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2006 Code of
Ethical Behavior



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Response Slip

I, _____ ,
(Employee name in print)
of _____ ,
(SBU/Group)

acknowledge receipt of the ALI Code of Ethical
Behavior. I have read and understood the Code, and
hereby commit to abide by it.

Makati City, _____
(Date)

(Signature of employee)

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Code of Ethical Behavior

The Code of Ethical Behavior (the “Code”) covers all Ayala Land (“ALI” or the “Company”) employees. It outlines the general expectations of and sets standards for employee behavior and ethical conduct. As it does not cover every conceivable subject, it is recommended that employees refer to its general principles to guide them in their activities. It does not address every situation or set forth every rule, nor is it a substitute for responsibility of every employee to exercise good judgment.

This Code of Ethical Behavior must be read in conjunction with the Company’s Human Resources Manual of Personnel Policies which includes the Code of Conduct.

Workplace Behavior

The Company, in the spirit of its shared and corporate values, holds all its employees in esteem and believes in protecting their rights while implementing discipline with firm but fair actions. At the same time, ALI expects every employee to respect the rights of colleagues at all times and strive to live out the following shared values in conducting personal and business affairs:

- Customer orientation;
- Quality;
- Pursuit of excellence;
- Integrity;
- Social responsibility;
- Long-term focus;
- Empowerment;
- Bias for results; and
- Concern for people.

ALI strives to create and maintain a conducive and harmonious working environment for all employees. In turn, all ALI employees are expected to observe proper workplace decorum for the orderly operation of the Company as well as for the protection of rights, safety and benefits of the total workforce. An ALI employee carries with him/her the Ayala Land name even outside of work. In order to protect the Company reputation, ALI employees, especially members of its Management Team, are expected to conduct themselves properly and consistently with the Company's values.

The specific policies on punctuality, attendance, proper use of Company identification cards, and similar employee-oriented policies are already incorporated in the Company's Code of Conduct. Compliance with these rules and procedures is expected of all employees at all times. All offenses or violations of Company policies and rules shall be dealt with accordingly.

Additionally, a more detailed explanation of the Company's corporate values can be found in Our Values Booklet.

Contact the Human Resources Group for further clarifications on the policy enforcement of Company rules and regulations.

ALI IN THE COMMUNITY

ALI believes in fulfilling the Company's Corporate Social Responsibility (CSR) obligations as a core value. ALI also believes that this core value is an integral part of crafting and developing strong, sustainable, ethical relationships with its partner constituencies in government and the public at large. As such, all employees are encouraged to actively integrate CSR both as part of the normal business operations and on a project-specific basis because it is simply the way ALI does its business.

As part of its day-to-day business operations, CSR impacts the areas of sustainable development, industry improvement and community building. The Company partners with NGOs and civic groups who can deliver in its focus areas on a growing scale. Lastly, ALI takes on a leadership role in public policy formulation aimed at improving the competitiveness of the retail and real estate industries.

ALI continues its practice of donations and contributions on a selective basis emphasizing sustainable community-building as the area wherein the Company can make the most difference in conjunction with its development activities.

ALI has programs (e.g. VoluntarALI) to harness the willing in the service of the nation. All employees are encouraged to participate in socio-civic activities in their personal capacities. Either way, they should ensure, however, that no conflict of interest, either actual or potential, exists between their ALI employment and their duties in public or civic affairs, whether elective or appointive, paid or voluntary.

CORPORATE GOVERNANCE

ALI complies with all environmental, safety, and health laws, regulations and standards. The Company promotes awareness about protecting the environment and considers environmental criteria when evaluating projects, products, processes and purchases.

Contact the External Affairs Division regarding information about ALI's Corporate Social Responsibility (CSR) program. Contact the Human Resources Group regarding employee participation in VoluntarALI.

Compliance

Every ALI employee is expected to comply with the letter and spirit of all applicable laws and regulations, with the provisions of this Code and with ALI's Company policies and procedures. Ultimately, the employee's conduct is his/her own responsibility. None of the employees should ever commit dishonest, destructive, or illegal acts even if directed to do so by a manager or colleague, nor should they direct others to act improperly. In addition, ALI employees should not deviate from ALI's policies and procedures even if, by doing so, the Company is benefitted unless proper approval is obtained.

