

Document:	POLICY ON BUSINESS CONDUCT	
Owner :	Legal & Compliance / Human Resources	
Objective:	For Approval and Signature	
	CURRENT VERSION	PROPOSED IN THIS POLICY
1.	Acceptance of Gift being "Conflict of Interest"	1. Extended to Solicitation and Acceptance of Gift being "Conflict of Interest"
2.	Acceptance of gift by employee and/or family	2. Extended to any person or entity leading to the employee's direction
3.	No previous provision	3. Gifts shall not be considered to be "conflict of interest" if with nominal value and details of such gift is declared in writing to the reporting line manager
4.	Covers sexual harassment	4. Extended to Sexual Harassment and Other Forms of Harassment
5.	No previous provision	5. The right of a whistle blower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated
6.	Duty to Disclose Violation of Policy	6. Highly encouraged disclosure of violation in writing to aid investigation process
7.	No attachment	7. Included Certificate of Confirmation that the operating guidelines of the Company and the underlying principles were understood and that the employee commits to adhere to the principles of the policy and subject himself to their observance.



Document Code:	LEG 16-01	
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Effectivity :	MAR 1, 2016	
Review Date :	on or before Mar 1, 2019	

SECTION : LEGAL & COMPLIANCE DEPARTMENT and HUMAN RESOURCES DEPARTMENT

TITLE : GUIDELINES on the BUSINESS CONDUCT POLICY

1 OBJECTIVE

To provide the principles and guidelines to follow in conducting one's self in the workplace and when doing business and partnerships within and for the company.

2 RATIONALE

A business is vulnerable without a management tool that sets out an organization's values, responsibilities and ethical obligations. Various occasions arise where employees 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 to prevent putting the company at risk in ethical matters. Only through continuing efforts to abide by Business Conduct Policy and the company rules and regulations governing employee conduct will the good reputation of RHI be maintained.

3 SCOPE

This policy applies to all employees of Roxas Holdings, Inc., and its subsidiaries; Central Azucarera Don Pedro, Inc.; Central Azucarera De La Carlota, Inc.; Roxol Bioenergy Corporation, San Carlos Bioenergy, Inc., RHI-Agri Business Development Corporation, Roxas Pacific Bioenergy Corporation, Najalin Agri-Venture, Inc., and other companies that may form part of the Enterprise on a going forward basis, hereinafter collectively referred to as the "Company"

4 DEFINITIONS

Terminologies are defined as stated in the policy provisions.

ROLES AND RESPONSIBILITIES

A. ALL OFFICERS and EMPLOYEES shall

1. Have the full responsibility to know, completely understand and strictly comply with the provisions of the Company's Business Conduct Policy
2. Be responsible of acquiring sufficient knowledge of the laws relating to his or her particular duties
3. Understand and exercises Company values and operating principles
4. Recognize potential risks when Company values and operating principles are compromised
5. Disclose personal information or action with potential violation of this policy
6. Promptly report incidents of policy violation to authority
7. Fully cooperate in the course of investigation involving policy violation



Document Code: LEG 16-01

Revision Code : 0 Page 2 of 10

Effectivity :

Review Date :

SECTION : LEGAL & COMPLIANCE DEPARTMENT and HUMAN RESOURCES DEPARTMENT

TITLE : GUIDELINES on the BUSINESS CONDUCT POLICY

B. LINE MANAGERS shall

1. Maintain discipline to implement the provisions of Business Conduct Policy
2. Objectively validate and investigate potential violation of this policy
3. Evaluate information related to potential violation of this policy
4. Exercise fair and good judgment and take corrective actions in cases of violation of Company policies
5. Report / Escalate to HR and/or PCOO all the activities related to the investigation including findings and results
6. Provide support to all employee who, in good faith, reports or stands as witness to the violation of this policy against retaliation or reprisal

C. HUMAN RESOURCES

1. Provides briefing of this policy as part of orientation activities of a new employee and actively promotes its provisions to all employees
1. Promotes understanding and provides interpretation of this policy
2. Supports line management in the course of investigating policy violation
3. Ensures that the conduct of investigation is done justly and fairly
4. Evaluates escalated cases, exercise fair and good judgment and take corrective actions
5. Puts on record the confirmed violation of employees and the actions taken.
6. Provides support to all employee who, in good faith, reports or stands as witness to the violation of this policy against retaliation or reprisal.

