



**LACSON & LACSON INSURANCE BROKERS, INC.  
CODE OF BUSINESS CONDUCT AND ETHICS**

**I. OVERVIEW**

LLIBI aims to be the leading independent insurance broker in the Philippines by delivering insurance solutions that are effective, innovative, and specific to the needs of our clients.

The Board of Directors of LLIBI has adopted the Lacson & Lacson Insurance Brokers, Inc. (LLIBI) Code of Business Conduct and Ethics (the "Code") to:

- promote honest and ethical conduct, including fair dealing and the ethical handling of conflicts of interest;
- promote full, fair, accurate, timely and understandable insurance regulatory reporting;
- promote compliance with applicable laws and governmental rules and regulations;
- ensure the protection of the Company's legitimate business interests, including corporate opportunities, assets and confidential information;
- deter wrongdoing; and
- to provide appropriate vehicles for reporting and resolving breaches of this Code, which will be accessible to every employee, officer and director.

The Code affirms the Company's commitment to ethical conduct and its practice of complying with all applicable laws and avoiding potential or actual conflicts of interest. The Company's Board of Directors is responsible for setting the standards of business conduct contained in this Code and updating these standards as it deems appropriate to reflect changes in the legal and regulatory framework applicable to the Company, the business practices within the Company's industry, the Company's own business practices, and the prevailing ethical standards of the communities in which the Company operates. We must all be thoroughly familiar with its provisions and conduct ourselves according to both the letter and the spirit of the Code.

With a long tradition of uncompromising dedication to the highest standards of business conduct, LLIBI enjoys a reputation of unquestioned integrity and honesty. The Company's more detailed policies and procedures set forth in the Employee Handbook and other issuances are separate requirements and are not part of this Code.

**A. How do I apply the Code?**

If you come across a difficult circumstance at work involving compliance with requirements or ethics, ask yourself these questions:

1. Is this legal?
2. Is this permissible under internal policies?
3. Is this fair and ethical?



4. Does this reflect our values, our culture and our commitment to our employees, clients, partners, shareholders and communities?
5. Am I confident that LLIBI's reputation will not be harmed if this situation became public knowledge?
6. Would I approve of this situation if I were a client or shareholder?

Use your best judgment and common sense. If you cannot answer "Yes" to each question, do not do it or seek guidance.

## **B. Our Values**

1. ACT NOW. Be Responsive and Proactive
2. DO THE RIGHT THING. Uncompromising Integrity
3. LOVE YOUR WORK. Do it with Passion and Purpose
4. BE THE DIFFERENCE. Innovate and Make it Better
5. EMBRACE DIFFERENCE. Open Your Mind

## **II. ETHICS IN THE WORKPLACE**

We cannot have a positive and productive workplace unless we treat each other with respect, trust and professionalism. Each of us must help create and maintain a healthy, secure environment that values contributions and encourages learning.

### **A. Reward Performance and Ability**

At LLIBI, we embrace our diversity and treat all individuals with dignity. We strive to attract, develop and retain a workforce that is as diverse as the customers we serve and to foster an inclusive work environment that embraces the strength of cultures and individuals. We are committed to fair recruitment, retention, advancement and compensation, and we administer all of our practices and programs based on qualification and performance and without discrimination on the basis of race, ancestry, place of origin, color, ethnic origin, citizenship, religion or religious beliefs, creed, sex (including pregnancy and pregnancy-related conditions), sexual orientation, genetic characteristics, veteran status, gender identity, gender expression, age, marital status, family status, disability, or any other ground protected by applicable law.

### **B. Treat Others with Respect and Exercise Professionalism**

We must give co-workers the same respect and service we give customers, and the same respect we expect for ourselves. When we communicate with each other within the organization, we must be open, honest, respectful and professional. It is one way to ensure quality in everything we do.



