

LIFE & HEALTH HMP, INC.

CODE OF BUSINESS CONDUCT AND ETHICS

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I. POLICY STATEMENT

It is the duty of the Board of Directors (BOD) to apply high ethical standards, taking into account the interests of all stakeholders. The BOD should adopt a Code of Business Conduct and Ethics (Code) which would provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings.

The BOD has the primary duty to make sure that the internal controls are in place to ensure Life & Health HMP, Inc.'s (the Company's) compliance with the Code and its internal policies and procedures. BOD is therefore expected to set the tone for the behavior of all employees.

II. PURPOSE AND MISSION

This Code formalizes ethical values and instills an ethical culture that spreads throughout the Company. It shall guide the principles and values of the directors, officers, and employees when transacting business and deciding on behalf of the Company.

This Code shall be distributed to all directors, officers, and employees, who shall signify, in any manner capable of being recorded, that they have received, read, and understood the Code. The Compliance Officer shall keep a record of this acknowledgement.

III. DILIGENCE, CARE, AND SKILL

Directors are expected to exercise their powers in good faith, to act on a fully informed basis with a reasonable degree of care, diligence, and skill and to understand the business of the Company and the role of the directors. Directors should act judiciously and consider the financial, strategic and other implications of their decisions, and act responsibly,

seeking and evaluating all relevant information when considering matters presented before the BOD.

Sufficient time should be devoted by directors to familiarize themselves with the Company's business. They must be constantly aware of the Company's condition and be knowledgeable enough to contribute meaningfully to the BOD's work. They must attend and actively participate in board and committee meetings, request, and review meeting materials, ask questions, and request explanations. If a person cannot give sufficient time and attention to the affairs of the Company, he should neither accept his nomination nor run for election as member of the BOD.

Directors are expected to exercise independent judgment. A director should view each problem or situation objectively. When a disagreement with others occurs, he should carefully evaluate the situation and state his position. He should not be afraid to take a position even though it might be unpopular. He should support plans and ideas that he thinks will be beneficial to the Company.

Continuity in decision-making is important to ensure that the Company remains in sound financial and operational condition and is strategically positioned for future operations. Directors must therefore take on a long-term view with respect to their oversight and monitoring in crucial areas such as: vision, mission and strategic planning, capital adequacy, risk management, and succession planning.

IV. COMPLIANCE

All directors, officers, and employees shall:

1. Conduct business in accordance with Philippine laws and regulations.
2. Personally and firmly adhere to the standards and restrictions imposed by laws and regulations as well as the Company's policies, rules, and procedures; and
3. Ensure compliance with all disclosure requirements, making sure that all disclosures of material information are full, fair, accurate, clear, and timely.

The Corporate Governance Committee and the Company's legal counsel and / or Compliance Officer should be consulted in case of any doubt concerning the legality of any matter.

V. FAIR DEALING

All directors, officers, and employees shall:

1. Deal fairly with the Company's customers, suppliers, investors, and business partners, and with the government, competitors, and colleagues. It shall not give or receive, directly or indirectly any bribe or illegal proposals in order to gain business advantage benefits.
2. Not take undue advantage through abuse of confidential information, misrepresentation of material facts, concealment, manipulation, or any other form of unfair dealing practice.
3. Treat everyone with respect and act in good faith and with integrity and sense of professionalism at all times; and
4. Act honestly, ethically, in compliance with all applicable laws, rules, and regulations, and protect the name and reputation of the Company.

VI. PROPER USE OF COMPANY ASSETS AND RESOURCES

All directors, officers, and employees shall:

1. Be responsible for the proper use of all company assets and resources, which include, but are not limited to, information, facilities, equipment, software, vehicles, and supplies owned or leased by the Company or are otherwise in its possession; and
2. Use company assets and resources efficiently, responsibly and for legitimate business purposes only.

VII. CONFIDENTIALITY OF INFORMATION

All directors, officers, and employees shall:

1. Strictly observe company rules that provide for restrictions to access to classified information and controls on the release of such information to other companies, agencies, parties, or to the general public. These include:
 - Company plans and objectives;
 - Employee records;
 - Stockholder records;
 - BOD and Management classified materials;
 - Business transactions;
 - Company reports;
 - Governmental reports;
 - Company resources;
 - Organizational structures; and
 - Other similar records and data.
2. Not release classified information unless authorized by Management.

3. Maintain the integrity of all company documents and records, and protect them against unauthorized or improper alteration, forgery, concealment, or destruction.

VIII. CONFLICT OF INTEREST

All directors, officers, and employees shall:

1. Act in the best interest of the Company and its shareholders.
2. Avoid situations of conflict of interest or impropriety, whether actual or apparent. There is conflict of interest when a director, officer, or employee has a personal or financial interest, which influences or could influence his ability to exercise objectivity and perform his responsibilities in the best interest of the Company. It is not required that there be an actual conflict, it is only required that there could be perceived or seen to be a conflict by an impartial observer.
3. Observe the following guidelines:
 - Directors, officers, and employees shall not take as their own any business opportunity that belongs to the Company.
 - Directors, officers, and employees shall not use material company information of which they may have knowledge and/or access, or employment with, to their personal advantage, or to the advantage of any third party, to the prejudice of the Company.
 - Directors, officers, and employees shall not take part in any transaction of the Company with any enterprise with which they have personal or financial interest. This prohibition extends to participation in the negotiation and approval of the transaction and to its implementation.
 - Directors, officers, and employees shall not accept gifts or invitations of any form from any supplier, customer, or business partner of the Company, or from any third person or

entity with existing or intended business dealings with the Company.

