
LODESTAR INVESTMENT HOLDINGS CORPORATION

AMENDED
CODE OF BUSINESS
CONDUCT AND ETHICS
24 AUGUST 2018

1.1 General

This Code of Business Conduct and Ethics (the "Code") outlines the ethical principles that should guide all employees of Lodestar Investment Holdings Corporation (collectively, "The Company") in their daily work. For the purpose of this Code, any reference to "employees" includes any director, officer or employee of the Company.

The Code is not meant to be a complete list of all legal and ethical obligations of the employees of the Company. This Code is aimed at providing the framework and rules to be implemented and followed for the orderly and successful conduct of the Company's business. Specific instances requiring the application of the rules in cases of questions breach or transgression should be properly addressed by Management with due respect and subject to the provisions of the Code.

It is the responsibility of each employee to become familiar with the principles set out in this Code and to integrate them into every aspect of the Company's business.

1.2 Administration of the Code

Management, in coordination with the Board of directors through the Governance Committee, is responsible for monitoring compliance with the Code. Regular assessments on the Code's adequacy, sufficiency and applicability shall be conducted on an annual basis.

In addition to the Code, the Company will also set in place, a Director's Manual and Employee's Handbook which will govern the human resources aspects of the employee's conduct as well as provide for the specific disciplinary actions and procedures for such.

1.3 Outline of Policy

The Company is committed to ethical and fair business dealings, and promotes a corporate culture which is non-sectarian and non-political and which is 'socially and environmentally responsible. It does this by subscribing to the following values and principles:

- a. Fairness and integrity in all business dealings, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Having respect for human rights and the dignity of all employees;
- c. Accepting diverse cultures, religions, race, gender and sexual orientation;
- d. Honesty, transparency and accountability; and
- e. Adherence to sound standards of corporate Audit and applicable laws.

Employees, officers and directors alike should adhere to and be bound by these policies and uphold the following standards:

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1. Representation beyond reproach and accountability;
 2. Dealing with integrity with fellow officers, directors, or employees, suppliers, customers, shareholders and other stakeholders;
 3. Obedience to applicable governmental laws, rules and regulations and freedom from any badge of fraud or criminal acts;
 4. Avoidance of conflicts of interest and declaring them when they arise;
 5. Observance of confidentiality rules;

2. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Employees are expected to maintain compliance with the letter and spirit of all laws governing the jurisdictions in which they perform their duties. This Code does not purport to address all areas of law that employees might encounter in the day-to-day business of the Company. However, emphasis must be given to the following areas of law which are of primary importance in the conduct of the Company's business:

2.1 Human Rights Laws:

The Company values the diversity of its employees, customers and suppliers and is committed to providing equal treatment in all aspects of the business. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical, visual or otherwise. The Company will not tolerate any conduct that is discriminatory or harassing or which otherwise compromises an individual's human rights.

2.2 Privacy Laws:

The Company is committed to maintaining the accuracy, confidentiality, security and privacy of the personal information of its customers, suppliers and employees. Employees who have access to personal information are expected to support the Company's efforts to develop, implement and maintain procedures and policies designed to manage personal information.

2.3 Health and Safety Laws:

The Company complies with all applicable health and safety laws and regulations as part of its commitment to providing its employees with a safe and healthy work environment. In this regard, employees are expected to work in a safe manner with due regard for their personal safety as well as that of their co-workers.

2.4 Environmental Laws:

Cognizant of its responsibility to the environment, the Company strives to conform to all applicable environmental laws and regulations and to promote the respect of the

environment in its activities. Employees are expected to support the Company's efforts to develop, implement and maintain procedures and programs designed to protect and preserve the environment.

2.5 Securities Laws:

The Company is committed to protecting securityholder investments and expects all employees to comply with the applicable reporting obligations and trading restrictions imposed by the Company, the Securities and Exchange Commission or the Philippine Stock Exchange. Employees who are in possession of material information about the Company must not trade in securities of the Company until such information is generally and publicly available. Providing inside information to others who then trade on it is also strictly prohibited. Employees should make themselves familiar with the Corporation's Trading and Disclosure Policies.

2.6 Competition Laws:

Competition laws are enacted to limit practices that are seen to impair the function of a free and open marketplace. A complete description of these laws is beyond the scope of this Code, however, they include: price fixing, bid rigging, price discrimination, allocation of markets and boycotting of certain suppliers or customers. Employees having regular dealings with customers and suppliers should become familiar with the laws applying to these practices, as non-compliance will be dealt with in the Director's Manual and Employee's Handbook.

2.7 Employment and Labor Laws:

The Company's most important resource is its employees. It is the Company's policy to comply with all applicable laws and regulations, including those concerning hours of work, compensation, opportunity, human rights and working conditions. These principles, as well as compliance thereto, implementation and application shall be entrenched in the Director's Manual and Employees' Handbook of the Company.

