

# **TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.**

## **Code of Business Conduct and Ethics**

Tagaytay Highlands International Golf Club, Inc. (THIGCI or the “Club”) is a premier golf club with Asia’s most exciting golf courses, a selection of restaurants and a variety of leisure activities, all set amidst the stunning views of majestic Taal Lake and the lush, cool mountains.

The Club is fully committed to doing business in accordance with the long-held values and ethical standards that have been the foundation for the growth and success of the Club as well as comply with all applicable laws and regulations.

The Directors, officers, employees, consultants, advisers, and supplies acting on behalf of the Club shall always act honestly, comply with all applicable laws and regulations, protect the name of the Club, and safeguard its reputation.

The Club’s business ethics is founded on its core values of vision, leadership, focus, hard work, integrity, innovation, and prudence, which shall guide the Club in the accomplishment of its mission, namely:

- To develop quality leisure facilities that promote growth and environmental sustainability;
- To enhance shareholder value for the Club’s partners and investors;
- To promote a mutually beneficial relationship with all stakeholders grounded on integrity and respect;
- To enhance the quality of life of the communities it serves.

### **I. Coverage of the Code of Business Conduct and Ethics**

This Code of Business Conduct and Ethics states the principles that guide the Club’s directors, officers, employees, consultants, advisers, and suppliers acting on behalf of THIGCI in the performance of their duties and responsibilities and in their relationships with themselves and with investors, creditors, customers, contractors, suppliers, competitors, regulators, other stakeholders, and the general public.

Vendors, suppliers, contractors, business partners, customers, stakeholders, and shareholders should align their dealings with the Club’s Code of Business Conduct and Ethics.

### **II. Compliance with Laws**

- A. THIGCI business dealings and transactions should be compliant with all applicable laws in the countries, districts, and communities in which its companies operate and must not in any way compromise the good name and reputation of the Club. This includes legislation and regulation pertaining to financial reporting, upholding fair trade and competition, pricing, employment, protection of the environment and other regulations.

## B. Public Disclosures

THIGCI respects and protects the rights of its shareholders. The Club shall adopt strategies and plans with the end view of increasing shareholder value.

The Club shall maintain accurate and complete records of all financial and business transactions in accordance with laws and regulations governing financial reporting and generally accepted accounting principles.

Shareholders will be provided with complete, accurate, material, and timely information regarding the Club's operations. These provide the basis for the report it discloses to the public, its shareholders, and stakeholders regarding the Club's results of operations and financial position.

The Club shall fully comply with the reporting requirements of the SEC and other government agencies and regulators.

The Club also ensures that an independent audit of its financial statements is conducted by external auditors. It shall maintain a system of internal controls to ensure that financial reports present fairly the financial position and operating results of the Club.

## C. Related Party Transactions

Full disclosure of the details, nature, extent, and all other material information on transactions with related parties shall be observed in the Club's financial statements, and in its quarterly and annual reports to the SEC.

THIGCI Management shall present the details of transactions entered into by the Club with related parties to the Related Party Transactions Committee for review and approval. This is to ensure that the Club conducts all related-party transactions at arm's length and at market rates.

The Directors are required to abstain from participating in any board discussion, deliberation and decision-making concerning any issue or transaction where they are conflicted.

## **III. Ethical Practices**

To illustrate THICGI's commitment to uphold the principles of fairness, integrity, and accountability in the way it conducts business, it supports the following ethical practices:

### A. Support for Diversity and Non-Discrimination

The Club values, promotes and observes a policy on diversity in the composition of the Club's Board of Directors. Diversity in age, gender, ethnicity, experience, field expertise, and personal qualities shall be considered by the Board as it installs a process of selection to ensure a mix of competent directors and key officers.

Whether in selection of the countries and markets where the Club operates, hiring and promotion of employees, selection of suppliers and contractors – the Club decides based on merit and value to shareholders and does not discriminate on the basis of race, age, religion, or gender.

All board members, officers, employees, consultants, and suppliers acting on behalf of THIGCI are prohibited from practicing any form of discrimination or harassment in the workplace. This obligation to refrain from such behavior extends to contractors, vendors, suppliers, or visitors, to the extent that their conduct affects the work environment.

#### B. Respect for Confidentiality and Privacy of Information

Directors, employees and officers, consultants, advisers, and suppliers acting on behalf of THIGCI are expected to maintain and safeguard the confidentiality of Club information relating to THIGCI, its subsidiaries, affiliates, customers, stakeholders, and other groups with whom THIGCI relates except when disclosures are allowed and mandated by law. Vital information such as financial reports, strategies, plans, trade secrets and proprietary information about the Club, shall not be disclosed unless authorized by the Club or required by law. Everyone shall ensure the accuracy of business information and protect the integrity of corporate records and other documents related to the operation of the Club.

