



CODE OF BUSINESS CONDUCT & ETHICS

Manila Broadcasting Company ("Company") is dedicated to doing business in accordance with the highest standards of ethics. The Company, its directors, officers, and employees endeavor to promote a culture of good corporate governance by observing and maintaining its core business principles of accountability, integrity, fairness and transparency in their relationships among themselves and with the Company's customers, clients, suppliers, competitors, business partners, governments, regulators and the public.

Understanding this Code

This Code of Ethics and Business Conduct ("Code of Ethics" or "Code") is a statement of our commitment to integrity and high ethical standards in all that we do at Manila Broadcasting Company. This Code of Ethics defines the standards of conduct that we expect from our directors, officers and employees to help us make the right decisions in the course of performing our jobs.

This Code of Ethics does not cover every legal or ethical question that you may face in the Company. Indeed, no code can attempt to anticipate the myriad issues that arise in a business as diverse and dynamic as ours. However, by following this Code of Ethics and our other policies and procedures, by adhering to the letter and the spirit of all applicable laws and regulations, and above all by applying sound judgment to your activities, you can demonstrate your commitment to our core values: putting clients first, doing the right thing and leading with exceptional ideas.

The code starts with a summary of the core business values that are essential to the Company's success. They are the foundation of all that we do, and we each are expected to adopt these values in our day-to-day business activities. Widespread adherence to these values will enhance our long-term success by improving our ability to serve customers, increasing our competitiveness, and promoting our pride in being part of the company.



The Code then describes how we should interact with each other, with other companies and individuals, and with the countries, cultures, and governments that make up the world in which we operate. Specifically, it addresses four areas:

- **Compliance** - Our responsibility to abide by the laws, regulations, and Company policies that apply to our business wherever we operate.
- **Business Conduct** - Our obligation to conduct internal and external business fairly and ethically.
- **Company's Relationships** - Our responsibility to interact fairly and respectfully with each other, our customers, our partners, our suppliers, and our host communities.
- **Enforcement** - Our commitment to conduct investigations in an ethical and legal manner, and to promote consistent disciplinary action for violations of our policies or business conduct standards.

MBC Values

Certain core values comprise the foundation of our company. These are embedded in the Company's mission statement, as follows:

Core Value that guide business processes

Guided by the values of long-term vision, good corporate governance, integrity, financial discipline and accountability, we aspire to become expert in the field of multimedia business with insight to anticipate future market needs and demands.

Core Value that explains why we do business the way we do

We cultivate innovation, creativity, excellence and leadership, acknowledging that future competitiveness depends on the development of top-rated information content ahead of competitors.

Core Values that inform us on how to reward and govern personal relationships

In the spirit of entrepreneurship and embracing the changing business landscape, we will create an open culture where employees are encouraged to make decisions and act proactively with a sense of ownership and facilitate sound management through intelligent risk taking.



Our people are our most important asset and we will create an environment that empowers leadership, nurture career growth, teamwork, dedication, loyalty and meritocracy.

We will build up relationships of co-existence and co-prosperity with business partners that share our vision and values.

Core Value that articulates what we stand for

In achieving its mission, MBC will always be dedicated to being a socially and environmentally responsible corporate citizen in every community that it serves.

A. CONFLICT OF INTEREST

It is a Company's policy that employees acting on the Company's behalf must be free from conflicts of the interest that could adversely influence their judgment, objectivity or loyalty to the Company in conducting Company's business activities and assignments. The Company recognizes that employees may take part in legitimate financial business, charitable and other activities outside their jobs with the Company, but any potential conflict of interest raised by those activities must be disclosed promptly to management.

B. CONDUCT OF BUSINESS AND FAIR DEALINGS

No director, executive officer or any employee shall:

- compete with the Company by providing service to a competitor as an employee, officer or director or in a similar capacity
- profit or assist other to profit from confidential information or business opportunities that are available because of service to the Company;
- improperly influence or attempt to influence any business transaction between the Company and another entity in which a Director or Executive Officer has a director or indirect financial interest or act as an employee, officer or director or in a similar capacity; or
- take unfair advantage of any customer, supplier, competitor or other person through manipulation concealment, misrepresentation of material facts or other unfair-dealing practice.



C. RECEIPT OF GIFTS FROM THIRD PARTIES

The term "business gifts" in this policy includes business entertainment, as well as gift items. The giving of business gifts is a customary way to strengthen business relationships and, with some restrictions, is lawful business practice. It is Company's policy that its directors, officers and employees may give and receive appropriate, lawful business gifts in connection with their work with commercial customers and other nongovernmental parties, provided that all such gifts are nominal in value and not given or received with the intent or prospect of influencing the recipient's business decision-making.

D. COMPLIANCE WITH LAWS & REGULATIONS

It is a Company policy that employees and others acting on Company's behalf must comply with all laws and Company's Business Conduct Policies. Employees also are expected to help company management promptly address suspected violations by bringing the concerns to the attention of the management or using the reporting options available in the company. Supervisors and managers are expected to escalate suspected violations that come to their attention by centrally reporting them in accordance with company policy.

