



# Milestone Guaranty and Assurance Corp.

## **CODE OF ETHICS**

Our Code of Ethics establishes principles to guide the Company's directors, officers and employees in evaluating and making day-to-day decisions. It defines the company's way of doing business. Our directors, officers, and employees promote a culture of good corporate governance by observing and maintaining the core business principles of Fairness, Accountability, Integrity, Transparency and Honesty in its relationships among employees and within the Company's stockholders, customers, regulators and the general public.

This Code identifies our Company's values. It characterizes the mode of behavior and conduct expected of all directors, officers and employees in the performance of their respective duties and responsibilities, on behalf of the Company.

### I. Principles and Values, the core of our Code

The essence of this Code of Ethics is that all actions of our Company, its directors, officers and employees must be consistent with our core business principles and values: Fairness, Accountability, Integrity, Transparency and Honesty.

### II. The Norms of Business Conduct and Ethics

The directors, officers and employees are committed to the following standards in their behavior and in their various business dealings:

#### 1. Compliance

- a. Uphold right conduct and personally adhere to the norms and restrictions imposed by applicable laws, rules and regulations.

- b. Do not accept demands brought on by prevailing business conditions or perceived pressures as excuses to violate any laws, rules or regulations.

## 2. Competition and Fair Dealing

- a. Do not take unfair advantage of anyone through manipulation, collusion, concealment, abuse of privileged information, or misrepresentation of material facts.
- b. Do not make false statements against competitors, their products and/or services.
- c. Exercise reasonable and prudent professional judgment when dealing with clients.
- d. Deal fairly with the Company's customers, service providers, suppliers, competitors and employees.

## 3. Confidentiality

- a. Maintain and safeguard the confidentiality of information entrusted by the Company, customers, business partners, or such other parties with whom the Company relates, except when disclosure is authorized or legally mandated. Confidential information includes any non-public information that might be of use to competitors, or harmful to the Company, customers, business partners, or such other parties with whom the Company relates, if disclosed.
- b. Speak publicly about the business only when authorized to do so by the Company. Disseminating confidential memos, reports or information to or for use by the media, competitors or third parties without the Company's permission, is unacceptable and unethical behavior.

- c. Abide by Company policy and applicable laws regarding business records retention. Ensure that records are not altered, concealed, destroyed or falsified to impede, obstruct or influence any investigation by, or proceeding before any official Company committee, governmental, regulatory or judicial body.

#### 4. Proper Use of Company Assets

- a. Use Company property and resources, including Company time, supplies and software, efficiently, responsibly and only for legitimate business purposes.
- b. Safeguard Company assets from loss, damage, misuse or theft.
- c. Respect intellectual property rights.

#### 5. Conflicts of Interest

- a. Avoid any actual or apparent conflicts of interest between private interests, including the private interests of family members, and the interests of the Company, unless prior approval has been obtained from the appropriate approving authorities as designated in applicable policies of the Company. Any actual or apparent conflict of interest, and any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest, must be immediately disclosed to the Administration Department or to the Corporate Secretary, in case any member of the Board is involved.
- b. Avoid activities and interests that could significantly affect the objective or performance of duties and responsibilities in the Company, including business interests or unauthorized employment outside the Company, the receipt from and giving of gifts of unusually high value to persons or entities with whom the Company relates, as well as insider dealing.

- c. Base all business decisions and actions on the best interest of the Company. These decisions must not be motivated by personal considerations and other relationships, which may interfere with the exercise of independent judgment.
- d. Whenever opportunities arise, constantly advance the Company's legitimate interest. Avoid competing with the Company on a business opportunity or acquiring an interest contrary to that of the Company's. Refrain from taking advantage of Company property, information or position, or opportunities arising from these, or for personal gain, or to compete with the Company, or act against the best interest of the Company. Directors, officers and employees who intend to make use of Company property or services in a manner not solely for the benefit of the Company should obtain prior approval from appropriate authorities as designated in applicable policies of the Company.

## 6. Disclosure

- a. Promptly and properly disclose to the public all material information including earning results, financial position, related party and off-balance sheet transactions. Directors are required to report their dealings in company shares within three (3) business days. Independent directors are likewise required to form a committee to review material or significant Related Party Transactions to ensure compliance with this Corporate Governance Manual and that they are fair and at arms' length. In case of mergers/acquisitions, the Board is mandated to appoint an independent party to review the fairness of the transactions.
- b. Where relevant, comply with the Company's disclosure controls and procedures and internal controls to ensure that (i) financial and non-financial information is properly recorded, processed, summarized and reported and (ii) the Company's public reports and documents, including the reports that

the Company files with the Insurance Commission and the Philippine Securities and Exchange Commission, comply in all material respects with the applicable laws and rules.

- c. Avoid knowingly misrepresenting, or causing others to misrepresent, facts about the Company to others, whether inside or outside the Company.
- d. Properly review and critically analyze proposed disclosures for accuracy and completeness.

#### 7. Relations with Shareholders and Investors

- a. Adopt best practices of good Corporate governance in the conduct of the business.
- b. Maintain business and accounting records which accurately reflect the financial position of the business and issue financial statements to ensure transparency of information.
- c. Ensure an independent audit of the Company's financial statements by auditors selected by the Company's Audit Committee.

#### III. Bribes, Gifts and Entertainment

Gifts offered by employees of different companies vary widely. They can range from widely distributed advertising novelties of nominal value, which may be given or accepted, to bribes, which unquestionably may not be given or accepted.

The following are Milestone's general guidelines on giving and receiving of gifts and business amenities.

### 1. Business Amenities

With management approval, it is allowed to give or accept customary business amenities, such as meals and entertainment, provided the expenses involved are kept at a reasonable level and are not prohibited by law or known client business practice.

### 2. Receiving Gifts

Neither the employee nor any member of his/her family may solicit or accept from a supplier or Client money or a gift that could influence or could reasonably give the appearance of influencing Milestone's business relationship with that supplier or client.

If an employee is offered a gift which has more than nominal value or which is not customarily offered to others, or money, or if it arrives at your home or office, the employee must immediately inform his/her your immediate superior. Appropriate arrangements will be made to return or dispose of what has been received, and the supplier or client will be reminded of Milestone's gift policy.

### 3. Referral Fees

When authorized by the Company, employees may refer clients to third party suppliers. However, Milestone employees may not accept any fee, commission or other compensation for this activity from anyone except the Company.

### 4. Giving Gifts

Employees may not give money or any gift to an executive, official or employee of any supplier, client or any other organization if doing so would influence or could reasonably give the appearance of influencing the organization's relationship with Milestone. Employees may, however, provide a gift of nominal value, such as a Milestone advertising novelty, if it is not prohibited by law or the client's known business practices.