Compliance affirms the employees' commitment to the highest standards of integrity in their relationships with one another and with customers, suppliers, shareholders and others in the communities where they live and work.

While compliance is every individual's responsibility, ALI has established a compliance structure which assigns oversight responsibility for the Company's Code of Ethical Behavior program to the Human Resources Group (HRG) Head or his/her designate. SBU and Group Heads are responsible for establishing, implementing and maintaining an effective program, including a system of internal controls, to ensure compliance by everyone with all laws and regulations and the provisions of this Code. People who manage others have a special responsibility to show, through words and actions, personal commitment to the highest standards of integrity. As coaches and leaders, supervisors and managers must:

- Maintain an environment of open communication in which the ALI values and the provisions of this code and related policies and instructions are shared, discussed and even debated.
- Ensure that their people understand the ALI values and the provisions of this code and provide additional training, when appropriate.
- Take reasonable steps to ensure that unethical conduct within their areas of responsibility is detected and addressed.
- Consider whether a person lives the ALI values before placing him or her in a position of responsibility.

Everyone is responsible for notifying the Human Resources Group, Legal, Audit or the Compliance Officer immediately if he/she suspects, observes or learns of any unethical business conduct or the commission of any dishonest, destructive, or illegal act. The following offices can be reached through these numbers:

(02) 841 5609 and 841 5584 (HR Services)

(02) 841 5611 or 841 5614 (Legal)

(02) 841 5741 (Audit)

(02) 841 5671 (Compliance Officer)

The appropriate Group will investigate all reports and provide feedback when appropriate. There will be no reprisals against those who report suspected violations in good faith, and their identity will be protected to the extent consistent with law and ALI policy.

Because ALI strongly believes in ethical behavior, employees who do not comply with the provisions of this Code and other Company policies and procedures may be subject to a range of disciplinary actions, up to and including dismissal. Additionally, violations of these standards could result in criminal penalties and/or civil liabilities.

Insider Trading

ALI employees who are transacting (also referred to as the act of buying and selling) for their respective accounts in ALI shares of stock/securities are advised to consult the Company's policy on insider trading.

It is the policy of ALI that directors, officers and employees of the Company who are considered to have knowledge, from time to time, of material facts or changes in the affairs of ALI, which have not been disclosed to the public, including any information likely to affect the market price of ALI's securities, cannot buy or sell ("trade") ALI securities, except in accordance with this policy. Covered persons by this policy are as follows:

- all members of the Board of Directors;
- all key officers of the Company who are or may be in possession of material non-public information about ALI due to their responsibilities. Key officers of the Company include all members of the Management Team wherever they are assigned or seconded to the subsidiaries;
- consultants and advisers of the Company;
- all ALI confidential secretaries;
- all other ALI employees who are made aware of undisclosed material information from time to time until such information has been publicly disclosed; and
- members of the immediate families of key officers and covered persons mentioned above.

Information, whether positive or negative, is considered material when it is believed to be considered important to an investor in making a decision regarding the purchase or sale of securities. These categories of information include:

- Financial results
- Adjustment of reported earnings
- Projections of future earnings or losses
- News of a pending or proposed merger
- Change in the corporate structure such as a reorganization
- Acquisition/divestitures/Joint ventures
- Dividend declaration and changes in dividend policy
- Stock splits
- New significant equity investments or debt offerings
- Significant litigation exposure
- Solvency problems which may arise from litigation, final judgments, loan defaults and losses of major clients or contracts
- Major changes in key senior management positions
- Public or private sale of company securities
- Plans to repurchase securities or go public with a new issue
- Other major developments which may affect the price of ALI shares of stock/securities.

Key officers and covered persons are restricted from participation in trading ALI securities on the following black-out periods:

- For structured disclosures, ten (10) calendar trading days before and three (3) calendar trading days after the disclosure of the Company's quarterly and annual financial results.
- For non-structured disclosures, three (3) calendar trading days before and three (3) calendar trading days after the disclosure of any material information other than the Company's quarterly and annual financial results.
- The exercise of vested stock options (i.e. acquiring shares) may be done at any time, even during black-out periods. However, the liquidation (i.e. the sale of shares acquired from options) is subject to black-out periods.

Contact the Office of the Compliance Officer for clarifications on the enforcement of ALI's insider trading policy or the Security and Exchange Commission (SEC)'s applicable law.

