



# **CODE OF CONDUCT AND DISCIPLINE**

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### INTRODUCTION

In line with its vision and mission statements, Macay Holdings, Inc. (the “Company”) hereby adopts this Code of Conduct and Discipline (the “Code”) to be observed by all its officers and employees. This Code prescribes a broader declaration of the Company’s corporate principles and philosophy of good governance with the aim of defining the standards of proper conduct and behavior of its employees in order to sustain and promote the highest level of integrity and professionalism in its business dealings and relationships.

Discipline is a requisite condition in maintaining the orderly management and operation of the Company. Thus, it is the Company’s conviction that the realization of the Company’s vision can be attained only through a culture of discipline and accountability for one’s actions.

### ARTICLE I – TITLE AND COVERAGE

These rules and regulations shall be known and referred to as the Company’s Code of Conduct and Discipline. This Code shall govern the acts and conduct of its officers and employees, whether regular, fixed-term, or probationary.

### ARTICLE II – DECLARATION OF PRINCIPLES, POLICIES AND OBJECTIVES OF THE COMPANY

**Section 1.** The Company believes that its success depends on the commitment of its officers and employees in performing their tasks with efficiency, integrity, honesty, professionalism, and fairness.

As a publicly-listed company, the Company shall take all steps to ensure that the character and competence of its officers and employees are beyond reproach and its corporate values shall in all instances be evident in the acts and behaviour of every member of its work force.

**Section 2.** Discipline is essential to the continued well-being of the Company. A disciplined work force enables an organization to meet its corporate objectives and enhances its growth. In this regard, it is the primordial duty of the Company to ensure that discipline and order must at all times be maintained. The Company desires that all officers and employees must observe appropriate conduct that will promote and safeguard the interests of the Company as an institution. Thus, officers and employees of the Company must conduct themselves in such a way that will promote the welfare of the entire institution.

A uniform Code of Conduct and Discipline will produce a sound employer-employee relationship by creating awareness among officers and employees on the Company’s expectations on their conduct and behaviour, providing a transparent procedure for conducting an inquiry and/or investigation into possible offense/s committed by officers and employees, and clearly providing sanctions that may be imposed in case of a finding that an offense/s has/have in fact been committed.

This Code as herein established shall set the parameters in guiding the officers and employees on the norms of conduct and discipline expected of them by the Company. The officers and employees shall adhere to this Code for the proper performance of their duties and responsibilities. Non-compliance with this Code may result in the institution of a disciplinary

proceeding against an erring officer or employee and the imposition of sanctions and/or penalties against him/her, in accordance with the provisions herein.

**Section 3.** Corporate Policies of the Company

- (a) All officers and employees must conduct themselves with professionalism, act with honesty and utmost efficiency, and must at all times maintain integrity. Hence, high ethical and moral standards must always be the foremost consideration;
- (b) All officers and employees must exercise propriety in the conduct of their personal, business, and professional affairs. Towards this end, all officers and employees must not engage in any activity that will be inimical or prejudicial to the best interest and welfare of the Company;
- (c) All officers and employees must at all times protect the interest and reputation of the Company, and, in this regard, disclosure of confidential information is definitely prohibited;
- (d) All officers and employees are expected to fully comply with the law, rules, and regulations imposed by applicable government agencies as well as the internal rules, policies, and procedures strictly being implemented by the Company.

**Section 4.** The rules and regulations embodied in this Code must be strictly complied with by all officers and employees of the Company. The Company and/or the officers tasked to implement this Code must always exercise the cold neutrality of an impartial judge. Implementing officers, as may be designated by the Board, must also conduct themselves in such manner that the application of penalties and sanctions is characterized by justice and fairness, and not by bias and favoritism. Due process of law must always be accorded to any officer or employee under investigation for an alleged offense.

Implementing officers must likewise be guided by the reformatory or motivational purpose of this Code, and not by its punitive character. Hence, penalties and sanctions must be imposed on concerned officers or employees primarily to restore order and integrity in the organization and must never be used as a form of retaliation, reprisal, or, worse, a show or abuse of power.

**ARTICLE III – OBSERVANCE OF DUE PROCESS**

To prevent any arbitrariness in the implementation of this Code, due notices stating the commission of infractions shall be served to the concerned officer or employee who shall be given the opportunity to be heard before the rendition of judgment, whether acquitting or convicting the concerned employee on the basis of the evidence presented to substantiate the charges. The officer or employee under investigation for an offense is legally entitled to secure the legal services of a counsel of his/her own choice, if he/she so desires.

