



CODE OF BUSINESS CONDUCT AND ETHICS

1. INTRODUCTION

This Code of Business Conduct and Ethics (“Code”) of Xurpas, Inc. (“Corporation”) has been established to serve as a guide for professional and ethical conduct. It shall apply to all Directors, Officers and Employees of the Corporation.

2. PURPOSE

This Code sets out the standards of professional and ethical conduct expected of the Directors, Officers and the Employees of the Corporation. The Code complements the Corporation’s Code of Corporate Governance as well as Securities and Exchange Commission (“SEC”) Memorandum Circular No. 19, Series of 2016.

3. STANDARDS OF BUSINESS CONDUCT AND ETHICS

3.1. HONESTY, INTEGRITY AND FAIRNESS

In the performance of their duties and responsibilities, the Directors, Officers and Employees of the Corporation shall act with honesty, integrity, fairness and always in the best interest of the Corporation and its stockholders.

3.2. EXCELLENCE AND DILIGENCE

3.2.1. Excellence in the performance of business is one of the key values of the Corporation. It shall be operated in accordance with the principles set forth in this Code. It is the duty of each Director, Officer and Employee of the Corporation to preserve the trust and confidence of the Corporation’s stakeholders.

3.2.2. The Board of Directors and Management shall lead by example and shall ensure that this Code is respected and followed. All Employees must know the basic terms and conditions of their employment and shall render their respective services in an efficient and effective manner.

3.2.3. Directors, Officers and Employees of the Corporation shall act with due care and diligence in the performance of their duties and responsibilities. Protecting and upholding the reputation of the Corporation shall be one of the primary duties of Management and the Corporation's workforce.

3.3. FAIR DEALING

3.3.1. The Corporation shall not infringe on any trademark, patent or trade secret of its Competitors or other corporations and shall avoid all forms of unfair competition prohibited by law. For purposes of this provision, a Competitor shall be understood to refer to an entity in the same or similar industry as the Corporation.

3.3.2. In executing business transactions, the Directors, Officers and Employees of the Corporation shall avoid any form of fraudulent act or deceptive practice.

- 3.3.3. The Directors, Officers and Employees of the Corporation shall be prohibited from giving or accepting, directly or indirectly, gifts or favors from any person seeking to transact business with the Corporation unless such gifts or favors are of customary business standards.

3.4. INSIDER TRADING AND FRAUDULENT PRACTICES

- 3.4.1. Insider trading and fraudulent practices under this Code shall be understood to be insider trading and all fraudulent or manipulative devices and practices prohibited under the Securities Regulations Code of the Philippines.

- 3.4.2. All Directors, Key Officers, employees, advisers and members of the immediate families of directors and key officers who are living in the same household as the directors and key officers (the “**Covered Persons**”) who have a direct or indirect knowledge, from time to time, of material facts or changes in the affairs of the Corporation, which have not been disclosed to the public, including any information likely to affect the market price of the Corporation’s shares, shall:

- i. Not trade in the Corporation’s securities. directly or indirectly; and
- ii. Not communicate, directly or indirectly, such material non-public information to any person

until the material non-public information is disseminated to the public and two (2) trading days have lapsed from the disclosure thereof to allow the market to absorb such information.

- 3.4.3. Information is deemed to be material non-public information if it has not been generally disclosed to the public and would likely affect the market price of the Corporation’s securities after being disseminated to the public or would be considered by a reasonable person as important, under the circumstances, in determining his/her course of action whether to buy, sell, or hold the Corporation’s securities. As a general rule, information required to be disclosed under the rules of the Securities and Exchange Commission and the Philippine Stock Exchange should always be considered material in nature.

- 3.4.4. All Covered Persons shall be restricted from trading the Corporation’s securities during the following blackout periods:

- a. From Board Approval and until two (2) trading days after the disclosure of quarterly and annual financial results; and
- b. Two (2) trading days after the disclosure of any material information other than the above. Office bulletins for special blackout periods pertaining to these shall be issued by the Office of the Compliance Officer.