The Company strictly prohibits discrimination, harassment and violence in the workplace, and employees are entitled to a workplace free from harassment. If you experience or observe this behavior, you should report it to Human Resources, your manager, or the Compliance Officer. In short, if you see something, report it. The Company absolutely prohibits retaliation of any kind for good faith reports of illegal or unethical behavior

### **C. Keep Your Workplace Safe**

LLIBI provides a safe and healthy work environment for all employees. Protection of employees from injury or occupational illness is a significant ongoing commitment on the part of the Company. All employees have a responsibility to help ensure that the Company is complying with health, safety and environmental laws and regulations by reporting accidents, potential hazards and other concerns immediately to Human Resources or your manager/immediate supervisor.

### **D. Keep Your Workplace Secure**

It is critical that we protect both individual and Company property and assets. While LLIBI takes physical and cyber security measures, we must all be part of the security process. If you know of any situation or incident that could lead to the loss, misuse or theft of Company or individual property, report it immediately to a manager or to the Human Resources and Risk and Compliance Department.

### **E. Behave Professionally at All Times**

Just as it is important to behave responsibly and professionally in the workplace at all times, it is important to behave responsibly and professionally when representing LLIBI or attending Company events. You must represent the Company in a positive manner when dealing with clients and potential clients, and in all business activities.

### **F. Human Trafficking and Slavery**

LLIBI is committed to doing its part to help eradicate human trafficking and strictly prohibits directors, officers, employees, subcontractors, subcontractor employees, and agents from engaging in human trafficking-related activities. These activities include, among others, engaging in sex trafficking, procuring commercial sex acts, using force, fraud, or coercion to subject a person to involuntary servitude, or obtaining labor from a person by threats of serious harm to that person or another person.

### **G. Expectations Relating to Business Partners**

We expect our business partners to adhere to ethical business conduct consistent with our own and are committed to working with our partners to meet this common goal. These



expectations include ethical behavior by our partners, a prohibition on bribery and corruption and a commitment to eradicate human trafficking.

### III. ETHICS IN YOUR BUSINESS RELATIONSHIPS

Our business depends on sound relationships with customers, the community, other organizations and our stakeholders. We maintain these relationships by taking extra care when giving or receiving gifts, when producing materials for customers and others and when sharing information with outside individuals and organizations.

#### A. Protect and Enhance the Company's Reputation

All individuals to whom this Code applies must conduct their business activities in a manner that protects and enhances the Company's reputation. The risk of damage to our reputation must be a key consideration in assessing and engaging in any business relationship, transaction or activity. Any incident with the potential to harm our reputation is of high priority and senior management is to be alerted.

#### B. Treat Others Honestly and Fairly

We must treat customers with high standards of honesty, fairness and courtesy. Customers must be able to voice their concerns easily, and we must deal with complaints and disputes fairly and quickly.

We seek competitive advantage through superior performance, never through unethical or illegal business practices. In short, we seek to outperform our competitors fairly and honestly. The materials we provide to customers, investors and other stakeholders must meet high standards of professionalism. Advertising and sales materials must be factual, easy to understand and based on the principles of fair dealing and good faith. All promotional efforts, illustrations of products and marketing concepts must be factual.

We must be careful not to mislead customers, investors or other stakeholders about the financial status, products or services of the Company or its competitors. We must never make statements about competitors that are untrue. We must never make promises the Company cannot keep. No director, officer, employee, representative or other associate of the Company should take unfair advantage of anyone, including customers, investors, other stakeholders, suppliers or competitors. Taking unfair advantage includes: manipulation, concealment, abuse of Confidential Information, misrepresentation of material facts and any other unfair dealings.

#### C. Take Care in Government and Political Dealings

We must take special care to use our corporate positions responsibly when dealing with government agencies and representatives. This is especially true in relation to the political



process. It is important that we comply with all laws and regulations that apply when offering to provide entertainment, meals, nominal gifts, gratuities and other items of value to any employee or representative of national or local governments or state-owned enterprises, or when accepting such items of value from any employee or representative of national or local governments or state-owned enterprises.

While the Company expresses views on local and national issues that affect its operations, officers and employees cannot represent themselves as Company spokespeople without proper authorization.

The Company respects and supports the right of every individual to participate in the political process. However, the Company will not provide reimbursement for any political contributions made by any individual, including the purchase of tickets to political fundraising events such as dinners. These are to be handled personally by the employee. Similarly, if an individual chooses to volunteer in support of a political campaign, he/she must do so after work, on weekends or during vacation leaves and not during regular working hours.