3. FAIR DEALING

The Company believes in dealing fairly with its competition and other stakeholders. The Company requires its employees to avoid taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

4. CONFLICTS OF INTEREST

4.1 General

Employees have a duty of loyalty to the Company and are therefore expected to always act in the Company's best interests. A conflict arises when the personal

interests or activities of an employee influence or have the potential to influence the exercise of his or her judgment in the performance of his or her duties. Conflicts of interest and even the appearance of a conflict of interest may compromise the Company's reputation and must be avoided.

Nevertheless, the Company also respects its employees' right to privacy in their personal activities and financial affairs. It is the responsibility of each employee to ensure that his or her personal conduct complies with the following principles and make the proper disclosures, whenever applicable, to allow the Company to determine and address conflicts of interests' issues.

4.1.1 Employment or Affiliation with a Competitor, Supplier or Customer

Employees may not act as directors, officers, employees, consultants or agents of entities that are competitors, suppliers or customers of the Company. In addition, employees may not own, directly or indirectly, a beneficial interest in any of these entities unless an employee is making an investment in securities that are listed on a national or international securities exchange and the total value of the investment is less than 2% of the value of the class of securities involved.

4.1.2 Independent Business Ventures

Employees may not engage in independent business ventures or agree to perform services for other businesses if the activity interferes with an employee's devotion of time and effort to the conduct of the Company's business or otherwise affects his or her ability to work effectively. Proper disclosures should be made to enable the Company to determine and address conflict of interest issues.

4.1.3 Personal Benefits, Gifts, Bribes and Kickbacks

Employees may not use their position as an employee of the Company to derive or secure any personal, financial or other benefit for themselves or their relatives. An employee may not solicit and/or accept any gift or favor from any competitor, supplier or customer except to the extent customary and reasonable in amount and not in consideration for any improper action by the recipient. Finally, the offering or accepting of bribes, payoffs or kickbacks made directly or indirectly to obtain an advantage in a commercial transaction is strictly prohibited.

4.1.4 Reporting Conflict

Employees are expected to report to the Company any personal interests which conflict or may conflict with the interests of the Company. This prohibition applies to the immediate family's members and other members of the Employee's household. For the avoidance of doubt, activities which are likely to fall under the prohibitions must be reported to the Company for a determination of whether or not conflict of interest indeed exists.

5. CONFIDENTIAL INFORMATION

5.1 General

During the normal course of business, employees may have access to non-public information regarding the Company's customers, suppliers, operations, strategic plans, financial affairs, employees and trade secrets, among other things. These information are key corporate assets and every employee has an obligation to protect them and keep them in the strictest confidence, until disclosure is authorized or actually effected.

6. GIFTS AND BUSINESS COURTESIES

6.1 General

Gifts and business courtesies offered or given by reason of, or in connection with, an Employee's position or employment in the Company should be avoided. Employees are not permitted to give or accept, directly or indirectly:

- a. gifts and business courtesies that might create the appearance of an impropriety. This ruling extends to your immediate family members including spouses;
- b. With exception of gifts acceptable by customary practice, cash payments, discounts or vouchers, regardless of value, must not be accepted from current or potential customers, suppliers, vendors or other contractors;

In case of doubt, Employees should seek the advice and / or approval of Management. The decision will depend on factors such as the nature and monetary value of the gift, entertainment or courtesy, and the frequency with which such offers have been accepted or used.

The responsibility rests with the employee to ensure that the actual monetary value of the gift, entertainment or courtesy does not exceed the allowable monetary value or the value for which permission has been granted.

7. POLITICAL CONTRIBUTIONS

Employees have the freedom to engage in legitimate political activities. However, the Company espouses an apolitical stand in the conduct of its business and shall not make any political contributions for purposes of influencing an award or retention in favour of the Company and its business.

8. USE OF COMPANY SERVICES AND PROPERTY

8.1 General

Employees, officers and directors owe a duty to the Company to advance its legitimate interests. Except as otherwise permitted in this Code, employees, officers and directors, may not take for themselves opportunities that are discovered through the use of the Company's resources, information or position; use the Company's property, information, or position for personal purposes; nor compete with the Company either directly or indirectly.

8.2 Protection and Proper Use of Corporate Assets

All employees of the Company should endeavour to protect its assets and resources and ensure legitimate use. These assets and resources include information, equipment, office supplies, hardware, software, intellectual property and time. Such assets may not be used for personal benefit, nor may they be sold, borrowed or given away without proper authorization. Occasional and limited personal use of certain corporate resources (e.g. computer, fax, e-mail) is acceptable where the Company's interests are not adversely affected.