- 3.4.5. All Covered Persons, including directors and key officers, are required to report their trades within three (3) trading days from each trade to the Chief Compliance Officer and/or Corporate Secretary. The Chief Compliance Officer and/or Corporate Secretary shall submit the said form with the regulatory

bodies (Securities and Exchange Commission and Philippine Stock Exchange), as may be applicable.

3.5. CONFLICT OF INTEREST

Directors and officers must hold the Corporation's interest supreme. They may not directly or indirectly derive any personal profit or advantage by reason of their position in the Corporation. They must promote the common interest of the Corporation and all its shareholders.

- 3.5.1. Conflict of interest is defined as a situation where the Director, Officer or Employee has a personal interest, directly or indirectly, in a transaction of the Corporation. It shall also include receiving improper personal benefits due to position or rank at the expense of the Corporation or its stockholders. Conflict of interest shall also include simultaneous employment with a Competitor.
- 3.5.2. All Directors and key Officers of the Corporation shall disclose to the Board of Directors or to the Audit and Risk Committee, as the case may be, any material transaction or relation that would result in actual or potential conflict of interest.
- 3.5.3. In cases where the Director, Officer or Employee is unsure whether an act or transaction would result in any conflict of interest situation, the Director, Officer or Employee shall consult the Audit and Risk Committee of the Corporation (in the case of a Director) or the Chief Legal Officer (in the case of an Officer) or his or her immediate supervisor (in the case of an Employee).
- 3.5.4. Please refer also to the ***Conflict of Interest Policy and Manual on Corporation Governance*** of the Corporation.

3.6. CORPORATE OPPORTUNITIES

- 3.6.1. A Director of the Corporation shall not acquire for himself a business opportunity which should belong to the Corporation, thereby obtaining profit to the prejudice of the Corporation, unless his or her act has been ratified by the stockholders of the Corporation in accordance with the requirements of law. In the conduct of business, a Director or Officer of the Corporation must at all times uphold his or her fiduciary duty to the Corporation and its stockholders.
- 3.6.2. Directors, Officers and Employees of the Corporation shall not accept any business opportunity that is contrary to the interest of the Corporation.
- 3.6.3. Please refer to the Related Party Transactions Policy of the Corporation.

3.7. USE OF CORPORATION ASSETS

- 3.7.1. Personal or unauthorized use of corporate assets is strictly prohibited. Corporate Assets shall include intellectual property and proprietary information.

- 3.7.2. Directors, Officers and Employees shall use corporate assets with due care and all loss, damage, theft or misuse of any corporate property should be immediately reported to the Corporation.

3.8. CONFIDENTIALITY

- 3.8.1. A Director, Officer or Employee who is entrusted with confidential information by reason of his or her position or obtains confidential information in the course of service shall not make any unauthorized disclosure of the same. Confidential information shall not be used for personal gain. This obligation shall continue despite separation from the Corporation or termination of their services.
- 3.8.2. Confidential information entrusted by the Corporation's clients and partners shall not be disclosed without the client or partner's consent unless such disclosure is required by law. Such information shall not be used for personal or unauthorized reason.

3.9. EMPLOYEE RELATIONS

Harassment and unlawful discrimination are strictly prohibited. The Corporation shall ensure fair and respectful treatment of its Employees. All Directors, Officers and Employees of the Corporation shall cultivate an environment which promotes fairness, professionalism and respect towards one another.

3.10. CUSTOMER RELATIONS

Customers of the Corporation shall be treated with respect and kindness. Transactions with clients shall be fair and in good faith. Discrimination based on race, religion, sex, gender, age, language or nationality shall at all times be prohibited.