Ombudsman

A special investigation committee may be convened by the President for cases concerning the non-compliance with this Code. This Committee is a fact-finding body and all its reports particularly as regards functions are recommendatory in nature. The Committee shall document the proceedings which will form part of the record of the case. The President will make the final decision on the case based on the report, recommendation and/or conclusion of the Committee.

Reporting Improper Conduct

It is the right and obligation of an ALI employee to bring to the attention of management, any suspected or observed violation of the Code, Company policy and Philippine laws. To reinforce this, ALI has adopted a "whistle blowing" procedure which allows employees to raise concerns or complaints of suspected or observed improper business conduct with management, for management to investigate and validate issues, such as, but not limited to, the following:

- commission of a crime;
- failure to comply with any legal obligation;
- a miscarriage of justice;
- a danger to health and safety;
- damage to the environment;
- the deliberate concealment of information tending to show one of the above is occurring or likely to occur;
- fraud and financial irregularities;
- deliberate improper business conduct; and
- inappropriate behavior inside and outside the workplace.


 PRUDENT USE OF COMPANY RESOURCES

This procedure however would not extend to mismanagement which may arise from error or incompetence. Nor will it apply to personal grievances which should be pursued through line managers in accordance with existing and applicable local grievance procedure.

If the whistle blower wishes to protect his/her identity, management will not disclose it without the complainant's consent. For clarity and accuracy, management will put down in written form all the information furnished by the complainant and obtain the latter's conforme to the same. All legitimate concerns will be considered and investigated. The whistle blower will receive feedback on the progress of investigations. However, given the fact that the investigation of concerns will vary depending upon their nature, no specific time frame can be set.

If the whistle blower raises a genuine concern **in good faith**, he/she will not be at risk of suffering any form of retribution as a result even if it is subsequently found that the whistle blower was mistaken.

Concerns or complaints written anonymously will also be considered. However, as it is very difficult to assess whether or not an anonymous letter is genuine or malicious, it will not necessarily start an investigation.

Wherever possible, concerns should be raised through the line managers. Where it is believed that a manager is the source of the malpractice or that a group of managers is colluding in the malpractice, then the concerns should be raised with the employee's corresponding SBU or Group Head. In any case, if the employee wishes to raise the matter with someone independent of line management, the President (at (02) 841 5898) or the Human Resources Group Head (at (02) 841 5591) may be contacted directly.

Other whistle blowing hotlines available are:

(02) 841 5609 and 841 5584 (HR Services)

(02) 841 5611 or 841 5614 (Legal)

(02) 841 5741 (Audit)

(02) 841 5671 (Compliance Officer)

Company Assets

All ALI employees are responsible for the proper use of all Company property. These include, but are not limited to, information, facilities, equipment, software, vehicles and supplies owned or leased by the Company.

Plans, manuals, strategies, systems, developments, and other relevant documents prepared by ALI employees in the course of their work become the intellectual property of the Company.

Additionally, ALI employees must exercise great care in ensuring the proper safekeeping of legal documents, including, but not limited to tax returns, titles, claims, and stock certificates.

Sanctions and possible legal action will be imposed upon any employee who steals or removes such property without proper authorization.

Company Representation

ALI employees may be provided representation allowances for the main purpose of promoting the Company's business interests.

It is incumbent on the recipient employee to make sure that expenses are used only for legitimate business purposes. Accurate and complete recording of use of funds should be in accordance with existing Accounting policies and procedures.

Disclosure of Company Data

Today's fiercely competitive marketplace dictates that the protection of classified or confidential information can spell the difference between ALI's success and failure. By virtue of their functions and responsibilities, ALI employees have access to classified or confidential information. Classified information includes corporate plans, objectives, personnel, resources, organizational structures, customer data, and other similar records and data.

The release of any of the above classified information must have the prior approval of the President or his authorized representative. Moreover, any public statements to be made on behalf of ALI, whether such is intended for limited or general circulation will require the approval of the President or his authorized representative.

The approval of the Head, Human Resources Group or his authorized representative shall be obtained for releasing information about an ALI employee's salary, position, address and other personal data. In case of employment and/or credit investigation, authorization from the employee concerned is required.

Likewise, ALI employees should not release personal information to external parties about colleagues, ex-employees, customers, and property sales/broker channels, unless given explicit permission from them to do so.