5 POLICIES

The highest standard of individual conduct in every aspect of business relationship is expected at all times from each employee of the Company.

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.

Any violation of the Business Conduct Policy and all other policies and rules and regulations of the Company may result in termination of employment or other disciplinary action including, but not limited to, demotion.



Document Code: LEG 16-01

Revision Code : 0 Page 3 of 10

Effectivity :

Review Date :

SECTION : LEGAL & COMPLIANCE DEPARTMENT and HUMAN RESOURCES DEPARTMENT

TITLE : GUIDELINES on the BUSINESS CONDUCT POLICY

A. 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.

B. 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.

All employees are expected to handle information with care. The confidentiality of the Company's data should be safeguarded and proper and complete records must be made of all transactions on behalf of the Company.

Employee Relations. Relationships with employees are based on respect for the individual. The Company aims to provide all its employees with safe conditions of work and competitive terms of employment. It is likewise committed to equal opportunities and the avoidance of discrimination. Sexual or any other form of harassment is unacceptable.

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



Document Code: LEG 16-01

Revision Code : 0 Page 4 of 10

Effectivity :

Review Date :

SECTION : LEGAL & COMPLIANCE DEPARTMENT and HUMAN RESOURCES DEPARTMENT

TITLE : GUIDELINES on the BUSINESS CONDUCT POLICY

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 a 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 by use of unethical means to obtain any advantage for the Company.

C. CONFLICT OF INTEREST

The Company and its stockholders require and expect that business affairs must be conducted in a manner that does not cloud 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 vested interest goes against the interest of the Company regardless whether it occurs during Company time or not. In short, a conflict of interest arises when the Company's interests are sacrificed.

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

1. Business or Outside Employment

- a. 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.



Document Code: LEG 16-01

Revision Code : 0 Page 5 of 10

Effectivity :

Review Date :

SECTION : LEGAL & COMPLIANCE DEPARTMENT and HUMAN RESOURCES DEPARTMENT

TITLE : GUIDELINES on the BUSINESS CONDUCT POLICY

- b. Writing for an outside publication, delivering outside lectures and attending to speaking engagements unless the prior consent of the Company has been obtained.
- c. 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.
- d. 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 shall resign from the Company.

2. Solicitation or Acceptance of Gifts

Solicitation or acceptance of gifts, favors, loans or other material benefits from third parties dealing or desiring to deal with the Company by an employee and/or members of his family and/or any person or entity at the employee's direction.

As a general rule, all employees shall exert effort to politely decline gifts from third parties. However, moderate or customary gifts may be allowed and acceptance thereof by the employee shall not be considered to be in conflict of interest if the gift meets the following conditions:

- a. Gifts are of nominal
- b. Gifts are declared in writing by the employee to the reporting line manager with the following information:
 - Third party source
 - Date and occasion
 - Item description
 - Reason for accepting

When in doubt, the line manager shall have the discretion of deciding whether the gift may be accepted or not.

3. Business Dealings

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

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

4. Other acts and activities analogous to the foregoing.



Document Code: LEG 16-01

Revision Code : 0 Page 6 of 10

Effectivity :

Review Date :

SECTION : LEGAL & COMPLIANCE DEPARTMENT and HUMAN RESOURCES DEPARTMENT

TITLE : GUIDELINES on the BUSINESS CONDUCT POLICY

D. 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 a reasonable time after the business or professional involvement or the other employment arises.

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

E. 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 employee 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 of 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.

F. 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 from interference or retaliation for reporting improper actions and cooperating with subsequent investigations or proceedings. However, the right of a whistleblower for protection against retaliation does not include immunity from any personal wrongdoing.



