowledge and understand the Company's policies and to confirm that you have done so, you are requested to accomplish the attached certificate of confirmation. The signed certificate should be returned to your HR/ Personnel Department immediately.

Any question/s regarding the meaning or application of any of the principles set forth in the Business Conduct Policy should be directed to your HR Department for appropriate action.

Sincerely,


PEDRO J. ROXAS
Chairman & CEO

BUSINESS CONDUCT POLICY

I. INTRODUCTION

The highest standard of individual conduct is expected at all times from each employee of ROXAS HOLDINGS INC. not only in matters of financial integrity but also in every aspect of business relationships.

Business should be conducted on the basis of fair dealing, consideration for the rights and feelings of others and the most stringent principles of good corporate citizenship.

Each employee is charged with the responsibility of acquiring sufficient knowledge of the laws relating to his or her particular duties in order to recognize potential dangers and to know when to seek legal advice. Unlawful conduct will not be condoned under any circumstances. Employees should consult with the in-house counsel if they have questions regarding compliance with certain laws, rules or regulations.

Employees are expected to comply with this Business Conduct Policy and all other policies and rules and regulations of the company. Any employee who knowingly violates this policy or knowingly allows a subordinate to do so shall be subject to disciplinary action, including demotion or termination.

The Business Conduct Policy addresses several areas of concern. It includes values, operating principles, conflicts of interest, disclosure of business or outside employment, use and protection of company assets, disclosure on accounting and auditing matters, insider trading, use of software, sexual harassment and political activities and contributions. In addition, the Company's Rules and Regulations governing employee conduct should be used as reference material on matters related thereto.

II. VALUES

The following fundamental beliefs determine conduct throughout the Company. They explain the reasons why our principles are important to us.

Integrity. The Company is expressly committed to integrity and high ethical standards of conduct in all its business transactions.

Entrepreneurship. The basis for the continuing success of the Company's business is good long-term profitability. An essential feature of this is a dynamic and innovative approach to business by the Company and all its employees.

Professionalism. The Company values professionalism and regards it as essential in ensuring the provision of the highest levels of customer satisfaction.

Responsiveness. The Company acknowledges the importance of being responsive to the needs of all those with whom it does business.

III. OPERATING PRINCIPLES

The Company operates within the framework of the following principles:

Personal Conduct. The Company expects the highest levels of personal conduct by all its employees. It is acknowledged that all effective business relationships inside as well as outside the Company depend upon honesty, integrity and fairness.

While it is recognized that limited corporate hospitality is given and received as part of building normal business relationships, employees should avoid accepting hospitality or gifts which might appear to place them under an obligation.

The Company expects all its employees to respect the rule of law and abide by appropriate regulations. They are likewise expected to avoid doing business with any individual, Company or institution if that business is connected with activities which are illegal or which could be regarded as unethical.

Environment. The Company recognizes that certain resources are finite and must be used responsibly. It therefore pursues a two-pronged, external and internal, approach designed to promote environmental protection. Its external policy is aimed at anticipating developments in the environmental field related to its operation and the professional management of environmental risks. Internally, the policy is aimed at controlling any environmental burdens caused by the Company itself.

Communication. Within the bounds of commercial confidentiality, the Company places the greatest importance on open and transparent communications with its customers, employees, shareholders and the society at large.

Community Relation. The Company recognizes that good relations with local communities are fundamental to its long-term success. The Company's community relations policy is founded upon mutual respect and active partnership aimed at sustaining and trusting relationships between the Company's operations and the members of the local communities where it operates.

Cultural, sport and environmental activities are a central part of the Company's relations policy and individual employees are encouraged to play positive role in community activities.

Economic Policy. As a commercial organization, the Company believes that it must provide an adequate return for its shareholders. It supports a market economy as the most effective means of achieving the best returns for its customers, investors and employees as well as for the community where it operates.

Competition. The Company recognizes the many benefits of a competitive environment. However, the best markets flourish only within an ethical framework and no one in the Company is permitted to disparage a competitor or to use unethical means to obtain any advantage for the Company.

IV. CONFLICT OF INTEREST

The Company and its stockholders require and expect that business affairs must be conducted in a manner that does not cloud our judgment when we deal with third parties or make decisions on behalf of the Company. Business transactions must be undertaken solely in the best interest of the Company.

Conflict of Interest can only be defined along broad lines of ethical principles as it is impossible to conceive of all situations where a conflict may arise. In general, conflict of interest arises when an employee engages in business or professional activities exclusively for his own benefit on Company time or when such business or professional activities goes against the interest of the Company regardless whether it occurs during Company time or not. In short, a conflict of interest when the Company's interest are compromised.

The following, while not encompassing, illustrate some types of activities which violates the Company's policy on Conflict of Interest.

A. Business or Outside Employment

1. Involvement in any way with any business that materially interferes with the proper performance of his duties or obligations to the Company or investments in enterprises which might lead to conflict of interest.
2. Writing for an outside publication, delivering outside lectures and attending to speaking engagements unless the prior consent of the Company has been obtained.

3. Participating in civic, political, religious, charitable, educational, cultural, recreational, or similar activities where such activities materially interfere with the faithful performance by the employee of his/her duties to the Company or shall be in conflict with the Company's interests.
4. Holding appointive or elective positions in Government or holding other employment elsewhere where the duties and obligations of the employee to the Government or to his/her other employer may adversely affect the efficient performance of his/her duties and responsibilities to the Company. In such event, the employee should decide whether to make a career with the Government or with the Company and should he/she decides to pursue his/her Government position, the employee will be requested to resign from the Company.

B. Acceptance of Gifts

Acceptance of gifts, favors, loans or other material benefits from third parties doing business or desiring to do business with Company by employee and/or members of his family.