Furthermore, ALI employees who are exiting the Company should not bring out any form of classified or confidential data for personal or commercial gain. If found out, ALI will use every legal means available to deal with the erring personnel.

Information and Communication Systems

Computers and network resources, and the information they contain, are valuable company assets that must be safeguarded. Computers and networks must be used for company business only including access to external (non-company) information services such as the Internet. The employee must protect company computers, networks, and the data they contain against unauthorized access, use, modification, disclosure, or destruction.

Actual or suspected loss, damage, misuse, theft, embezzlement, or destruction of Company funds or property should be reported immediately to the Operations Transformation Group or Ayala Security Force.

Project Development

To ensure that the confidential nature of certain ALI projects is not compromised; employees on these projects should take the necessary measures to safeguard plans, designs, and financial computations. Codes should be used in reference to such projects. This precautionary step will prevent the leakage of vital information to competitors and premature public exposure.

Additionally, ALI employees should maintain the "clean desk" habit to ensure that sensitive information and documents left to their care are secured against possible undue exposure and loss.

PROMOTING ALI'S INTERESTS

Conflict of Interest

ALI employees are expected to promote primarily the Company's interests. No employee shall compete with ALI, nor shall he or she allow business dealings on behalf of ALI to be influenced, or even appear to be influenced, by personal or family interests.

ALI employees are required to promptly disclose any business- and family-related transactions to the company to ensure that potential conflicts of interest are surfaced and brought to the attention of management.

Conflict of interest covers the following areas:

- Abuse of authority for personal advantage.
- Personal or business involvement with ALI or its competitors/customers/suppliers.
- Vested interest with Company suppliers/competitors/customers.
- Business transactions for the Company with relatives or personal friends.
- Disclosure of business activities outside the company and business associates.
- Unauthorized disbursement of funds
- Use of Company resources, information, and data for personal gain.
- Giving out confidential information for personal gain.
- Acceptance of gifts or bribes.

Every January of each year, all ALI employees are required to complete the mandatory form on "Business Interest/Related Party Disclosure." This is duly noted by the employee's SBU or Group Head, and submitted to the Human Resource Group which collates them in file and monitors compliance thereof.

Contact your SBU/Group manager and the Human Resources manager for further clarifications on issues involving any disclosures of any potential areas for conflict of interest.

Outside Employment

Outside employment means any activity undertaken for gain other than those undertaken for the Company.

ALI discourages its employees from accepting outside employment to ensure that full attention and energy is spent on activities related to the Company and eliminate or minimize potential conflicts of interest.

Outside employment includes, but is not limited to:

- Jobs, whether part-time or full-time, for an entity or person other than the Company or the entity to which the employee is assigned.
- Consultancy work
- Private practice of profession
- Personally held directorship in entities other than the purely professional, civic, religious or cultural.

However, teaching/tutoring/mentoring and volunteer work outside of one's job can be undertaken, provided that a written advise be given to the employee's manager for endorsement to the Human Resources Group for approval.

Certain written requests for outside employment and outside directorship may be granted, on a case-to-case basis, subject to management approval. The Company reserves the right to withdraw at any time, its approval of outside employment.

Executive Directorship in other Ayala companies

An ALI employee can be appointed as a director, officer, or member of the management team in companies where ALI has business interests.

As such, the employee is required to remit all remunerations consisting of per diems, honoraria, and the like to ALI Treasury for proper accounting take-up.

PEOPLE AND RELATIONSHIPS

Open Communication

Open Communication is important to upholding the Company's value of concern for people. Communication is as much about listening as it is about talking. It involves exchanging ideas; sharing accurate and timely information about business issues; and listening to each other and to clients and suppliers. Differing opinions and expressions of concern are respected. Cooperation and trust are necessary in keeping our communication channels open.

On the other hand, the spreading of malicious or speculative gossip relating to employee movements, organizational changes, Company strategy and the like, is considered unacceptable behavior that may hinder the execution of ALI's strategies and plans. Likewise, rumor-mongering, trash talking, scandalous conversations, and baseless gripes are highly disapproved acts that do not build comradeship, harmony and openness among ALI employees. Such acts, if committed, can be harmful to an employee's person, livelihood, career prospects, professional reputation, including, and up to ALI's external image. Any ALI employee found to be engaging in such activities will be strongly dealt with by management.