3.11. PUBLIC DISCLOSURE

- 3.11.1. As a publicly-listed entity, the Corporation shall comply with all disclosure requirements of the SEC and other government agencies or regulators. All disclosures shall be made in a full, fair, timely and accurate manner.
- 3.11.2. The Corporation shall fully comply with all the disclosure and reporting requirements of the SEC, PSE and all other government and regulatory agencies.
- 3.11.3. Directors, Officers and employees shall not knowingly misrepresent or cause others to misrepresent information relating to the Corporation to government and regulatory agencies, independent auditors, the media or any other person.
- 3.11.4. No Director, Officer or employee shall disclose any confidential information obtained from the Corporation for personal gain or for the advantage of any other person. This prohibition shall include investment in securities and association with a competitor, customer or supplier of the Corporation.

3.12. ANTI-SEXUAL HARASSMENT

3.12.1. The Corporation values the dignity of every individual, promotes the enhancement of the development of its human resources, guarantees full respect for human rights, and uphold the dignity of its stakeholders, customers, workers, employees, applicants for employment, students or those undergoing training, instruction or education. Hence, the Corporation shall ensure that its directors, officers and employees subscribe strictly to this policy. All forms of sexual harassment shall be dealt with appropriately and in accordance with the applicable and all relevant laws, rules and regulations on the subject matter.

Sexual Harassment means unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature.

3.13. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

3.13.1. The Corporation strictly prohibits giving facilitating payments to any private or government officials or employees, their agents or intermediaries in order to expedite or secure performance of any governmental action, or to gain any perceived or actual favor or advantage from any private or government entities. The Corporation must ensure that it and its directors, officers and employees fully comply with the laws governing bribes, unlawful payments and other corrupt practices.

3.13.2. Directors, Officers and Employees of the Corporation shall comply with all governmental laws, rules and regulations.

4. WHISTLE-BLOWER POLICY

4.1. REPORTING PROCEDURE

4.1.1. A Director, Officer or Employee of the Corporation shall report any known or suspected misconduct or violation of this Code through a written complaint.

4.1.2. Report by a Director or Executive Officer

4.1.2.1. A Director or Executive Officer shall report any known or suspected violation of this Code to the Chairman of the Corporate Governance Committee.

4.1.3. Report by an Employee

4.1.3.1. An employee shall report any known or suspected misconduct or violation of the Code to his or her immediate supervisor, who shall determine if there is reasonable ground to support the complaint. Upon his or her determination of the existence of reasonable ground, the immediate supervisor shall formalize the report in a written complaint and submit the same to the Human Resources Department.

- 4.1.3.2. If the immediate supervisor is the subject of the complaint, the employee shall direct his or her complaint to the head of the Human Resources Department.
- 4.1.3.3. Any complaint against a Director or Executive Officer received by the Human Resources Department shall be directed to the Corporate Governance Committee.

4.2. INVESTIGATION

- 4.2.1. If the complaint is found to be sufficient, an investigation shall be promptly made by the Corporate Governance Committee or the Human Resources Department, as the case may be.
- 4.2.2. Any decision made on the written complaint, after proper consideration and investigation, shall be disclosed to the complainant and the Director, Officer and Employee concerned.
- 4.2.3. All Directors, Officers and Employees shall cooperate in any internal investigation of any misconduct duly reported.

4.3. NON-RETALIATION POLICY

- 4.3.1. In order to encourage Director, Officers and Employees to report any known or suspected violation of the Code or any act of misconduct, any report made under this Whistle-Blower Policy of the Corporation shall be considered confidential and the Corporate Governance Committee shall oversee that measures are taken to protect the complainant from any form of retaliation.
- 4.3.2. A Director, Officer or Employee who has made a report in good faith under this provision shall not be subject to any form of suspension, demotion, harassment, discrimination or loss of benefits by reason of the report made.
- 4.3.3. Any act of retaliation against a Director, Officer or Employee who has made a report in good faith shall not be tolerated and shall be punished accordingly.

4.4. PLEASE REFER TO THE WHISTLE-BLOWING POLICY OF THE CORPORATION.

5. EFFECTIVITY

This Code shall take effect upon the approval of the Corporation's Board of Directors.