
CODE OF BUSINESS CONDUCT AND ETHICS



LT GROUP, INC.

1. INTRODUCTION

This Code of Business Conduct and Ethics (“Code”) of LT Group, Inc. (“Corporation”) has been established to serve as a guide for professional and ethical conduct. It shall apply to all Directors, Officers and Employees of the Corporation.

2. PURPOSE

This Code sets out the standards of professional and ethical conduct expected of the Directors, Officers and the Employees of the Corporation. The Code complements the Corporation’s Code of Corporate Governance as well as Securities and Exchange Commission (“SEC”) Memorandum Circular No. 19, Series of 2016.

3. STANDARDS OF BUSINESS CONDUCT AND ETHICS

3.1 HONESTY, INTEGRITY AND FAIRNESS

In the performance of their duties and responsibilities, the Directors, Officers and Employees of the Corporation shall act with honesty, integrity, fairness and always in the best interest of the Corporation and its stockholders.

3.2 EXCELLENCE AND DILIGENCE

3.2.1 Excellence in the performance of business is one of the key values of the Corporation. It shall be operated in accordance with the principles set forth in this Code. It is the duty of each Director, Officer and Employee of the Corporation to preserve the trust and confidence of the Corporation’s stakeholders.

3.2.2 The Board of Directors and Management shall lead by example and shall ensure that this Code is respected and followed. All Employees must know the basic terms and conditions of their employment and shall render their respective services in an efficient and effective manner.

3.2.3 Directors, Officers and Employees of the Corporation shall act with due care and diligence in the performance of their duties and responsibilities. Protecting and upholding the reputation of the Corporation shall be one of the primary duties of Management and the Corporation’s workforce.

3.3 FAIR DEALING

3.3.1 The Corporation shall not infringe on any trademark, patent or trade secret of its Competitors or other corporations and shall avoid all forms of unfair competition prohibited by law. For purposes of this provision, a Competitor

shall be understood to refer to an entity in the same or similar industry as the Corporation.

3.3.2 In executing business transactions, the Directors, Officers and Employees of the Corporation shall avoid any form of fraudulent act or deceptive practice.

3.3.3 The Directors, Officers and Employees of the Corporation shall be prohibited from giving or accepting, directly or indirectly, gifts or favors from any person seeking to transact business with the Corporation unless such gifts or favors are of customary business standards.

3.4 **INSIDER TRADING, TRADING BLACKOUTS AND FRAUDULENT PRACTICES**

3.4.1 Insider trading and fraudulent practices under this Code shall be understood to be insider trading and all fraudulent or manipulative devices and practices prohibited under the Securities Regulations Code of the Philippines.

3.4.2 The Corporation observes and implements a policy on trading blackouts which covers directors, officers, advisers, consultants and employees who may have knowledge of material facts regarding matters which may affect the Corporation. The following are the blackout periods before the financials are disclosed to the public:

For quarterly reports - two weeks before disclosure; and

For the year-end financials - one month or thirty (30) days before disclosure.

3.4.3 All Directors and Principal Officers of the Corporation shall refrain from dealing in the Corporation's securities during the period within which a material non-public information is obtained and up to two (2) full trading days after the price sensitive information is disclosed, bearing in mind the following due dates for the Corporation's reports:

Annual Report - within 105 days after the end of the fiscal year

Quarterly Report - within 45 days from end of the first 3 quarters of the fiscal year

Other Periodical Report - as may be prescribed by the PSE

3.4.4 A Director, Officer or Employee who is directly or indirectly the beneficial owner of the Corporation's security shall submit the following reports:

3.4.4.1 Form 18-A – to be filed within five (5) business days after acquisition of more than five percent (5%) of the securities of the Corporation.

3.4.4.2 Form 23-A – to be filed within ten (10) calendar days after a person becomes a beneficial owner of at least ten percent (10%) of the securities of the Corporation or becomes a Director or Officer of the same.

3.4.4.3 Form 23-B – to be filed within ten (10) calendar days after the close of each month if there has been any change in such ten percent (10%) ownership during the month.

3.4.5 The Corporation shall disclose to the Philippine Stock Exchange (PSE) the direct and indirect ownership of its Directors and Principal Officers in its securities within five (5) trading days after:

3.4.5.1 A Director is first elected or an Officer is appointed; or

3.4.5.2 Any acquisition, disposal or change in the shareholdings of the Directors and Officers.

3.5 RELATED PARTY TRANSACTIONS POLICY

3.5.1 All directors, officers and employees of the Corporation as well as its subsidiaries are required to promptly disclose to the Corporation and/or its subsidiaries any business and family-related transactions to ensure that potential conflicts of interest are surfaced and brought to the attention of management.

3.5.2 All directors and officers of the Corporation, from Managing Directors and above, including its Comptroller, Chief Audit Executive, Chief Risk Officer, Treasurer, Corporate Secretary, and Assistant Corporate Secretary must promptly report all acquisitions or disposals, as well as any changes pertaining to their shareholdings in the Corporation within three trading days from its transaction date.

3.5.3 All other officers and employees are likewise required to submit to the Compliance Officer quarterly reports on their trades of company securities.

3.6 CONFLICT OF INTEREST

3.6.1 Conflict of interest is defined as a situation where the Director, Officer or Employee has a personal interest, directly or indirectly, in a transaction of the Corporation. It shall also include receiving improper personal benefits due to

position or rank at the expense of the Corporation or its stockholders. Conflict of interest shall also include simultaneous employment with a Competitor.