When the communication takes the form of a concern or complaint, the employee's course of action is to take that concern or complaint to the appropriate colleague or a manager. If the complaint is about a manager, the employee can take the matter to higher management or other appropriate persons without fear of retaliation or retribution for making known, **in good faith**, that concern or complaint.

The employee is responsible for informing his/her manager, SBU/Group Head, or the Human Resources Group:

- if he/she thinks he/she is the apparent subject or target of baseless rumors or malicious gossip; and/or
- if he/she is privy to critical information or have knowledge of a colleague whose behavior may have violated this Code, ALI policies, or existing laws.

Office Romance

The employee's personal affairs are not subject to Company scrutiny. However, in the course of transacting with ALI colleagues, clients, suppliers, and stakeholders, the employee is bound to ensure that the relationship should not affect individual work performance and office productivity, employee morale, or present a potential conflict of interest.

On this premise, ALI employees in this category are encouraged to inform their managers of the relationship, for the manager to determine the relationship's implications on employee morale, work productivity, and performance reviews.

Business Gifts or Gratuities

In connection with an employee's affiliation or position with ALI, he or she may receive gifts or invitations to luncheons or dinners from clients or suppliers. In general, ALI employees may accept a gift or an invitation if:

- It is unsolicited;
- It does not violate any laws;
- It does not discredit ALI;
- It is directly attributable to personal or familial relationships;
- It is a promotional item or token of nominal value made available under the client's or supplier's customer or public relations program;
- It is part of business meetings or discussions;
- It is inexpensive. In monetary terms, the value of such a gift should be not more than Php 2,000.00, and;
- It is not given to influence judgment.

In such cases, the gift should be acknowledged with gratitude.

Otherwise, if the gift is more than Php 2,000.00, and meets all the conditions stated above, then the employee should accept it with gratitude on behalf of the Company and turn it over to the Human Resources Group for proper disposition.

Employees are cautioned never to solicit gifts directly or indirectly, from ALI clients or suppliers. Under no circumstances should employees accept, directly or indirectly, payments, loans, kickbacks, special privileges, favors, or services from anyone.

ALI obtains business on the basis of the quality of our products, services, and people and it is unacceptable and contrary to ALI's policies to offer money, favors, inappropriate gifts or promises of gifts, or anything else of unusual value to influence direct, obtain or retain business in ALI's favor. Such payments or favors may be considered bribery which violates Company policy as well as existing laws. It is equally unacceptable for any employee to take bribes in any form.

If you have any doubts about the propriety of the business gift or gratuity received or to be given, consult your manager or the Human Resources Group.

Customer Care

The breadth of the Company's product/project portfolio and services has made Ayala Land a brand name that is trusted and associated with quality. Quality service to the Company's clients is not limited to external customers; this also includes internal customers in ALI.

A customer-centric mindset anticipates and responds to client needs.

In case of customer complaints through regular mail, e-mail or telephone, the employee should not disregard that client on first contact with ALI but should promptly acknowledge the letter, e-mail or call, and direct the client to the appropriate Strategic Business Unit (SBU)/Group concerned.

Procurement

ALI employees are enjoined to observe at all times the policies and procedures for purchasing supplies and equipment for office and project-related use. This is to ensure that costly and unnecessary waste of resources are eliminated.

Contact the Strategic Procurement Division for further clarifications on the policies and procedures on procurement.

Sexual Harassment

The rules on sexual harassment shall not only apply to ALI employees but shall also cover trainees, service providers, clients and applicants against whom an act of sexual harassment has been committed by any ALI employee.

The company upholds the provisions of Section 4, Republic Act No. 7877, An Act Declaring Sexual Harassment Unlawful in the Employment, Education or Training Environment, and for other purposes.

Sexual harassment is defined as instances or situations when an employee demands, requests, or otherwise requires any sexual favor from another employee, client, service provider, or trainee, especially where the harassing employee has authority, influence or moral ascendancy, regardless of whether or not the demand, request or requirement for such favor is accepted by the complainant.

The following are considered acts of sexual harassment:

- Overt sexual advances;
- Improper gestures of affection;
- Request or demand for dates, outings or the like;
- Green jokes, stalking, and unjust vexation; and
- Any other act or conduct towards sexual gratification, regardless of whether or not such act or conduct is annoying, disgusting or offensive to the victim.

These acts of sexual harassment may occur in **ANY** setting even after official working hours.