The Company's general policy is that it will not make any political contributions. No director, officer, employee or Company representative may make or authorize any payment by or on behalf of the Company to any political party, organization, committee, candidate or public official, or in connection with any political caucus, convention or election, except as permitted by law and approved by the Board. Under applicable laws, prohibited Company contributions and expenditures include the donation of Company funds, the use of Company facilities, including office space and equipment, as well as the donation of the services of Company employees to the campaign committee of a candidate.

No officer or employee may make or authorize any payment or transfer of anything of value to any foreign public official (including employees of state-owned enterprises or political parties) except as may be permitted by applicable law and approved by the Board.

#### **D. Share Information Responsibly with Industry Groups and Others**

Memberships in business organizations can increase the effectiveness of individuals, the Company and our industry. The Company encourages membership in such organizations, especially those that strive to improve the industry.

It is a normal part of these memberships to share aggregated, statistical and policy information. However, we need to ensure that we do not exchange confidential corporate information that could jeopardize the Company's competitive position.

#### **E. Choose Suppliers Through Fair Competition**

LLIBI is committed to fair competition in all its dealings with suppliers. It is important to communicate the Company's requirements clearly and uniformly to all potential suppliers.



Choose suppliers on the basis of merit, competitiveness, price, reliability and reputation. You must not suggest or imply to a supplier that the Company's patronage depends on the supplier becoming a customer or on the supplier continuing to make purchases from the Company.

#### **F. Third-Party Requests for Endorsements**

If a third-party (e.g., affiliated vendor, supplier, vendor sponsorship partner or any other entity or individual) asks you to endorse a product or service using the Company name or your position as a Company representative or asks to use any Company Brand or logo, you must obtain approval from the senior management.

### **IV. CONFLICTS OF INTEREST**

A "conflict of interest" occurs when an individual's private interest interferes or appears to interfere with the interests of the Company. A conflict of interest can arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. For example, a conflict of interest would arise if a director, officer or employee, or a member or his or her family, or an entity in which a director, officer or employee (or a member of his or her family) has a material financial interest receives improper personal benefits as a result of his or her position in the Company. Any material transaction or relationship that would reasonably be expected to give rise to a conflict of interest should be discussed with the Board.

Service to the Company should never be subordinated to personal gain and advantage. Conflicts of interest should, wherever possible, be avoided.

Clear conflict of interest situations involving directors, officers and other employees who occupy supervisory positions or who have discretionary authority in dealing with any third party specified below may include the following:

- Any significant ownership interest in any vendor/service provider to the Company or customer;
- Any consulting or employment relationship with any customer, vendor/supplier or competitor;
- Any outside business activity that detracts from an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company;
- The receipt of non-nominal gifts or excessive entertainment from any company with which the Company has current or prospective business dealings;
- Being in the position of supervising, reviewing or having any influence on the job evaluation, pay or benefit of any immediate family member; and



- Selling anything to the Company or acquiring creditor financial services from the Company, except on the same terms and conditions as comparable directors, officers or employees are permitted to so acquire or sell.

#### **A. Deal at Arm's Length with Suppliers and other Counterparties**

You must not be associated in any way with agreements between the Company and suppliers in which you or a member of your immediate family have an interest, or which might result in any personal gain or benefit to you or to any member of your family. In addition, you must not engage in transactions or other business decision-making relating to suppliers, vendors, customers or other business relationships that may benefit you or a member of your immediate family, without receiving explicit written authorization from a supervisor in your reporting chain, who must be at least AVP level. In addition, you must inform the Board of such conflict of interest. Such authorization is only appropriate where the supervisor consults with Compliance and determines that there is no actual conflict of interest

#### **B. Bribery and Kickbacks are Prohibited**

LLIBI does not allow unfair business practices such as bribery, kickbacks or insurance rebating (generally rebating is type of kickback defined as returning a portion of the premium or the commission on the premium to the insured or other inducements to place business with a specific insurer). These practices are against Company policy in all places where we conduct business.