IX. OUTSIDE EMPLOYMENT

1. All officers and employees are discouraged from accepting outside employment to maintain their efficiency and ensure their continued physical and mental health. Outside employment is defined as any activity taken for gain or pay other than that which is undertaken for the Company. This includes, but is not limited to:
 - jobs, whether full-time or part-time, other than company assignments;
 - teaching in a center of learning,
 - private tutoring;
 - personally held directorships other than for purely professional, civic or religious organizations; and
 - commercial endorsements for products or services. Should an officer or employee wish to accept or take an outside employment, he must send a request through his area head for the approval of the President. The Company, however, reserves the right to withdraw its permission at any time.
2. All directors, officers, and employees shall not accept employment or directorship by, or have a consultancy agreement with, an entity which is a competitor of the Company.

X. MORAL PRINCIPLES

The Company exerts every effort to see to it that its employees will be in healthy and safe working environment, providing them with all the facilities that will not only boost their productivity, but also their morale. The following principles are adopted, implemented, and

inculcated into the minds of the employees to attain a peaceful workplace:

1. Employment is freely chosen.
 - There is no forced, bonded, or involuntary prison labor.
 - Employees are not required to lodge “deposits” or their identity papers with the Company and are free to leave the Company after reasonable notice.
2. Freedom of association and the right to collective bargaining are respected.
 - Employees, without distinction, have the right to join or form unions of their own choosing and to bargain collectively.
 - The Company adopts an open attitude towards the activities of unions and their organizational activities.
 - Representatives of employees are not discriminated against and have access to carry out their representative functions in the workplace.
 - Where the right to freedom of association and collective bargaining is restricted under law, the Company facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.
3. Working conditions are safe and hygienic.
 - A safe and hygienic working environment is provided. Adequate steps shall be taken by the Company to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing the causes of hazards that may arise in the workplace.
 - Employees receive regular and recorded health and safety training, and such training is repeated for new or reassigned employees.
 - Access to clean toilet facilities and to potable water, and sanitary facilities for food storage are provided.

- Accommodation, where provided, are clean, safe, and meet the basic needs of the employees.
4. Child labor shall not be used. There shall be no recruitment of child labor.
 5. Living wages / salaries are paid.
 - Wages / salaries and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event, wages / salaries should always be enough to meet basic needs and to provide some discretionary income.
 - All employees are provided with written and understandable information about their employment conditions in respect to wages / salaries before they enter employment and about the particulars of their wages / salaries for the pay period concerned each time that they are paid.
 - Deductions from wages as a disciplinary measure are not permitted nor shall any deductions from wages / salaries not provided for by national law be permitted without the expressed permission of the employee concerned. All disciplinary measures should be recorded and acknowledged.
 6. Working hours are not excessive.
 - Working hours comply with national laws and benchmark industry standards, whichever affords greater protection.
 - In any event, employees are not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7-day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis, and shall always be compensated at a premium rate.
 7. No discrimination is practiced.

There is no discrimination in hiring, compensation, access to training, promotion, termination, or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, or political affiliation.

8. Regular employment is provided.
 - To every extent possible, work performed must be on the basis of recognized employment relationship established through national law and practice.
 - Obligations to employees under labor or social security laws and regulations arising from the regular employment relationship shall not be avoided through use of labor-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.
9. No harsh or inhumane treatment is allowed.

Physical abuse or discipline, threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
10. Welcome fair and healthy competition.

The Company considers its competitors as the motivating force in its continued pursuit for market excellence.

XI. REPORTING AND DISCLOSURE

All relevant facts of any actual or apparent violation of the Code and conflict of interest shall be fully disclosed and reported to the Corporate Governance Committee in the case of the directors and to the Compliance Officer in the case of officers and employees.

Such director, officer, or employee should not participate in, or in any way, seek to influence, any negotiations, or decisions pertaining to the transaction, which is the subject of the violation or conflict of interest.

The director, officer, or employee must file Conflict of Interest Report which shall indicate a brief description of the conflict, the date when the Corporate Governance Committee or Compliance Officer was notified, and the action taken on the conflict (**Annex A**).

XII. DISCIPLINARY ACTION

Appropriate disciplinary action, including suspension or termination of employment, will be taken in the event that an employee is found to have violated the rules of conduct of the Company. Disciplinary actions shall be in accordance with the policies set by the HRD.

XIII. WHISTLEBLOWER

The purpose of this policy is to encourage the reporting in good faith of suspected reportable conduct by establishing clearly defined processes through which such reports may be made with confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal (refer to Whistleblowing Policy Manual). It should be noted however that employees and other persons who file reports or provide evidence which they know to be false, or without a reasonable belief in the truth and accuracy of such information, will not be protected by this policy and may be subject to administrative and/or disciplinary action including termination of employment and other contract, as the case may be.

XIV. CONFLICT RESOLUTION

In all instances, the Company retains the prerogative to determine the circumstances that warrant an investigation and, in conformity with the policy and applicable laws and regulations, the appropriate investigative process to be employed and corrective or remedial actions to take.

XV. REGULAR MONITORING AND REVIEW OF COMPLIANCE

The Corporate Governance Committee and Compliance Officer shall be responsible for implementing and monitoring compliance with the Code. They shall regularly review, discuss, and assess the Company’s compliance with the relevant guidelines and policies on directors, officers, and employees, and conducts regular training on the same.

Annex A – Conflict of Interest Form

Name:	Date of Report:
Position:	
Brief Description of the Conflict:	
<i>To be filled up by the Compliance Officer / Corporate Governance Committee representative:</i>	
Register No.	
Recommendation:	
Recommended by:	

Date:	
<i>Final Action Taken by the Compliance Officer Corporate Governance Committee:</i>	
Approved by:	

Date:	