All complaints charging acts of sexual harassment must be made in writing to the Human Resources Group. The confidentiality of names, charges, and statements of fact will be kept in strict confidence during the course of investigating the case. Corresponding penalties will be meted out to the offending party since the act of sexual harassment is considered a grave offense.

Abuse of Authority

ALI employees who hold positions of authority are expected to be responsible for the people under their supervision and the care of physical, financial, and intellectual property resources entrusted to them for official use.

ALI employee should not use their title or position for personal gain, and should also not use intimidation, coercion, or blackmail to promote their vested interests.

WHERE TO GO FOR HELP

This Code of Ethical Behavior as written does not and cannot cover all types of situations an employee may encounter. As such, when in doubt about the best course of action in a particular situation, the Human Resources Group (HRG) Head or any HRG manager and staff are available to discuss employee concerns and answer additional questions.

Likewise, in matters of trading, the Compliance Officer is on hand for consultation with regard to doubts or concerns about transactions and will help determine if a trade will or will not violate the Insider Trading Policy.

QUESTIONS AND ANSWERS

Q. Are there any restrictions to my accepting a second job or part-time job outside ALI?

A. Yes. By virtue of your employment with ALI, you remain identified with the Company even during off-work hours. Potential conflicts of interest may arise when you engage in full- or part-time employment activities at the expense of ALI's interests. Any activity that would cause any division of loyalty between the Company and another entity should be avoided. However, management may grant certain requests for outside employment.

SEE OUTSIDE EMPLOYMENT, PAGE 18

Q. How can I tell if information is classified if it's not marked 'CONFIDENTIAL'?

A. You must exercise prudent judgment and discretion in handling Company information to ascertain if it is to be classified, material non-public information, based on the nature, value and sensitivity of the information or data, as well as its intended audience. Furthermore, you must not use, copy, distribute or disclose such information to third parties.

In case of doubt, prudence requires to treat the information as classified and confidential.

SEE INSIDER TRADING, PAGE 9-11 AND DISCLOSURE OF COMPANY DATA, PAGE 14

Q. Can I accept a business lunch or dinner invitation from a customer or supplier?

A. You may accept an invitation to lunch or dinner from customers or suppliers when it concerns official business and the intention is not perceived to improperly influence your business judgment or decision.

SEE BUSINESS GIFTS AND GRATUITIES, PAGE 22-23

Q. My spouse and I own a travel agency. The work that I do for our business is entirely unrelated to my job at ALI. I could guarantee to provide ALI and/or its subsidiaries and affiliates that need such quality services at a reduced rate. Can I be both an employee and supplier to ALI?

A. No. Your primary obligation is to ALI, and any full-time or part-time employment with another business entity can constitute a conflict of interest. But if your spouse is in business by him or herself and is interested in bidding as an ALI supplier, he or she may participate on the following conditions:

- the relationship is disclosed to your superior
- he or she does not use your employment with ALI to influence the bidding process; and
- in case the contract is awarded to him or her, you do not directly or indirectly participate in the performance and evaluation of such work for ALI and/or its subsidiaries and affiliates.

SEE CONFLICT OF INTEREST, PAGE 17-18

Q. I have become aware of a material business development involving ALI, which has not been publicly announced yet. Can I trade in Company shares of stock/securities or pass along such information to a client, or my friend who is an ALI shareholder?

A. No. Your possession or knowledge, by virtue of your responsibility, of non-public material information about potentially market-affecting activities should not be disseminated to non-ALI colleagues. You should consult the Office of the Compliance Officer about any plan to trade on ALI securities if you have knowledge of such non-public material information.

SEE INSIDER TRADING, PAGE 9-11 AND DISCLOSURE OF COMPANY DATA, and PAGE 14

Q. What should I do if I become aware of a serious environmental or security/safety violation or hazard in the workplace?

A. It is your responsibility to observe and comply with ALI's environmental policy and the environmental laws of the land. You may report the incident confidentially or anonymously to your line manager, the SBU/Group Head, or the Human Resources Group.

Q. My peer in the same Group/Department has been pestering me for the past two weeks to go out with him on a movie date. He is not my type

for a romantic date but I just want us to be on a strictly professional relationship. Do I consider this a form of sexual harassment?

