



## **CODE OF ETHICS**

The FOOD TERMINAL INCORPORATED (FTI) (*hereinafter "Company"*), a government owned and controlled corporation (GOCC), organized and existing under the law of the Republic of the Philippines, has adopted this Code of Ethics (*hereinafter "Code"*) to:

- a. *Encourage honest and ethical conduct, including fair dealing and the ethical handling of conflicts of interest;*
- b. *Encourage full, fair, accurate, timely and understandable disclosure;*
- c. *Encourage compliance with applicable laws and governmental rules and regulations;*
- d. *Ensure the protection of the Company's legitimate business interests, including corporate opportunities, assets and confidential information; and*
- e. *Deter wrongdoing.*

All directors, officers and employees of the Company are expected to be familiar with this Code therefore, I, \_\_\_\_\_ (*name of employee*) solemnly swear to adhere to these principles and procedures set forth therein.

1. Each director, officer and employee shall uphold the good will of the COMPANY by performing its duties and responsibilities in accordance with the COMPANY's principles.
2. Each director, officer and employee shall endeavor to contribute to the success of the COMPANY by supporting its goals/objectives.
3. Each director, officer and employee owes a duty to the Company to act with integrity. Integrity requires, among other things, being honest and ethical. This includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. Deceit and subordination of principle are inconsistent with integrity.

Each director, officer and employee must:

- a. Act with integrity, including being honest and ethical while still maintaining the confidentiality of information where required or consistent with the Company's policies.
  - b. Observe both the form and spirit of laws and governmental rules and regulations and government accounting standards.
  - c. Adhere to a high standard of business ethics.
  - d. Accept no improper or undisclosed material personal benefits from third parties as a result of any transaction or transactions of the Company.
4. A "conflict of interest" arises when an individual's personal interest interferes or appears to interfere with the interests of the Company. A conflict of interest can arise when a director, officer or employee takes actions or has personal interests that may make it difficult to perform his or her Company work objectively and

effectively. For example, a conflict of interest would arise if a director, officer or employee, or a member or his or her family, receives improper personal benefits as a result of any transaction or transactions of the Company. Interests in other companies, including potential competitors and suppliers, that are purely for investment purposes, are not significant to the individual and do not include involvement in the management of the other entity, or where an otherwise questionable relationship is disclosed to the Board and any necessary action is taken to ensure there will be no effect on the Company, are not considered conflicts unless otherwise determined by the Board.

Fidelity or service to the Company should never be subordinated to or dependent on personal gain or advantage. Conflicts of interest should be avoided.

In most cases, anything that would constitute a conflict for a director, officer or employee also would present a conflict if it is related to a member of his or her family.

5. Employees, officers and directors are prohibited from taking (or directing to a third party) a business opportunity that is discovered through the use of corporate property, information or position, unless the Company has already been offered the opportunity and turned it down. More generally, employees, officers and directors are prohibited from using corporate property, information or position for personal gain and from competing with the Company.

Sometimes the line between personal and Company benefits is difficult to draw, and sometimes there are both personal and Company benefits in certain activities. Employees, officers and directors who intend to make use of Company property or services in a manner not solely for the benefit of the Company should consult beforehand with the Legal Unit or the Audit Specialist.

6. Each director, officer or employee, to the extent involved in the Company's disclosure process, including the President, the Vice-President for Business Support, and the Head of the Accounting Unit, are required to be familiar with the Company's disclosure controls and procedures applicable to him or her so that the Company's public reports and documents filed with the Securities and Exchange Commission (SEC), the Commission on Audit (COA), and the Bureau of Internal Revenue (BIR) comply in all material respects with the applicable laws, rules and regulations. In addition, each such person having direct or supervisory authority regarding these filings or the Company's other public communications concerning its general business, results, financial condition and prospects should, to the extent appropriate within his or her area of responsibility, consult with other Company officers and employees and take other appropriate steps regarding these disclosures with the goal of making full, fair, accurate, timely and understandable disclosure.