#### **C. Working for Competitors May Jeopardize the Company**

No LLIBI officer or employee may work for any organization that competes with the Company or enter into a relationship that creates a conflict of interest with the Company. This includes serving as a director, officer, trustee, partner, employee, consultant or agent.

#### **D. External Directorships**

Employees must report to the Board any external directorships they wish to accept. The Board shall review all prospective directorships to confirm that the directorship does not pose a conflict of interest, and to confirm that appropriate approvals are obtained. While many external directorships do not pose a conflict of interest and may not require approval, some external directorships could pose a potential conflict and/or will require approval.

#### **E. Use Caution Regarding Outside Positions**

Outside work or financial involvement in external organizations can lead to conflicts of interest, which could interfere with your ability to give objective, full-time attention to your work with LLIBI or could damage the Company's reputation. You must not engage in any other



employment or take any civic, charitable, government or political position that would hamper your performance or your judgment to act in the Company's best interest.

#### **F. Protect Corporate Opportunities**

Individuals to whom this Code applies are prohibited from: (a) benefiting from opportunities that are discovered through the use of Company property, information or position; (b) using Company property, information or position for personal gain; and (c) competing with the Company during the term of their relationship with the Company. You owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

#### **G. Protect the Company's Name, Reputation and Assets**

The name "Lacson & Lacson Insurance Brokers, Inc. (LLIBI)" must be used only for authorized Company business and never for personal activities. Do not identify yourself with the Company while pursuing personal, political or not-for-profit activities, unless you obtain prior approval from senior management.

An important way to protect the Company's reputation is to always be honest and accurate when making statements when discussing the Company. False information or statements about the Company, its representatives, employees, products or services can damage the Company's reputation. You must not make false written or oral statements about the Company, its employees or representatives or its products and services in print, via electronic media or in person.

All documents, records, data, equipment and other physical property provided to you by the Company, or otherwise obtained or produced in connection with your employment with the Company, shall be or remain at all times the property of the Company. Company time, property and services, including assets such as stationery, computers and mail services, may not be used for personal activities, except as permitted by Company policies, unless you have your manager's specific approval. Personal activities include charitable causes. You may not remove or borrow Company property without permission. You should report any misuse of Company assets to your manager/immediate supervisor, Human Resources, or Risk and Compliance Department.

### **V. ANTI-BRIBERY AND CORRUPTION POLICY**

LLIBI has a zero-tolerance position for bribery and corrupt activities and strictly prohibits all its directors, employees and associates from engaging in such acts. LLIBI is committed to operating with the highest levels of corporate integrity by fostering a culture wherein bribery or corruption is never acceptable.





## A. PROHIBITED CONDUCT

LLIBI prohibits all forms and acts of bribery and corruption. Any violation of this policy or any relevant anti-corruption laws will not be tolerated and will be subject to disciplinary action, which may ultimately result to dismissal. Even the promising to give a bribe or agreeing to receive one, without the actual act of bribery taking place, is strictly prohibited. The provisions of this policy are of general application, irrespective of whether an act of bribery occurs in the private or public sector

## B. Gifts or Hospitality

- a. Giving or receiving gifts or hospitality is allowed as part of maintaining and developing business relationships, provided that the gifts or hospitality are for a genuine purpose, reasonable, and conducted in the ordinary course of business.
- b. Lavish or unreasonable gifts, hospitality and the like, given or received with the intention of influencing a business decision, securing an unfair business advantage, or obtaining favorable business treatment is strictly prohibited.

## C. Facilitation Payments

- a. Facilitation payments are any payments, no matter how small, given to an official to expedite their job or facilitate non-discretionary actions or services such as but not limited to:
  - i. obtaining an ordinary license or business permit;
  - ii. processing government papers such as visas, customs clearance;
  - iii. providing telephone, power or water service; or
  - iv. loading or unloading of cargo
- b. All facilitation payments are generally prohibited.
- c. Under circumstances wherein the company has no alternative but to make a facilitation payment to protect against loss of life, limb or liberty, such act shall not be considered a violation of this policy provided that:
  - i. Payment does not contravene applicable law or this policy; and
  - ii. Payment is reported and approved by the Chief Executive Officer and/or Chief Operating Officer.

