

MEGAWIDE'S CODE OF CONDUCT AND ETHICAL STANDARDS FOR SUPPLIERS

RATIONALE

MEGAWIDE CONSTRUCTION CORPORATION, including its subsidiaries, business units, and affiliates, (“MEGAWIDE”) is firmly committed to conduct its business with the highest ideals of integrity and ethical and moral values; and to strictly comply with all applicable laws and jurisprudence, as well as with rules, and regulations of regulatory bodies of the Government of the Republic of the Philippines (collectively, “Applicable Laws”).

Accordingly, MEGAWIDE has adopted and is fully implementing its Code of Business Conduct and Ethics, Employees’ Code of Discipline, Anti-Fraud Policy, and other relevant policies.

Needless to stress, with the foregoing premises, MEGAWIDE will have business dealings only with natural and juridical persons – consultants, contractors, subcontractors, service providers, suppliers, and other parties with existing or potential business relationships with it (collectively, the “Suppliers”) – who or which conduct their business in like or similar manner as MEGAWIDE, as aforesated.

Hence, MEGAWIDE deems it appropriate and necessary to promulgate this CODE OF CONDUCT AND ETHICAL STANDARDS FOR SUPPLIERS (this “Code”) to achieve these primary objectives:

1. For Suppliers, to know and be always aware of MEGAWIDE’s faithful adherence to the highest ideals of integrity and ethical and moral values; and its commitment to strictly comply with Applicable Laws.
2. For MEGAWIDE’s directors, officers, personnel/employees, interns, and agents (collectively, “Company Personnel”) to observe and exercise utmost diligence in seeing to it that MEGAWIDE will have business dealings only with Suppliers which comply with the purposes, virtues and values adopted and prescribed in this Code.

A. ON HONESTY AND FAIR DEALING WITH THE SUPPLIERS

MEGAWIDE does not engage in unethical or illegal practices. The Suppliers should be cognizant of the fact that in dealing with them, MEGAWIDE and its Company Personnel shall remain: (i) consistent with Applicable Laws; (ii) faithful to this Code and MEGAWIDE’s Code of Business Conduct and Ethics; and (iii) honest, transparent, and fair at all times. In this regard, MEGAWIDE’s Supply Chain Management Department has adopted a “*Vendor Accreditation Program*” wherein the Suppliers will be evaluated, accredited, and selected based on their compliance with Applicable Laws, qualifications, competence, and good business/professional reputation.

B. ON ANTI-BRIBERY AND ANTI-CORRUPTION

MEGAWIDE strictly prohibits and abhors bribery and corruption. As such, the Suppliers must compete based only on their qualifications, competence, and the quality of their goods or services; and never offer, promise, authorize, or provide, directly or indirectly, anything of value (including, without limitation, business gifts or courtesies) with the intent or effect of inducing Company Personnel to forego their duties and grant unfair business advantage to the Suppliers. If the Suppliers want to do business with MEGAWIDE, they shall, and will cause their directors, officers, employees, representatives, and personnel to, comply with this Code and all Applicable Laws relating to anti-bribery and anti-corruption.

C. ON UNFAIR BUSINESS PRACTICES

The Suppliers are prohibited from engaging in any illegal anti-competitive conduct or deceptive trade practices for any reason whatsoever when transacting with or on behalf of MEGAWIDE. Accordingly, the Suppliers must never rig bids, fix prices, or provide or exchange sensitive or proprietary information with MEGAWIDE's competitors or third parties. The Suppliers must also refrain from abusing their market power, whether for their benefit or the benefit of others, by refusing to deal fairly, engaging in predatory or discriminatory pricing practices, conditioning the sale or provision of a particular product or service, or undertaking similar abusive schemes. Further, the Suppliers must not misrepresent or denigrate the products or services of its competitors, MEGAWIDE, and others.

D. ON CONFLICTS OF INTEREST

The Suppliers must avoid all conflicts of interest or situations giving the appearance of a conflict of interest when doing business with MEGAWIDE. A conflict of interest arises when the personal and/or financial interests of the Suppliers are inconsistent or incompatible with the best interests of MEGAWIDE, which includes any circumstance that could cast doubt on the Supplier's ability to act with total objectivity with regard to MEGAWIDE's interests.

The Suppliers covenant and undertake to ensure that they will not have any conflict of interest with respect to MEGAWIDE. However, in case a conflict of interest arises, the Suppliers further undertake to inform MEGAWIDE of such existence in writing in order for MEGAWIDE to assess the same for appropriate action.

E. ON DATA PRIVACY AND INFORMATION SECURITY

The Suppliers shall duly observe all their respective obligations under Applicable Laws protecting personal data ("Data Protection Laws"). When the Suppliers provide personal and/or sensitive personal information to MEGAWIDE, the Suppliers warrant that they have complied with the obligations under Data Protection Laws in the collection, processing, sharing, and use of the same, and in the need to take any and all appropriate physical, technical, and organizational measures for the protection of personal and/or sensitive personal information.

For personal and/or sensitive personal information received by the Suppliers from MEGAWIDE, the Suppliers shall retain the same only for the period necessary to fulfil the business-related purpose for which such information was shared. The Suppliers may disclose the foregoing information to third parties only as necessary to provide goods or services to MEGAWIDE or as may be required by Data Protection Laws, and the Suppliers shall take all appropriate actions to ensure that the third party concerned protects the said personal and/or sensitive personal information.