Each director, officer or employee, to the extent involved in the Company's disclosure process must:

- a. Familiarize himself or herself with the disclosure requirements applicable to the Company as well as the business and financial operations of the Company.

- b. Not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether within or outside the Company, including to the Company's independent auditors, governmental regulators and self-regulatory organizations.
7. In carrying out the Company's business, employees, officers and directors often learn confidential or proprietary information about the Company, its customers, suppliers, or joint venture parties. Employees, officers and directors must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information of the Company, and of other companies, includes any non-public information that would be harmful to the relevant company or useful or helpful to competitors if disclosed.
8. It is the Company's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each employee, officer and director to adhere to the standards and restrictions imposed by those laws, rules and regulations in the performance of their duties for the Company, including those relating to accounting and auditing matters.

If an employee or officer is uncertain about the legal rules involving the transaction involved for the Company, he or she should consult with the Company's Legal Unit or Audit Specialist/Vice-President for Business Support or the President before proceeding with the transaction.

Other policies may be issued by the Company to provide guidance as to applicability of certain laws, rules and regulations to the Company's activities.

9. Any director, officer or employee who becomes aware of any violation of this Code is required to notify the Audit Committee, Human Resource Management Unit and/or the Legal Unit.

Any questions relating to how these policies should be interpreted or applied should be addressed to the Legal Unit. Any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest, as discussed in this Code, should be discussed with the Legal Unit. A director, officer or employee who is unsure of whether a situation violates this Code should discuss the situation with the Legal Unit to prevent possible misunderstandings and embarrassment at a later date.

Each director, officer or employee must:

- ❖ Notify the Legal Officer promptly of any existing or potential violation of this Code.
- ❖ Not retaliate against any other director, officer or employee for reports of potential violations.

The Company will follow the following procedures in investigating and enforcing this Code and in reporting on the Code:

- a. The Legal Officer, will take all appropriate action to investigate any violations reported. In addition, the Legal Officer shall report each violation and alleged violation involving a director or an executive officer to the Board of Directors. To the extent he or she deems appropriate, the

Chairperson of the Board shall participate in any investigation of a director or executive officer. After the conclusion of an investigation of a director or executive officer, the conclusions shall be reported to the Audit Committee.

- b. The Audit Committee will conduct such additional investigation as it deems necessary. If the Audit Committee determines that a director or executive officer has violated this Code, it will report its determination to the Board of Directors. Upon being notified that a violation has occurred, the Board of Directors will take such disciplinary or preventive action as deemed appropriate, up to and including dismissal or, in the event of criminal or other serious violations of law, notification of the SEC or other appropriate law enforcement authorities.

From time to time, the Company may waive provisions of this Code. Any employee or director who believes that a waiver may be called for should discuss the matter with the Legal Unit. Any waiver of the Code for executive officers or directors of the Company may be made only by the Board of Directors and must be promptly disclosed.

10. Each employee, officer and director should endeavor to deal fairly with the Company's customers, service providers, suppliers, competitors and employees. No employee, officer or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.
11. All employees, officers and directors should protect the Company's assets and ensure their efficient use. All Company assets should be used only for legitimate business purposes.
12. Commit to the belief that recruitment, employment and promotion in the COMPANY are based on the qualifications and abilities needed/required by the position.
13. All employees, officers and directors shall endeavor to assist the Management in promoting and maintaining a safe and healthy working environment.
14. All employees, officers and directors shall continue to be a good supporter of the COMPANY's corporate social responsibilities.
15. Finally, all employees, officers and directors shall maintain an ethical and accountable behavior as long as they are employed by the COMPANY and that any violation of this agreement shall be subject to appropriate administrative sanctions/ penalties.
16. IN WITNESS WHEREOF, I hereby affix my signature and affirm that I understand the stipulations/ conditions set forth in this Code of Ethics.

\_\_\_\_\_  
*Signature over printed name of Employee*

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*Date*