## D. Political and Charitable Donations

- a. Political or charitable donations or sponsorships shall never be made with the intention to influence a government official or in exchange for any improper favor or benefit to LLIBI's business.
- b. Political or charitable donations shall not be used as a means to camouflage a bribe.



- c. Due diligence shall be conducted on proposed recipients of material donations or sponsorships to ensure that such act will not be utilized in contravention of this policy.

**E. Dealing with Public Officials**

- a. Public officials include those in government departments, employees of government owned or controlled corporations, international organizations, political parties and political candidates.
- b. The provision of money or anything else of value, regardless of amount, to any public official for the purpose of influencing them in their official capacity is strictly prohibited.

**F. Money Laundering and Terrorism Financing**

- a. LLIBI prohibits Money Laundering and Terrorism Financing, including the receipt of funds where it is known, or there is reason to believe that the funds were derived from illegal activities.
- b. LLIBI Employees are required to understand and comply with applicable legislation and LLIBI's Money Laundering and Terrorism Financing Prevention Program or AML Policy.

**G. Secret Commissions**

- a. LLIBI prohibits the payment or acceptance of secret commissions by its Employees or Associates.

## VI. REPORTING CODE BREACHES

LLIBI is committed to leading with integrity and takes breaches of the Code seriously. We all play an active role in ensuring the Code is applied and that possible misconduct is investigated and addressed appropriately. Reporting issues and concerns contributes to our ethical culture and helps us to maintain our commitment to our high standards of business ethics. Please speak up if you:

- Believe you may have violated the Code, an internal policy or the law.
- Know or suspect another employee or a third-party may have violated the Code, an internal policy or the law.
- Feel you are being pressured to violate the Code, an internal policy or the law.
- Have any other ethical or conflict of interest questions or concerns.
- Need guidance on how to do what is right.

If you are not sure how to apply the letter and spirit of the Code in any situation, or if you would like to report a possible breach of the Code, you can talk to your manager/immediate supervisor, Human Resources, or Risk and Compliance Department.



LLIBI takes all reports of concerns and allegations of breaches of the Code seriously. All reports will be reviewed and investigated lawfully, discreetly, fairly, professionally and in a timely manner. All reports are treated confidentially, so your identity in any follow-up discussions or inquiries will be kept in confidence to the extent appropriate or permitted by law. Your cooperation during the review and investigation contributes to a successful resolution. It is important to speak up by reporting, because failing to do so could be a breach of the Code.

LLIBI strictly prohibits any form of intimidation or retaliation against employees for reporting possible breaches of the Code. If you report a possible breach, no action will be taken against you, even if we cannot confirm the breach. However, a mischievous or malicious allegation of a breach is itself a breach of our Code. Any employee who attempts in any way to intimidate or retaliate against anyone who reports a possible breach of the Code will face disciplinary action, up to and including termination of employment, regardless of their position.

## VII. WHISTLEBLOWER PROTECTION

1. **Whistleblower** shall refer to an employee who, in good faith, reports or files a complaint regarding illegal or unethical conduct or conduct that violates this policy, the Corporate Governance Manual, or any other internal policies implemented by the Company.
2. All reports or complaints, including the identity of the whistleblower, witnesses and employees named in the report or complaint will be treated in a confidential manner, unless the Company is otherwise required or compelled by law to release information.
3. LLIBI will not retaliate against a whistleblower. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or poor work assignments and threats of physical harm. Any whistleblower who believes he/she is being retaliated against must contact Human Resources or the Risk and Compliance Department immediately. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.
4. **Malicious Allegations.** In the event that the ensuing investigation determines that the whistleblower and/or witness has made baseless, untruthful, fabricated, malicious, or vexatious allegations, and particularly if he/they persist(s) in making them, disciplinary action may be taken against the whistleblower and witness in accordance with pertinent Company policies and rules and applicable laws in order to protect the good name of persons that may have been unjustly accused or implicated.

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