Information regarding individuals working for the Club shall also be treated as private information and shall not be divulged to other parties except when required by legal processes or with the consent of the employee.

#### C. Member Welfare

THIGCI recognizes that the core of its business is its customers, and values customer satisfaction and loyalty. Thus, all directors, officers, employees, consultants, and suppliers acting on behalf of THIGCI shall be guided by fairness, professionalism, courtesy, and respect when dealing with customers, and shall endeavor to provide excellent and diligent service at all times. No false or misleading information shall be provided to customers.

In the event a member raises a concern in person or through electronic mail, regular mail or telephone, the complaint shall be immediately acknowledged and referred to Management for proper action. Members shall expect feedback either via mail or telephone from the concerned Department within a reasonable time.

The Club sets a policy that non-financial performance indicators (NFPI) shall be identified, monitored and trends analyzed to ensure that results not within acceptable guidelines are addressed. These NFPIs include but are not limited to: number and nature of member complaints received, speed and appropriate response for resolving members' and other stakeholders' concerns.

Likewise, THIGCI is committed to protect the safety and security of its members. Accordingly, the Club shall undertake to keep its premises well-secured, and continuously implement ways to eliminate hazards that would pose threats to the safety of its customers.

In addition, THIGCI is committed to keeping its members' information private and secure. These shall cover their names, home addresses, telephone numbers, educational background and other details pertaining to customers' families.

#### D. Employee Welfare

All officers and employees are to be selected, engaged, and compensated based on qualification, merit, and performance. Equal opportunities are likewise promoted regardless of age, race, gender, and religion.

In line with one of the Club's missions which is to be the employer of choice offering career growth opportunities, THIGCI continues to provide services and facilities for their employees' betterment. The aims are to make them improve as individuals, as team players at work and as members of the community. Further, focus on employee welfare is given to help improve their, skills, loyalty, dedication, passion, and productivity at work.

The Club shall also provide continuous learning and development opportunities to improve and increase their level of competency, efficiency and general well-being leading to professional growth. Office uniforms, leave credits, medical healthcare, merit increases, bereavement assistance are extended as well. In addition, as the Club values the importance of work-life balance, it enjoins its employees to participate in health and fitness programs, team building, sports competitions and CSR-related activities which promote the spirit of volunteerism.

On annual basis, performance is measured against defined targets, which are based on both financial and non-financial indicators of progress towards the short and long term-goals of the Club. Employee compensation and rewards are determined based on the individual performance of the employee and overall Club performance.

All employees shall be treated fairly and accorded respect and dignity. Their individual and collective rights shall not be violated.

The Club shall maintain a safe, productive, and conducive workplace and comply with all applicable health, safety, and environmental laws. It shall foster harmonious relations among its officers and employees and establish free and honest communication with them. Employees are covered by rules against the use of prohibited drugs and working under the influence of liquor.

The Club endeavors to provide career advancement to employees through a clearly defined promotion system based on the employee's competencies, major contributions and accomplishments, work attitude and interpersonal relationships. Performance appraisals are conducted annually, and merit increases resulting from the appraisals are given to the deserving employees subject to the review and approval of Management.

News and information about the Club's developments, events, messages from Club executives and best governance practices are featured in the THIGCI website. This is reviewed monthly and cascaded to all employees.

#### E. Corporate Social Responsibility

THIGCI shall continue to initiate and participate in charitable causes and community organizations to help improve the quality of life of the communities where it operates, through education, environment protection, social services, health care and livelihood programs.

## F. Environmental Sustainability

THIGCI shall endeavor to adhere to sustainable practices such as tree-planting activities, waste segregation, recycling, and installation of a sewerage treatment plant that converts wastewater to reusable water to ensure the protection of the environment and shall seek to deliver maximum growth with minimal and responsible consumption of natural resources.

## G. Avoiding Conflicts of Interest

All business decisions and actions must be based on the best interests of the Club and the value to shareholders and should not be motivated by personal considerations or relationships which may interfere with the exercise of independent judgment.

All directors, officers and employees should use the property and resources such as but not limited to facilities, intellectual properties, software vehicles, supplies of the Club, its businesses, and their positions exclusively for THIGCI's benefit. This means that they must not act on their own of support any action that will run counter against the Club's ethical standards. They should always seek to advance the goals of the Club as approved by its Board. They shall also not use their positions for their or their related interests' personal gain or benefit.