F. ON CONFIDENTIALITY AND INTELLECTUAL PROPERTY

The Suppliers shall be responsible and accountable for safeguarding the confidential information of MEGAWIDE to which they have direct or indirect access to by reason of their business/professional relationship with the MEGAWIDE. The Suppliers may only disclose confidential information if it is necessary for the performance of their work and may be made only to individuals who legitimately need to know and are bound by MEGAWIDE's confidentiality provisions. The use of the confidential information must be in accordance with all Applicable Laws, regulations and contractual obligations.

For purposes of this Code, confidential information shall mean all non-public and proprietary information of MEGAWIDE, in any tangible or intangible form, that are designated as confidential or by their nature or the circumstances surrounding their disclosure should be reasonably considered as confidential. These shall include, but are not limited to, intellectual property, products or planned products, processes and/or procedures, technological achievements and

interests, customers and potential customers, business prospects, financial statements and information, financial situation and corporate plans, internal activities, and all technical, financial or business information, data, ideas, product strategies, business strategies, and details of the Company Personnel.

For the avoidance of doubt, intellectual property shall include patent, trademarks, service marks, designs, copyrights, utility models, design rights, inventions, drawings, computer programs, know-how and rights of like nature arising or subsisting anywhere in the world in relation to all of the foregoing, whether registered or unregistered. All rights, title to and interest in any intellectual property created in the performance of any service for the MEGAWIDE shall belong exclusively to it.

G. ON LABOR COMPLIANCE

The Suppliers should comply with all Applicable Laws on labor and employment in the countries in which they operate, and be committed to the value of, and respect for, human rights. The standards set forth in this Code apply to all workers, including, without limitation to, regular, probationary, project, or contractual employees. The Suppliers are expected to strictly comply with all applicable employment laws and regulations on the following, among others:

- Equal employment opportunities;
- Payment of wages;
- Compensation and benefits;
- Child labor;
- Freedom of association;
- Forced or compulsory labor;
- Workplace harassment and discrimination;
- Working hours;
- Substance abuse;
- Workplace violence; and
- Health and safety.

H. ON HEALTH AND SAFETY

The Suppliers must comply with Applicable Laws on health, safety, and security and limit employee/worker exposure to potential safety hazards through proper design, engineering, and administrative controls, preventative maintenance and safe work procedures. When necessary to safely perform services for MEGAWIDE, the Suppliers shall provide their employees and workers, at no cost to the said employees or workers, the proper personal protective equipment, and ensure proper maintenance thereof.

I. ON ENVIRONMENT AND SUSTAINABILITY

The Suppliers should recognize the adverse impact of their businesses on the environment (including but not limited to air emissions, water discharge, toxic substances, and hazardous waste disposal) and local communities. Thus, MEGAWIDE expects that the Suppliers strive to restrict and even prevent damage to the environment and their surroundings at all times, and meet all environmental Applicable Laws, including, but not limited to, those which relate to: (i) obtaining and maintaining required environmental permits, approvals, and registrations, as well as complying with applicable operational, and reporting requirements; (ii) the handling, removal, transportation and disposal of hazardous materials used by the Suppliers; and (iii) monitoring, controlling, treating and sanitizing air emissions, waste water, and solid wastes. The Suppliers shall seek opportunities that promote the efficient use of resources and energy, as well as clean and low energy solutions.



J. ON COMPLIANCE VERIFICATION

The Suppliers, including their directors, officers, employees, representatives, personnel, and agents, acknowledge and agree that they are solely responsible in complying fully with this Code. However, the Suppliers shall allow MEGAWIDE and/or its duly authorized representatives to assess the Suppliers' compliance with the expectations set forth in this Code when rendering services or supplying goods for/to MEGAWIDE. The Suppliers shall also fully cooperate with MEGAWIDE in the said assessment, and the Suppliers will promptly correct any violations identified during such assessment. In case of conflict between the terms of any Suppliers' agreement or contract with MEGAWIDE and this Code, and the contract or agreement terms are more stringent than this Code, the Supplier must comply with the terms of the contract or agreement; otherwise, this Code shall prevail.

K. REPORTING OF VIOLATIONS OF THIS CODE AND CONSEQUENCES THEREOF

It is the duty and responsibility of Company Personnel to uphold this Code. MEGAWIDE encourages Company Personnel to report all infractions or violations of this Code by writing or emailing directly to the Chief Executive Officer of MEGAWIDE through the following:

Name: Mr. Edgar B. Saavedra
Position: Chief Executive Officer
Office Address: No. 20 N. Domingo Street, Barangay Valencia
Hills, Quezon City
Email Address: sumbongkayed@megawide.com.ph

Aside from any grounds that may be explicitly provided for in the agreements or contracts between MEGAWIDE and the Suppliers, MEGAWIDE may, without any liability, immediately terminate the said agreements or contracts in the event that MEGAWIDE learns that the Suppliers have breached any of their obligations under this Code. The termination of the agreements or contracts with the Suppliers shall be in addition to, and not in lieu of, all other rights MEGAWIDE has under such agreements or contracts and under Applicable Laws.

L. GOVERNING LAW

The provisions of this Code will be modified or amended, to the extent necessary, in order to comply with Applicable Laws imposed by the Philippine national or local government, including those of various jurisdictions where MEGAWIDE and/or Company Personnel operate in.

THIS CODE WAS APPROVED BY THE BOARD ON 03 April 2019.