However, moderate or customary gifts such as those gifts given to employees during Christmas season or those made to employees on the occasion of their birthdays shall be allowed and acceptance thereof by and employee shall not be considered to be in conflict of interest.

C. Business Dealings

Financial involvement in any transaction between the Company and third parties which can influence or affect the official judgement of the employee.

Habitual engagement in the business of lending money to fellow workers or employees.

D. Other acts and activities analogous to the foregoing.

Financial involvement in any transaction between the Company and third parties which can influence or affect the official judgement of the employee.

V. DISCLOSURE OF BUSINESS OR OUTSIDE EMPLOYMENT

Employees are absolutely required to make a disclosure of all their business, professional involvement and/or their other employment outside of the company within reasonable period from the time that the business, professional involvement or other employment has arisen.

Information disclosed in compliance with this directive shall be treated by the company with utmost confidentiality.

VI. USE AND PROTECTION OF COMPANY ASSETS AND TRANSACTIONS

Employees who have access to or control over Company transactions and assets, including trade secrets or other confidential or proprietary information, are expected to execute their responsibilities with the strictest integrity and highest regard for the value of the assets and the importance of the transactions. "Confidential or Proprietary Information" includes generally, all information which the employee knows or has the reason/s to know and is deemed by the Company to be secret, which is in the possession of the Company and has not been published or otherwise disclosed to any third party or to the general public.

Each employees entrusted with such responsibilities must ensure that the use, acquisition or disposition of an asset by an employee on behalf of the Company is undertaken in accordance with the general or specific authorization of management and is accurately and fairly recorded in reasonable detail in the Company's books of account and records.

Unauthorized disclosure of information, whether or not it is proprietary, and unauthorized or illegal access to information or data owned or belonging to third persons/entities are strictly against Company policy.

All Company books, records and accounts must accurately reflect the precise nature or transaction recorded. Making false or fictitious entries with respect to transactions of the Company or the disposition of corporate assets is prohibited and no employee may engage in any transaction that requires or contemplates the making of false or fictitious entries.

Employees must act in accordance with all policies and procedures relating to expense reporting. The company expects that business expenses will be reasonable and will be accurately supported by valid receipts where required.

Compliance with prescribed accounting procedures and controls is required at all times.

VII. PUBLIC INTEREST DISCLOSURE

All employees have a right and moral responsibility to report improper actions and omissions. A workplace culture must be developed in which employees who act in good faith and in compliance with the law are protected

form interference in or retaliation for reporting improper actions and cooperating with subsequent investigations or proceedings.

Public Interest Disclosure (commonly called "whistleblowing") is required when employees, in good faith, believe superiors or colleagues are engaged in an improper course of illegal or unethical conduct, and they must be able to disclose such conduct free from fear of intimidation or reprisal.

VIII. USE OF SOFTWARE

All users of Company software should understand that the unauthorized duplication (other than for backup and archival purposes) or either proprietary or internally developed software is a violation of this policy, whether such duplication is for business or personal use and whether such duplication may place the Company in violation of its obligation to the software publishers.

IX. INSIDER TRADING

Employees of the Company may not purchase, sell, or otherwise trade in securities of the Company or of another corporation while in possession of material non-public information, such as knowledge that the Company is planning to acquire another corporation. In addition, employees may not give material non-public information, directly or indirectly, to anyone. Beyond disciplinary action, a violation of this policy may lead to civil and criminal penalties against the employee.

X. SEXUAL HARASSMENT

The Company values the dignity of every individual, encourages the development of its human resources and upholds the dignity of its employees, applicants for employment and those undergoing training, instruction or education in the company. Towards this end, all forms of sexual harassment in the workplace are absolutely prohibited.

XI. POLITICAL CONTRIBUTIONS AND ACTIVITIES

The Company absolutely prohibits the making or giving of contributions or expenditures whether in the form of money, products, services or facilities, in connection with any local or general election. Accordingly, no employee may make contributions or expenditures at any time for or on behalf of the Company in connection with any election.

Employees are absolutely prohibited from actively campaigning for any candidate in connection with any election within the Company premises/property. Likewise, except in areas which have been opened and

already devoted to public or political activities, the holding of political rallies or any other form of political activity/ exercise are absolutely prohibited inside the Company premises or property.

The rules governing political activity are extremely complex. Should you have any question concerning the Philippine election laws, you should consult with your in-house counsel.

XII. COMPLIANCE REVIEW

From time to time, compliance review briefings will be held in order to discuss various matters raised in this policy booklet. Each employee is expected to attend such briefings.

XIII. IMPLEMENTATION AND COMMUNICATION

The responsibility of maintaining discipline and implementing the provisions of this Business Conduct Policy as well as the responsibility to take corrective actions for breach thereof rests with line management.

Issues and concerns on matters covering the meaning, application and implementation of the principles set forth herein shall be coursed through your Human Resources Department.

XIV. DUTY TO DISCLOSE VIOLATIONS OF THE POLICY

Employees are expected to disclose promptly any acts or transactions known to them which may be in violation of this Policy. The Company will endeavor to treat any disclosures which are made pursuant to this Business Conduct Policy in strictest confidence.

XV. GUIDANCE

It is not possible for any Statement of Business Principles to cover every eventually, nor should it. Business life is increasingly about employees having the freedom to take decisions, as long as these are consistent with the Operating Policies of the Company.

It is therefore inevitable that there will arise occasions where employees are faced with situations not covered by the policy, precedent or procedure and have to decide on the most appropriate course/s of action to undertake. In these situations, employees are enjoined to act within the framework of what is legal, moral, fair, and honest.