**ARTICLE IV – BREACH AND INFRACTIONS**

In addition to the rules, policies, and proscribed acts stated in this Code, all other acts and omissions which are inimical or prejudicial to the interest and good name of the Company, as well as those acts which are contrary to law, morals, public order, and public policy, must be subject to disciplinary and corrective actions although such acts may not have been defined in this Code.

In particular, the Securities Regulation Code, its Implementing Rules and Regulations, and such other rules, orders notices or instructions issued by the Securities and Exchange Commission and other applicable government authorities are hereto incorporated by reference.

The Company may also issue other specific memoranda, regulations, and directives which shall supplement this Code. This Code may also be amended from time to time as the Company may deem necessary.

## ARTICLE V – LEVELS OF SANCTIONS

1. **ORAL REMINDER** – This penalty involves the issuance of a memorandum coured through the concerned employee’s supervising officer requesting said supervising officer to call the concerned employee’s attention to the offense committed, and to counsel the concerned employee that a repetition of such violation in the future would necessitate the imposition of a more severe penalty.
2. **WRITTEN REPRIMAND** – This penalty is a written admonition to a concerned employee for an offense committed and which warns the concerned employee against repeating such violation in the future.
3. **SUSPENSION** – This penalty refers to a forced temporary physical detachment of the concerned employee from work for a designated period of time (not to exceed thirty days) without pay. The duration of such penalty shall depend on the severity of the offense committed. Days of suspension refer to consecutive working days in which an employee is required to be out of work.
4. **DISMISSAL** – This penalty terminates the concerned officer or employee’s service with the Company for a just or authorized cause in accordance with the Labor Code of the Philippines.
5. **DURATION** – The penalties imposed under this Code are from a year to year basis.

## ARTICLE VI – ANCILLARY PENALTY

**Section 1.** The Company, acting through its implementing officers, may impose the additional sanction of RESTITUTION with any of the sanctions provided for in the preceding Article against the concerned officer or employee in case the offense committed resulted in destruction or damage to the property of the Company, its officers, employees, clients, or other persons doing business with the Company or staying within Company premises.

**Section 2.** The restitution mentioned in the preceding paragraph shall be in the full amount of the damaged property. If restitution is imposed, it shall be made through the following means:

1. Payroll deduction;
2. Outright Payment.

**Section 3.** The additional penalty of restitution shall in no case mitigate the offense committed by the officer or employee and shall in no way be imposed as the principal or sole penalty.

#### **Section 4. Effects on Promotion/Performance Rating**

Penalties imposed have adverse effects on promotion, merit adjustments, and performance rating for a given period.

### **ARTICLE VII – PREVENTIVE SUSPENSION**

**Section 1.** At the option of the Management, in cases where a thorough investigation is needed to determine the extent of liability of an officer or employee under investigation for an offense, preventive suspension may be imposed to prevent the recurrence of the alleged offense which affected the Company's operation in great magnitude. It must be imposed on the concerned officer or employee if the continued physical presence at the work place of the concerned officer or employee poses a serious threat to the welfare of the Company and its officers or employees or third parties doing business with the Company.

**Section 2.** Preventive suspension under this Article shall not be construed as a penalty but only as a measure or design to ensure the credibility and orderliness of the investigation.

**Section 3.** An employee under preventive suspension shall not be paid his or her salary during the period of his/her preventive suspension, which shall not exceed thirty (30) days.

However, the Company, after being appraised of the situation, may extend the maximum period of preventive suspension but shall automatically reinstate the preventively suspended officer or employee in the payroll.

**Section 4.** An officer or employee preventively suspended shall not be allowed to enter the premises of the Company except when allowed by an authorized officer of the Company and/or to attend the investigation being conducted in the case.

### **ARTICLE VIII – SPECIFIC POLICY STATEMENTS**

#### **Section 1. ATTENDANCE AND PUNCTUALITY**

Employees are expected to comply with the working hours set by the Company. As such, any leave availment, official business trip, or undertime availment should be properly coordinated with one's immediate supervisor to prevent disruption of the smooth flow of work.

#### **Section 2. BEHAVIOR AND DECORUM**

All employees should conduct themselves with professionalism. They should refrain from engaging/participating in activities that may produce disturbance within the Company premises, disrupt the smooth flow of work in the workplace, or tarnish the Company's professional image. They should observe proper office decorum, protect and conserve Company properties, and protect the prestige and good name of the Company.