A. Mutual respect should be the basis of our working relationships with colleagues at ALL As such, respect for the individual encompasses gender, age, rank, or position. There is nothing wrong with being friendly for the sake of camaraderie and team spirit; but when the behavior or remarks of that employee become disrespectful and derogatory towards your womanhood, and then it may be a reason to report the incident to your manager or the Human Resources Group.

SEE SEXUAL HARASSMENT, PAGE 24

Q. I am planning to travel abroad on vacation with my family. Can I keep the free mileage points I earn from business travel and apply them to my personal travel plans?

A. Yes. You may keep the free mileage points earned from your enrolled frequent flyer program and apply them to your personal travel plans. However, you may not influence or change the travel plans authorized by the Company's in-house travel agent to receive these frequent flyer mileage points or other similar non-cash promotional benefits. Doing so may lead to either a conflict in personal interests with the Company requirements to use the lowest quoted airfare, or misuse of Company funds if your travel is more expensive than that of the price quoted by the Company's in-house travel agent.

SEE CONFLICT OF INTEREST, PAGE 17-18

Q. Can I give Ayala Mall Electronic Gift Certificates or movie premiere passes at one of the Ayala Cinemas to one of my customers or suppliers?

A. You may give gift certificates, movie premiere passes, or tickets to certain sporting or cultural events, as long as it has your manager's approval, within the limits of propriety, and that this gratuity is part of relationship building with valued customers or suppliers.

SEE BUSINESS GIFTS AND GRATUITIES, PAGE 22-23

Q. Can I take home obsolete office equipment for personal use?

A. No. Even if such office equipment has been declared as obsolete by the Company, you are not allowed to take home the item. Refer to the existing procedure from the Materials Management Department for the disposal of obsolete equipment.

Q. My supplier for temporary employment services sent me a Christmas gift. Can I keep the gift?

A. You may accept the gift as long as it is within reasonable limits of propriety and of nominal value (i.e. not more than PhP 2,000.00), and with the knowledge of your manager. Otherwise, the gift should be turned over to the Human Resources Group for inclusion in the Company's annual Christmas party for employees.

SEE BUSINESS GIFTS AND GRATUITIES, PAGE 22-23

Q. I was invited by my supplier to attend a three-day conference sponsored by his company at a major resort. The conference agenda includes a mixture of business and leisure activities. Can I accept the invitation to attend at the supplier's expense?

A. You must first be certain that acceptance of the invitation does not lead to a conflict of interest or improperly influence your business judgment or decisions.

You may accept the invitation of the supplier as long as your presence in the conference is important to ALI's business, with the agenda primarily being business-related.

In case of doubt, and it is determined that the conference has a definite and direct business value to the Company, ALI should shoulder the expenses of the attending employee.

SEE CONFLICT OF INTEREST, PAGE 17-18 AND BUSINESS GIFTS AND GRATUITIES, PAGE 22-23

Q. If my SBU or Group has a rule or policy that is more restrictive than the Code of Ethical Behavior, which do I follow?

A. You should follow your SBU or Group's rule or policy, provided that such does not conflict with ALI's Code of Ethical Behavior and the Company's rules and policies.

Q. How do I report suspected or actual violations of the law or this code?

A. Any knowledge or observation of unlawful or unethical conduct should be reported. You may confidentially inform your manager or the Human Resources Group regarding any suspected or observed acts of violation against the Company Code of Ethical Behavior, ALI policies, and laws and regulations. Sanctions for non-compliance may range from disciplinary action to dismissal from the Company.

SEE REPORTING IMPROPER CONDUCT, PAGE 11-12

Q. Can I report suspected or actual violations of law or other business ethics violations anonymously?

A. You are encouraged, **in good faith**, to report any suspected or actual business ethics violations or violations of law confidentially and, should you prefer to do so, anonymously to your manager or the Human Resources Group. Your report of unethical or unlawful conduct will be promptly reviewed and the Company will take care to prevent any threats or acts of retaliation or retribution against your person.

It is the responsibility of an ALI employee to report any knowledge of suspected or observed unlawful or unethical conduct, or to raise a legitimate concern that may harm the Company's integrity with fellow colleagues, clients, suppliers, business partners, shareholders and other stakeholders. These include violations of Company policies, ALI's Code of

Ethical Behavior, an laws and regulations. Acts of intimidation, retaliation, threats and other adverse action will not be tolerated by the Company.

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