Employees' messages (including voice mail) and computer information are considered corporate property. Unless prohibited by law, the Company reserves the right to access and disclose this information as necessary for business purposes or as a result of an investigation for probable breach of this Code.

9. BUSINESS TRANSACTIONS

Employees involved, whether directly or indirectly, in dealing with third parties for and on behalf of the Company shall ensure that business and commercial transactions are carried at arm's length with due benefit for the Company. The following are guiding principles in the conduct of transactions involving the Company:

1. Purchase contracts and tender awards must be made on the basis of quality, service, price and availability, within the parameters of and any applicable laws;
2. All approved suppliers must be of good standing and selected from a sufficient number of qualified suppliers for comparative purposes;
3. Confidential information about the Company may not be revealed to a supplier, vendor or potential supplier or vendor without the prior authorization of Management;
4. Any director, officer or employee who is removed from an office of trust on account of misconduct, or has been or is at any time in the future, convicted of theft, fraud, forgery or an offense involving dishonesty, must disclose this fact to Management;

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5. All monies, cheques, documents and other properties of the Company must be properly and accurately accounted for.

10. SHARE DEALINGS

10.1 Principles

The shares of the Company are listed in the Philippine Stock Exchange. As such, share ownerships, to the extent that they are covered or restricted by applicable laws must be subject to the following rules:

1. Any dealings in shares or securities of the Company must be beyond reproach and in accordance with all applicable laws.
2. It is a criminal offence to deal in or to encourage or discourage anyone else to deal in securities on the basis of information gained as an insider prior to disclosure.
3. Officers and directors of the Company must heed closed periods for dealing in the Company's shares. These closed periods will be made known from time to time and are to be considered binding.
4. All directors and officers must report details of their dealings in the Company's shares in writing to the Company Secretary by no later than close of business on the day immediately following the transaction. This includes dealings by his/her spouse and minor children or by trusts or entities in which they or any of them may have controlling interest.

11. WHISTLEBLOWING

11.1 Definition

"Whistleblowing" refers to the reporting or passing on of information (Report or Reports) by employees or stakeholders of suspected misconduct, malpractice, illegal acts or failure to act of Directors, officers, employees or any other persons in relation to the business, dealings, activities, operations, and other actions within, relating to, or undertaken by the Company.

To be covered by the Whistleblowing Policy, an employee or stakeholder making a Report, must act in the public interest and reasonably believe that the acts reported constitute a criminal offence, failure to comply with an obligation set out in law, endangerment of lives or property, covering up any wrongdoing or other similar acts of malfeasance or misfeasance which directly or indirectly affect the Corporation, its business, as well as its shareholders and stakeholders.

11.2 Objectives

The Policy aims to encourage employees and stakeholders who may have serious concerns about or knowledge of any of the above acts to come forward and voice those concerns without fear or disadvantage of discrimination, disciplinary action, termination from service reprisal or retaliation. This allows the Company to investigate the Reports promptly and act thereon accordingly. Among others, the Company aims to:

- a. encourage employees and stakeholders to voice serious concerns at the earliest opportunity and to raise questions thereon;
- b. provide avenues for discussion of concerns and receive feedback on any action taken;
- c. Provide employees and stakeholders assurance that they will be protected against possible reprisals or retaliation.

11.3 Scope

This Policy is intended to enable employees or stakeholders who become aware of any wrongdoing, illegal acts, malfeasance or misfeasance, to report their concerns at the earliest opportunity so that the same may be properly studied and investigated. This policy excludes the following:

- a. Acts arising purely from employer-employee relationship such as standards of labor and working conditions which can be addressed under the proper grievance procedures;
- b. Acts arising purely from interpretation and implementation of supplier-client contracts;
- c. Acts purely personal in character or not involving or affecting the Corporation, either directly or indirectly.

11.4 Protecting the Whistle-blower

The policy recognizes the rights of employees and stakeholders to Report any of the covered acts without fear of reprisal or retaliation. The Corporate Governance Committee, acting as the Grievance Committee, shall ensure that protocols and procedures are properly observed by all parties. Unless warranted or found to be attended by fraud, bad faith or gross negligence, whistleblowing shall be considered a serious claim and shall be dealt with in accordance with the rules established herein.

All disclosures will be treated with confidence and the identity of the whistle-blower may be withheld at the initial phase of the investigation. Should the results warrant the filing of actions against the erring person/s, full support, including legal representation, shall be provided to the Whistle-blower.

11.5 Rules of Procedures

The following shall be observed in the filing, investigation and disposal of acts or omissions constituting whistleblowing.

11.5.1 Filing of Report

Any whistle-blower may make a Report by filing a written statement of the facts claimed to fall under any of the acts under this Policy. The following information should be provided:

- a. the nature of the concern
- b. the background and history of the concern (giving relevant dates)
- c. proof, if readily available.