E. RESPECT FOR TRADE SECRETS/USE OF NON-PUBLIC INFORMATION

Employees and others acting on Company's behalf are responsible for protecting the Company's confidential information, including trade secrets, from unauthorized disclosure whether internal or external, deliberate or accidental. Employees and other acting on Company's behalf must know:

- The information classification of the company information they create or have access to (public, internal, confidential or regulated). Any of these classifications other than public may represent a Company trade secret.
- The security precautions that apply to company information, and
- How long to retain company information, and how to properly dispose it.

Just as we expect others to respect our Company's confidential information, the Company respects the confidential information of other parties. It is a Company's policy to use only legal and ethical means to collect and use business and market information in order to better understand our markets, customers and competitors.



The company will not collect or use another party's confidential information without that party's permission.

F. USE OF COMPANY FUNDS, ASSETS AND INFORMATION

Each director, executive officer and employee shall protect the Company's funds, assets and information and shall not use these to pursue personal opportunities or gain. No company funds, assets or information shall be used for any unlawful purpose. No undisclosed or unrecorded fund or assets shall be established for any purpose. No false or artificial entries shall be made in the books and records of the Company for any reason, and no Director or Executive Officer shall engage in any arrangement that results in such prohibited act.

G. EMPLOYMENT & LABOR LAWS & POLICIES

Our most important resource is our employees. It is our policy to comply with all applicable laws and regulations, including those concerning hours, compensation, opportunity, human rights and working conditions. The Company strictly prohibits discrimination or harassment against any employee because of the individual's race, color, religion, gender, sexual orientation, national origin, age, disability, veteran's status or any status protected by law. In addition to local laws and regulations, the Company's policy on the employment of young persons prohibits the employment of people under the age of 18 in the conduct of any of our businesses. Forced or compulsory labor of any workers is also prohibited. It is our policy that all employees work in a clean, orderly and safe environment. The Company requires full compliance with applicable workplace safety and industrial hygiene standards mandated by law.

H. DISCIPLINARY ACTION

It is the policy of the company that all employees should achieve and maintain agreed standards of conduct, attendance and performance and that everything within reason will be done to help all employees achieve these standards. If these standards are not achieved and disciplinary action has to be taken against employees, it should:

- Be undertaken only in cases where good reason and clear evidence exist;
- Be appropriate to the nature of the offence that has been committed;
- Be demonstrably fair and consistent with previous action in similar circumstances;

- Take place only when employees are aware of the standards that are expected of them or the rules with which they are required to conform;
- Allow employees the right to be accompanied by a representative or colleague of their choice during any formal proceedings;
- Allow employee the right to know exactly what charges are being made against them and to respond to those charges;
- Allow employees the right of appeal against any disciplinary action through the personal grievance procedure.

I. WHISTLE BLOWER

It is Company's policy that all individuals working at all levels within the Company, including directors, officers, employees to disclose any information that relates to suspected wrongdoing or dangers at work. This may include:

- criminal activity;
- miscarriages of justice;
- danger to health and safety;
- damage to the environment;
- failure to comply with any legal or professional obligation or regulatory requirements;
- bribery;
- financial fraud or mismanagement;
- negligence;
- breach of internal policies and procedures (including the Company's Code of Conduct);
- conduct likely to damage the Company's reputation;
- unauthorized disclosure of confidential information;
- any conduct that may have a detrimental effect on the well-being of staff or the Company; and
- the deliberate concealment of any of the above matters.

All concerns raised will be treated in confidence and every effort will be made not to reveal the identities of the whistle blower if this is his/her wish. However, in certain cases, it may not be possible to maintain confidentiality if the whistle blower is required to come forward as a witness. Once the claim of malpractice or misconduct is made, the manager, senior manager or the designated executive will respond to the whistle blower within 10 working days setting out the intended investigation plan. An investigation may include internal reviews,



reviews by the external auditors or lawyers or some other external body. If the claim of malpractice or misconduct is substantiated, appropriate disciplinary action will be taken against the responsible individual(s) up to and including termination of employment. The malicious use of the whistle blowing policy will result in disciplinary action against the whistle blowing complainant, up to and including termination of employment.

J. CONFLICT RESOLUTION

The Company encourages its employees, management and directors to resolve any issues or concerns that they may have at the earliest opportunity. It is important that as issues do arise, they are dealt with in a fair and timely manner. While some conflicts will be resolved by an informal discussion between the parties, others will need a process for successful resolution. If the conflict cannot be resolved to the satisfaction of both parties through informal processes, then mediation or a formal complaint's process will need to occur.

Principles to be followed:

- Respect for another's point of view;
- Commitment to resolving the issue;
- Willingness to compromise;
- Confidentiality;
- Impartiality;
- Respect;
- Prompt action; and
- Freedom from repercussions