Document Code: LEG 16-01

Revision Code : 0 | Page 7 of 10

Effectivity :

Review Date :

SECTION : LEGAL & COMPLIANCE DEPARTMENT and HUMAN RESOURCES DEPARTMENT

TITLE : GUIDELINES on the BUSINESS CONDUCT POLICY

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.

G. USE OF SOFTWARE

All user 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.

H. 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.

I. SEXUAL HARASSMENT AND OTHER FORMS OF 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.

Sexual harassment or harassment based on race, gender, color, religion, national origin, age, sexual orientation, gender identity or expression, pregnancy, disability, or veteran status, marital status or any other status that are protected by law will not be tolerated by the Company. Towards this end, all forms of harassment in the workplace are absolutely prohibited.

J. 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. Any question concerning the Philippine election laws should be consulted with in-house counsel.



Document Code: LEG 16-01

Revision Code : 0 | Page 8 of 10

Effectivity :

Review Date :

SECTION : LEGAL & COMPLIANCE DEPARTMENT and HUMAN RESOURCES DEPARTMENT

TITLE : GUIDELINES on the BUSINESS CONDUCT POLICY

K. COMPLIANCE REVIEW

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

L. IMPLEMENTATION AND COMMUNICATION

The responsibility of maintaining discipline and implementing the provisions of this Business Conduct Policy lies with line management. Corollarily, 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 the Legal & Compliance Department and the Human Resources Department.

M. 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. Although reports may be made verbally, employees are strongly encouraged to make any such disclosures in writing to fully detail which areas of the policy were violated, when, and by whom. Written reports assist the investigation process. The Company will endeavor to treat any disclosures which are made pursuant to this Business Conduct Policy in strictest confidence.

N. GUIDANCE

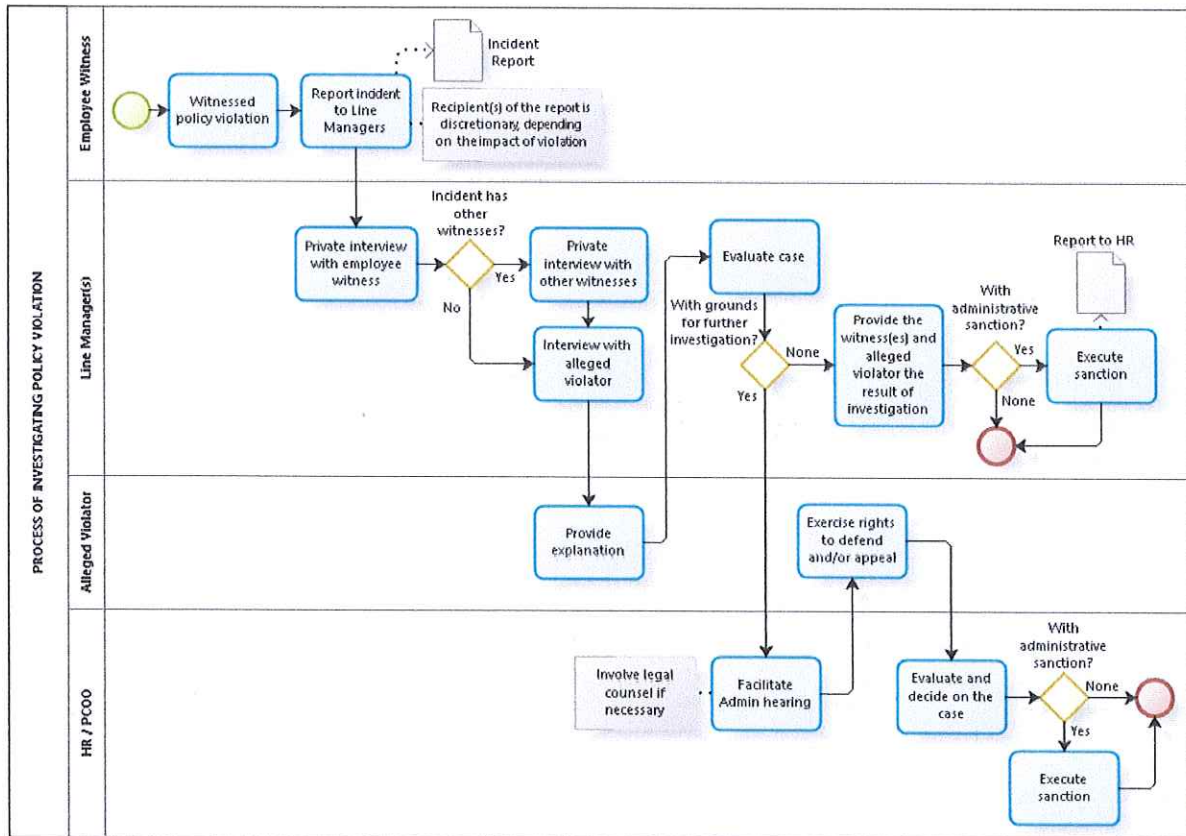
It is not possible for any Statement of Business Principles to cover every eventuality, nor should it. Business life is increasingly about employees having the freedom to take decisions, as long as these are consistent with the Operating Policies of the Company.