The disclosure shall be filed or sent to any officer or member of the Board of Directors of the Company.

11.5.2 Grievance Committee

Whenever a Report constituting whistleblowing is submitted to the Corporation, the same shall be forwarded to the Corporate Governance Committee. The latter shall constitute themselves as a Grievance Committee within seven (7) days from receipt of the Report.

11.5.3 Verification and Validation

The Disclosure shall be analyzed and validated, taking into account the following:

- a. the seriousness of the issue(s) raised;
- b. the credibility of the concern; and
- c. the likelihood of confirming the allegation from other sources

In the process of verification and validation, the quantum of evidence needed shall be reasonableness of belief. On its prerogative, the Grievance Committee may require the whistle-blower to substantiate his claim prior to proceeding further into the investigation. The overriding principle for the Committee will be protection of the public interest.

11.5.4 Investigation

After verification and validation further investigation may be conducted, to determine, among others, the veracity of the allegations in the Report. The Grievance Committee may employ the assistance of the other departments of the Corporation for purposes of fact finding and evidence gathering. A Legal Counsel, acting as adviser of the Committee, shall be available to help in the interpretation and application of laws to the matter.

11.5.5 Disposal / Further Actions on Disclosures

After verification, validation and / or investigation, as the case maybe, The Grievance Committee may either:

- a. Dismiss the Report for lack of merit;
- b. Refer the matter to Human Resources for proper adjudication should the same fall under terms of employment;
- c. Refer the matter to the various or other departments of the Corporation should the matter fall within their expertise and jurisdiction. In such cases, the Grievance Committee shall await the recommendations of such departments on further actions to be taken;
- d. Refer the matter to the proper authorities should the acts complained of require police intervention;
- e. Other actions which the Grievance Committee may deem proper under the circumstances.

The Grievance Committee shall dispose of the Report within thirty (30) days from receipt thereof. In doing so, the results shall convey to the Whistleblower, the respondent and the Board of Directors the following:

- a. Findings of facts and issues;
- b. If the Disclosure is dismissed for lack of merit, the justifications for the same;
- c. Proposals on the actions that the Corporation may take in order to protect public interests;

In matters constituting whistleblowing, the Corporation shall be the final Arbiter of the case. The Board of Directors shall act upon the recommendations of the Grievance Committee with the help of legal advisers and industry experts. Serious concerns calling for immediate action or referral to the proper authorities shall not be delayed.

Reports involving or affecting any member of the Board of Directors shall disqualify such member from participating in any discussions or deliberations and voting thereon. Should any member of the Grievance Committee be the subject of, be involved in or affected by the Report, the Board of Directors shall appoint a new member from the Board.

12. IMPLEMENTATION AND MONITORING

12.1 Commitment

Directors, officers, and employees of the Company commit to comply with both the letter and spirit of this Code and the Company endeavors to obtain the same

commitment from its business partners. In this connection, directors and officers should explain to employees and business partners the Company's principles and values set forth in this Code, and emphasize the importance of conducting themselves in accordance with the standards set by this Code in order to attain financial rewards for the Company and to deter wrongdoing.

12.2 Waiver

There shall be no waiver of any of the provisions of this Code in favor of any directors, officer, or employee, except when expressly granted by the Board of Directors. Any such waiver for any director or executive officer or any material amendment to the Code must be promptly disclosed to the shareholders of the Company.

12.3 Reporting Known or Suspected Violations

The Board and its directors, the CEO, senior financial officers and chief legal officer shall promptly report any known or suspected violations of this Code to the Chairman of the Governance Committee. All other employees should communicate any such or relevant information to Management. Employees may also report questionable behaviour in the same manner as they may report complaints regarding accounting, internal accounting controls or auditing matters to the Company's auditors. No retaliatory action of any kind will be permitted against anyone making such a report in good faith, and the Governance Committee will strictly enforce this prohibition.

12.4 Accountability for Violations

If the Governance Committee determines that this Code has been violated, either directly, or by failure to report a violation, or by withholding information related to a violation, the offending Employee may be disciplined for non-compliance with penalties up to and including removal from office or dismissal. Such penalties may include written notices to the individual involved that a violation has been determined, censure, demotion or re-assignment, suspension with or without pay or benefits or all or combination of the foregoing. Violations of this Code may also constitute violations of law and may result in criminal penalties and civil liabilities for the Employee.

12.5 Review and Amendments

All policies, systems practice, orders, and similar official corporate issuances, whether existing or to be issued shall be revisited and revised as soon as practicable in order to be consistent with the letter and spirit of this Code. Pending the finalization of such amendments, the provisions of this Code shall prevail over any policies, systems practice, orders, and similar official corporate issuances, inconsistent with this Code. This Code shall be reviewed at least once every two (2) years or such other frequency as may be determined by the Board of Directors and/or the Governance Committee.