



**PHILIPPINE TELEGRAPH AND TELEPHONE  
CORPORATION'S**

**CODE OF BUSINESS CONDUCT AND ETHICS**

## **1. Compliance and Regulatory Issues**

1.1. The Company shall strictly adhere and comply with all laws, rules and regulations especially those which are enacted for the purpose of regulating the Company's business and operations. The Company recognizes the importance of this policy being a publicly listed company whose operations and services are imbued with public interest.

1.2. Internally, the Company shall impose rules and regulations that would ensure that the Directors, officers and employees shall adhere to all applicable laws, rules and regulation and to faithfully comply the policies of the Company which are intended to achieve such goal.

## **2. Relationship and Fair Dealing**

2.1. The Company shall provide adequate, reliable and efficient service at reasonable cost to all customers. The Company shall always be mindful that it is a grantee of a legislative franchise that is tasked, first and foremost, to provide a basic service to the public.

2.2. The Company shall treat its employees fairly and will not tolerate acts of discrimination on account of gender, religion, age, nationality, family status or other reasons prohibited by law. The hiring, compensation, promotion and other personnel development within the Company shall be strictly based on qualification and performance.

2.3. The Company shall promote a culture that would develop harmonious relationship between different departments and among its employees based on mutual understanding, trust and respect.

2.4. The Company shall treat everyone with respect. In all its transactions and dealings with its customers, business partners, suppliers and employees, the Company shall always be guided by the principle of good faith and professionalism.

## **3. Conflict of Interest**

3.1. As a policy, the Company shall ensure that its Directors, officers and employees shall always act in the best interest of the Company and avoid activities or dealings which could impair their ability to uphold the best interest of the Company.

3.2. There is a conflict of interest when: (i) the private interest of a Director, officer or employee interferes or appears to interfere with the interests of the Company; of (ii) a Director, officer or employee takes actions or has interests that would make it difficult to perform his or her work with the Company objectively and effectively.

3.3. The possible cause of conflict of interest shall include, but are not limited to, the following:

(a) Corporate Opportunity

This pertains to the use of Company's properties, information, influence or position for personal gain.



## (b) Relationships

This refers to situations where the judgment or act of a Director, officer or employee is motivated by personal relationships and considerations to the detriment of the interests of the Company.

## (c) Gifts

Directors, officers and employees of the Company are absolutely prohibited from receiving any gift, directly or indirectly, that was given by reason of their position in the Company or in consideration of any act or favor to benefit a specific person, firm or entity.

The term “gift” shall be understood as a right or anything of value like cash, reward, commission, offers to travel and other form of benefits.

## (d) Outside Investments

The Directors, officers and employees are advised to refrain, if possible, from making any investments in another company or organization whose businesses are in direct competition with the Company. Should the said investment could not be avoided, the Director, officer or employee concerned shall not participate in any activity or decision-making process involving another person, company, firm or organization in which he or she has personal relationship or substantial financial interest.

## (e) Outside Employment

The Executive Directors, officers and employees owe the Company their utmost loyalty and they are absolutely prohibited from accepting any other form of employment from another company.

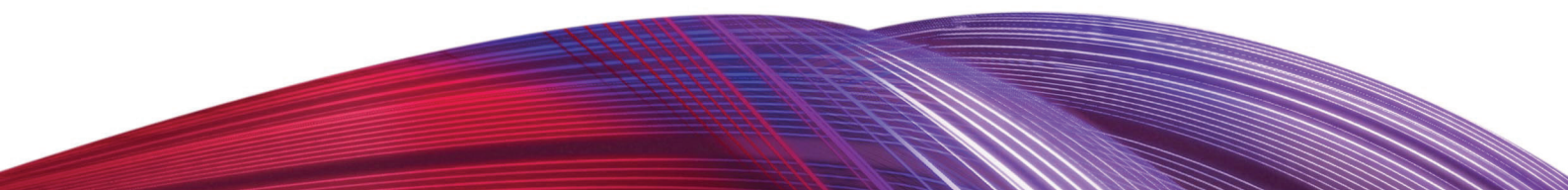
The Non-Executive Directors may be elected a s director of another company or may accept employment form other companies provided that the said companies are not engaged in activities or businesses that directly or indirectly competes with the business of the Company

## **4. Confidentiality**

4.1. The Company shall enact policies that are intended to protect its proprietary and confidential information and to ensure that the said policies are strictly adhered to by the Directors, officers and employees of the Company.

4.2. The employees recognize the importance of maintaining the confidentiality of all the Company’s proprietary information and the employees categorically agree to prevent loss, misuse, theft, fraud and improper access of such confidential and proprietary information. The employees undertake not to tolerate acts of the Directors, officers and employees which violates this policy.

4.3. The employees further undertake to report to the concerned or appropriate officers any unauthorized use, disclosure or loss of any of the Company’s confidential and proprietary information.



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## **5. Risk Management**

5.1. The Company recognizes that risks are inherent in every business or commercial undertaking. Given the interest of the public on the services that the Company provides and its duties and responsibilities to its shareholders and investors, there is an imperative need for the Company to prevent and minimize the risks in every transaction or business venture that it will be engaging in to.

5.2. The Company shall recognize, track, monitor, assess and manage every form of risk in its operations and business dealings. The employees shall strictly adhere in every policy that the Company shall enforce which are intended to recognize, anticipate, monitor and address the risks in its operations.

## **6. Shareholder and Investor Relations**

6.1. The Company shall, at all times, respect and protect the rights and interests of its shareholders and investors. In all its business dealings and transactions, the Company shall be mindful of the shareholders and investors right of a fair return of their investment. The Company or any of its Directors, officers or employees shall not act or omit to perform any act that would tend to put at risk and jeopardize the value of investments made in the Company.

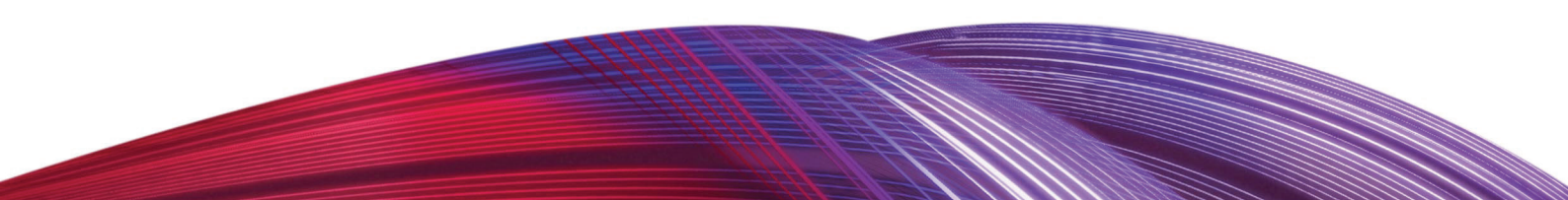
6.2. The Company shall recognize the right of every shareholder to inspect the Company's books and records in accordance with the law. The Company shall refrain from doing acts which tends directly or indirectly deny such right of the shareholder except in cases allowed by law.

6.3. To ensure transparency in the Company's true financial condition, the Company shall engage the services of a reputable independent auditor who will audit and prepare the Company's financial statements.

## **7. Corporate Social Responsibility**

7.1. The Company shall initiate or support socio-economic programs and activities that will help promote and improve the lives of the Filipinos.

7.2. The Company shall ensure that it will be conducting its operations in a safe manner not only to protect the lives and welfare of its employees but more importantly, to ensure that the public will not be harmed and affected in any of the Company's activities.

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