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.

SECTION : LEGAL & COMPLIANCE DEPARTMENT and HUMAN RESOURCES DEPARTMENT

TITLE : GUIDELINES on the BUSINESS CONDUCT POLICY

6 THE PROCESS



HOW TO RAISE A CONCERN

- Step 1. Raise the concern about a violation with your manager. This may be done in person or in writing. Although reports may be made verbally, employees are strongly encouraged to make any such disclosures in writing to fully detail which areas of the policy were violated, when, and by whom. Written reports assist the investigation process.
- Step 2. If unable to raise the matter with your manager for any reason, or would prefer to escalate the matter, raise the concern with the Group Head.
- Step 3. If the channels have been followed and there still are concerns, or if the matter cannot be discussed with the manager or Group Head, contact the HR Head. If none of these channels are appropriate, contact the PCOO.

HOW THE MATTER WILL BE DEALT

When a violation is observed or an incident report or complaint is received, the line manager will promptly investigate the circumstance as discreetly and confidentially as possible. The investigation will normally include a private interview with the person filing the complaint and



Document Code: LEG 16-01	
Revision Code : 0	Page 10 of 10
Effectivity :	
Review Date :	

SECTION : LEGAL & COMPLIANCE DEPARTMENT and HUMAN RESOURCES DEPARTMENT

TITLE : GUIDELINES on the BUSINESS CONDUCT POLICY

with witnesses, as appropriate. The investigation will also normally include an interview of the person alleged to have committed the violation.

If the line manager believes that there are grounds for further investigation, the Company will take steps to conduct a formal investigation. This may involve obtaining external legal assistance if required. The person investigating the alleged violation shall be completely independent of the alleged violation complained of and will usually be from HR Department.

When the investigation is complete, the line manager or HR, depending on the extent appropriate, will inform the person filing the incident report / complaint and the person alleged to have committed the conduct of the results of the investigation.

If the Company determines that a violation of this policy has occurred, it will take such disciplinary action as it deems appropriate, including but not limited to counseling, warnings, transfers, suspensions, and employment termination.

8 INTERPRETATION, IMPLEMENTATION AND CHANGES TO POLICY PROVISION

It is the responsibility of the HR Head to interpret, administer and properly implement the provisions of the policy. It is also his / her responsibility to update requirements of this policy to adapt to changes based on industry standards.

All rules and regulations, memorandum and policies of the company which are inconsistent with any provision pertaining to job rotation of key talents are deemed repealed or modified accordingly.

9 POLICY HISTORY

Policy Number	Revision		Date of Revision
	From	To	
HRD 16-01	Business Conduct Handbook	Update on various provisions	Dec 2, 2015

Reviewed by:		Approved by:	Date Approved:
			22 Feb '16
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