3.6.2 All Directors and key Officers of the Corporation shall disclose to the Board of Directors or to the Audit and Risk Management Committee, as the case may be, any material transaction or relation that would result in actual or potential conflict of interest.

3.6.3 In cases where the Director, Officer or Employee is unsure whether an act or transaction would result in any conflict of interest situation, the Director, Officer or Employee shall consult the Audit and Risk Management Committee of the Corporation (in the case of a Director) or the Chief Legal Officer (in the case of an Officer) or his or her immediate supervisor (in the case of an Employee).

3.7 CORPORATE OPPORTUNITIES

3.7.1 A Director of the Corporation shall not acquire for himself a business opportunity which should belong to the Corporation, thereby obtaining profit to the prejudice of the Corporation, unless his or her act has been ratified by the stockholders of the Corporation in accordance with the requirements of law. In the conduct of business, a Director or Officer of the Corporation must at all times uphold his or her fiduciary duty to the Corporation and its stockholders.

3.7.2 Directors, Officers and Employees of the Corporation shall not accept any business opportunity that is contrary to the interest of the Corporation.

3.8 USE OF COMPANY ASSETS

3.8.1 Personal or unauthorized use of corporate assets is strictly prohibited. Corporate Assets shall include intellectual property and proprietary information.

3.8.2 Directors, Officers and Employees shall use corporate assets with due care and all loss, damage, theft or misuse of any corporate property should be immediately reported to the Corporation.

3.9 CONFIDENTIALITY

3.9.1 A Director, Officer or Employee who is entrusted with confidential information by reason of his or her position or obtains confidential information in the course of service shall not make any unauthorized disclosure of the same. Confidential information shall not be used for personal gain. This obligation shall continue despite separation from the Corporation or termination of their services.

3.9.2 Confidential information entrusted by the Corporation's clients and partners shall not be disclosed without the client or partner's consent unless such disclosure is required by law. Such information shall not be used for personal or unauthorized reasons.

3.10 **EMPLOYEE RELATIONS**

Harassment and unlawful discrimination are strictly prohibited. The Corporation shall ensure fair and respectful treatment of its Employees. All Directors, Officers and Employees of the Corporation shall cultivate an environment which promotes fairness, professionalism and respect towards one another.

3.11 **CUSTOMER RELATIONS**

Customers of the Corporation shall be treated with respect and kindness. Transactions with clients shall be fair and in good faith. Discrimination based on race, religion, sex, gender, age, language or nationality shall at all times be prohibited.

3.12 **PUBLIC DISCLOSURE**

As a publicly-listed entity, the Corporation shall comply with all disclosure requirements of the SEC and other government agencies or regulators. All disclosures shall be made in a full, fair, timely and accurate manner.

3.13 **COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

3.13.1 The Corporation does not condone any act of bribery or corruption of government officials in order to facilitate transactions or obtain favors.

3.13.2 Directors, Officers and Employees of the Corporation shall comply with all governmental laws, rules and regulations.

4. **WHISTLE-BLOWER POLICY**

4.1 **Reporting Procedure**

4.1.1 A Director, Officer or Employee of the Corporation shall report any known or suspected misconduct or violation of this Code through a written complaint.

4.1.2 Report by a Director or Executive Officer

4.1.2.1 A Director or Executive Officer shall report any known or suspected violation of this Code to the Chairman of the Corporate Governance Committee.

4.1.3 Report by an Employee

4.1.3.1 An employee shall report any known or suspected misconduct or violation of the Code to his or her immediate supervisor, who shall determine if there is reasonable ground to support the complaint. Upon his or her determination of the existence of reasonable ground, the immediate supervisor shall formalize the report in a written complaint and submit the same to the Human Resources Department.

4.1.3.2 If the immediate supervisor is the subject of the complaint, the employee shall direct his or her complaint to the head of the Human Resources Department.

4.1.3.3 Any complaint against a Director or Executive Officer received by the Human Resources Department shall be directed to the Corporate Governance Committee.

4.1.4 The written complaint must clearly identify the individuals involved, the facts and the grounds relied upon. If the written complaint is found to be insufficient, the complainant may be asked to submit a clarificatory statement or supporting documents.

4.1.5 If the complaint is found to be sufficient, the Director, Officer and Employee shall be informed of the complaint against him or her without disclosing the name and personal details of the complainant.

4.2 Investigation

4.2.1 If the complaint is found to be sufficient, an investigation shall be promptly made by the Corporate Governance Committee or the Human Resources Department, as the case may be.

4.2.2 Any decision made on the written complaint, after proper consideration and investigation, shall be disclosed to the complainant and the Director, Officer and Employee concerned.

4.2.3 All Directors, Officers and Employees shall cooperate in any internal investigation of any misconduct duly reported.

4.3 Non-Retaliation Policy

4.3.1 In order to encourage Director, Officers and Employees to report any known or suspected violation of the Code or any act of misconduct, any report made under this Whistle-Blower Policy of the Corporation shall be considered confidential and the Corporate Governance Committee shall oversee that measures are taken to protect the complainant from any form of retaliation.



4.3.2 A Director, Officer or Employee who has made a report in good faith under this provision shall not be subject to any form of suspension, demotion, harassment, discrimination or loss of benefits by reason of the report made.

4.3.3 Any act of retaliation against a Director, Officer or Employee who has made a report in good faith shall not be tolerated and shall be punished accordingly.

5. EFFECTIVITY

This Code shall take effect on 04 September 2018.