#### **Section 3. OFFICE ATTIRE AND GROOMING**

The Company recognizes that its image is reflected by the way its employees act, dress, and conduct themselves, both within and outside the Company premises. Hence, its officers and employees are obliged to maintain a neat appearance and report for work in proper attire.

#### **Section 4. WORK DUTIES AND RESPONSIBILITIES**

All officers and employees should strive to exercise utmost efficiency and effectiveness in the performance of their official duties. Officers and employees are expected to utilize their time properly and to prioritize their various responsibilities to address urgent concerns at the appropriate time.

#### **Section 5. INSUBORDINATION TO OFFICERS'/ SUPERVISORS' DIRECTIVES**

Every employee must comply with and perform all reasonable directives or instructions of duly authorized supervisors to maintain an efficient work flow as well as to promote harmony in the interpersonal relationships among Company employees, specifically between the supervisor and the subordinate.

#### **Section 6. INTEGRITY**

As a public company, every aspect of the conduct of the Company's officers and employees should be founded on the highest standard of integrity and honesty. Officers and employees should maintain high ethical and moral standards in the performance of their jobs, in the use of Company assets/funds, and in dealing with fellow employees and clients.

#### **Section 7. COMPLIANCE WITH STANDARD OPERATING PROCEDURES**

Employees must comply with all established procedures of the Company. These procedures were carefully designed to guard against losses and to assure effective operations at all times.

#### **Section 8. CONFLICT OF INTEREST**

Conflict between the interest of the Company and the interest of the employee should be avoided at all times. No employee should engage in any business or undertaking that is directly or indirectly in competition with the Company; or engage directly or indirectly in any undertaking or activity prejudicial to the interest of the Company or to the performance of his or her job or work assignments. In cases of conflict, the interest of the Company should prevail.

#### **Section 9. HONESTY**

All officers and employees are expected to be honest and truthful in their dealings with the Company. They shall not engage in, facilitate, or aid in facilitating the commission of fraud, deceit, or other forms of dishonesty which will directly affect the Company. Every officer and employee of the Company must at all times furnish correct and complete information on the documents and other papers deemed necessary by the institution. Officers and employees of the Company must always exercise honesty in the performance of duties.

#### **Section 10. HIGH MORAL STANDARDS**

Employees should maintain high moral standards of behaviour and must refrain from indecent, lewd and immoral acts that could give opportunity for scandal or loss of confidence in the Company.

## **Section 11. IT / IS SECURITY POLICY**

It is the duty of every officer and employee of the Company to take all reasonable measures to reduce user liability as well as minimize potential damage to stored data/information, data systems, and computer systems for the protection of the users and the Company. Management will take every step to ensure that all client information and all controlled Company information will be kept confidential. It is to the best interest of the Company's clients and partners that sanctions will be given to those who, in one way or another, will commit any security breach that may prejudice the Company.

The Company owns everything that transpired and is stored on Company equipment. Employees and officers cannot consider electronic communication, internet activities, storage or access to be private if they are performed, created or stored at work using Company equipment. The Company has the right to monitor internet usage or network related activities and access any material in the Company email or Company equipment at any time.

## **Section 12. SAFETY AND SECURITY**

All Company personnel are responsible for safety in their respective place of work. They must promote safety within Company premises. They are required to abide by the safety rules and regulations of the Company.

### **ARTICLE IX – CRIMINAL AND CIVIL ACTIONS OF THE COMPANY AGAINST ERRING EMPLOYEES**

Although the Company, after due hearing and investigation, may have already imposed the corresponding penalty against the officer or employee who committed the offense, such imposition shall not preclude the Company in pursuing criminal or civil charges against the erring officer or employee concerning such violation or infraction.

### **ARTICLE X – REPORT OF VIOLATIONS**

All directors, officers and employees are expected to report promptly any violation of this Code to any management or governance bodies (such as, but not limited to, the Company's Human Resource unit, Legal and Compliance unit or Internal Audit) duly authorized to receive and act on the said violation.

### **ARTICLE XI – AMENDMENTS TO THIS CODE**

Amendments or revisions of this Code of Conduct may only be done upon recommendation of the President and the Corporate Governance Committee, provided that such amendments may only be implemented upon approval by the Board of Directors.

### **ARTICLE XII – REPEALING CLAUSE**

The provisions of any previous Code of Conduct, which are entirely inconsistent with the provisions of this Code, are hereby repealed.