Grants or loan arrangements extended to Directors and Key Officers by the Club and/or its subsidiaries and affiliates are prohibited unless covered by the requisite approval from the Board of Directors and are done at arms'-length basis and at market rates.

All directors, officers, employees, consultants, advisers, and suppliers acting on behalf of THIGCI shall act with utmost integrity and shall not engage in unfair dealing practices or dealings. As such, they are required to disclose any business and personal interest or benefit in any transaction involving THIGCI or its subsidiaries to ensure that potential conflicts of interest are immediately brought to the attention of Management. Even the appearance of impropriety and the potential for conflict should be disclosed and avoided. Such may include but need not be limited to the following:

### 1.) Interest in business of suppliers, competitors, or customers

This refers to any financial or personal interest in the business of a supplier, competitor, or customer, whether publicly listed or privately held. Financial interest or management participation by an immediate family member or relatives or friends needs to be disclosed as well.

### 2.) Employment or analogous service in the business of a supplier, contractor, or customer

Engagements by such entities as a director, adviser, officer, employee, or consultant needs to be disclosed and requires prior approval by the Club. Engagement in such capacity of an immediate member of the family (parent, brother, sister, spouse, child) needs to be disclosed as well.

### 3.) Engagement by other commercial enterprises or in a political office

Engagement in another occupation or provision of service of any other commercial enterprise, as well as holding of a concurrent position in government in addition to one's position in THIGCI needs to be disclosed and requires written approval by the Club.

#### 4.) Acceptance of gifts and entertainment

Gifts, entertainment, meals, and travel of significant value may not be accepted from any supplier or customer of the Club. Neither can an immediate family member or representative be designated to accept such on behalf of the employee.

#### 5.) Political activities

If a director, or employee is engaged in a political activity, one must make sure that he is not suggesting that he is acting on behalf of the Club. In addition, active involvement in any political party or political campaign should be disclosed and requires written permission from the Club.

The Club prohibits the payment of money or anything of value to any person working for the government, or a political party member or candidate for the sole purpose of securing, retaining, or directing business. This covers the consultants and business partners and representatives acting on behalf of the Club.

#### 6.) Relatives in the same Club

Disclosure should be made when an employee has a relative that is employed by the same Club. Management may exercise its discretion on such disclosure but should avoid as much as possible situations where there will be relatives with a superior-subordinate relationship or in control function exercised over the department of a relative.

In addition to the presence of relatives in such situations, employees should disclose any personal relationship when such begins to exist with another employee where one exercises a superior-subordinate relationship or control relationship with the employee.

#### 7.) Supervisor and Subordinate relationship

Personal borrowings where the co-maker is the subordinate's direct or indirect report or supervisor is prohibited. The same holds true where a direct or indirect report or supervisor stands as the subordinate's wedding sponsor and/or godparents of the subordinate's family members. This prohibition is in the interest of promoting fair dealings among employees themselves, officers and Directors as all decisions shall be based on the best interest of the Club.

#### 8.) Abuse of authority for personal advantage

Authority shall be exercised with regard to truth, justice, prudence even charity. It has to respect and protect a person's rights, and especially if it does not serve the common good.

### **IV. Reporting Ethics Violations**

Directors, officers, and employees may report verbally or in writing and anonymously any violations of this Code to any of the following members of the Ethics Committee:

1. Head of the Human Resources Department
2. Head of the Governance, Corporate Affairs and Investor Relations Department
3. Head of Internal Audit

Management has a commitment to handle such reports with strict confidentiality and discretion and protect the identity of the person making such a report. Such persons shall be granted protection from any retaliation that may come from the parties being reported.

**V. Accountability for Ethics Code Implementation**

The office of the Head of the Human Resources shall be accountable for the publication of this code and shall ensure that all directors, officers, employees, consultants, advisers, and suppliers acting on behalf of THIGCI receive a copy.

For reports on violations, the office of the Human Resources Department Head shall ensure a confidential investigation is immediately undertaken to determine the veracity of the report, gather pertinent data, and recommend appropriate sanctions which may lead to separation from the service of the Club, and/or may result to the filing of appropriate civil actions.

All Managers are responsible for the proper dissemination and implementation of the provisions of this Code in their respective work units and shall strive to be role models of the Code's provisions.

This Code shall take effect immediately upon the approval of the Board of Directors and shall be reviewed annually or such other frequency as mandated by the Board and or the Office of the Corporate Governance Committee.