

Business Ethics and Code of Conduct Policy

Objectives:

This Omon Group Inc. (OGI) Business Ethics and Code of Conduct Policy aims at laying down the standard practices of the company in line with the legal directives of Philippine government.

The company shall ensure the compliance to Labor Code, the safe working conditions of employees, that they are treated with respect and dignity. Business operation of the company shall uphold the responsibility in protecting the environment and observe the rules on ethical standards.

The company shall implement activities to manifest its corporate social responsibilities.

The company shall require the adherence of third party and / or service providers on OGI Business Ethics and Code of Conduct.

1. Labor Practice & Human Rights

Recruitment, Selection and Separation

OGI respects the freedom of hired employees to perform the functions of the position offered to them and does not use force, bonded or indentured labor or involuntary prison labor. All the works to be accomplished by the employees are guided by their own free will. The company gives the employee the prescribed notification day of at least 15 – 30 days before leaving and shall provide the last salary pay governed by the provisions of labor code on separation and retirement pay with release, waiver and quitclaim.

Prohibition of Child Labor and Non-Employment of Minors

OGI complies with the provision in Article 139, which states: "No child below fifteen (15) years of age shall be employed, except when he works directly under the sole responsibility of his parents or guardian, and his employment does not in any way interfere with his schooling."

"Any person between fifteen (15) and eighteen (18) years of age may be employed for such number of hours and such periods of the day as determined by the Secretary of Labor and Employment in appropriate regulations."

"The foregoing provisions shall in no case allow the employment of a person below eighteen (18) years of age in an undertaking which is hazardous or deleterious in nature as determined by the Secretary of Labor and Employment."

Working Hours

- a) At OGI, your regular work shall be eight (8) hours per day and a total of forty-eight (48) hours per week except when exigencies of the business operations require the establishment of a special work schedule.
- b) Regular work schedule per week is Monday to Saturday but alternating Saturday weekly.
- c) Regular work schedule is 8:00 AM to 5:00 PM while for working schedule with Saturday rest day is 8:00 AM – 6:00 PM on Monday to Thursday and 8:00 AM to 5:00 PM on Friday.

Wage and Salary Administration

The company pays the salary of all employees every 15th and 30th of the month including overtime rendered, holiday pay and night differential in accordance with the provisions of the Labor Code.

Benefits

The company provides the following benefits to employees:

- 1. Government mandated benefits
- 2. PO and Quarterly Sales Incentives
- 3. Salary increase based on annual performance evaluation and company performance
- 4. Maternity Assistance
- 5. Bereavement Assistance

The company also extends emergency assistance to employees due to calamity, hospitalization of immediate family member and other necessity.

Leave Benefits

The company provides leave benefits to qualified employees, such as sick leave, vacation leave, maternity leave, paternity leave, bereavement leave and birthday leave.

Non-cash Benefits

The company grants the following non-cash benefits: Group Life / Accident Insurance, Group Hospitalization Insurance, free use of mobile phone, free uniforms, staff house. shuttle service and birthday celebration.

Annual Performance Evaluation

The company conducts annual performance evaluation of all employees and grants salary increase based on the result of the evaluation according to the performance of the company, economic or inflation rate.

Seniority/Loyalty Incentive

The company grants Seniority/Loyalty Incentive to qualified employees who have rendered a continuous service starting from the 3rd year of employment.

Quarterly Sales Incentive

The company gives quarterly incentive to employee based on Sales achievement on deliveries to customers.

Humane Treatment and Respect for Co-Employee

The company instills respect to all employees and does not tolerate harsh and inhumane treatment, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of employee. Disciplinary policies and procedures are in place and communicated to employees.

Non-Discrimination

The company practices non-discrimination of any employee because of race, color, nationality, age, gender, sexual orientation, expression ethnicity or national origin, disability, pregnancy, religion, political affiliation, membership in legal organization like union or mental status in hiring and employment practices such as promotions, rewards and trainings.

Magna Carta of Women

The company respects the rights of women and abides by the provisions of Republic Act 9710 on leave benefits during surgery caused by gynecological disorders and non-discrimination on employment.

Freedom of Association

The company respects the rights of employee to join labor organization or seek representation in accordance with local laws. Employees and their representative shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment.

2. Environment, Health and Safety

OGI commits to provide quality products and services that ensures safe and healthy working environment for all employees. It establishes the various areas to below as part of commitment and approach.

Occupational Safety

OGI abides by the regulations provided by Occupational Safety and Health Association and ensures control to prevent any untoward incident and exposure to potential hazards, such as, electrical and other energy sources, fire, vehicles and machine operations. It lays down engineering and administrative controls, proper design, preventive maintenance and safety work procedures to contain and prevent any incident. Whenever, hazards in workplace are beyond control, the company issues personal protective equipment suitable to their areas of responsibility. Employees are encouraged to submit their suggestion for the improvement of potential hazard and reminded to practice safety first in their work stations.

Emergency Preparedness

OGI organizes Health and Safety Committee to plan and develop accident prevention programs. The committee guides the employees on accident prevention by conducting periodic meetings, investigation on accidents and reviewing the reports, initiating and conducting safety training, and providing disaster contingency plans.

Occupational Injury and Illness

The company establishes guidelines to prevent, track down and report occupational injuries and illness, and treatment of affected employees.

Industrial Hygiene

The company designates a proper storage area for chemical, biological and physical ingredients to prevent exposure to employees with proper design, engineering and administrative controls. In case of spillage or contamination or to prevent such incident to happen, employees are provided with personal protective equipment while applying the containment of substances.

Physically Demanding Work

The company orients the employees on ergonomics to control their bodily movement, while exposed to hazards of physically demanding work like on material handling like repetitive lifting, prolonged standing and

Machine Safeguarding

The company protects the safety of employee in handling the machines by providing work instructions and giving them orientation prior to operations. Likewise, proper engineering set-up for the machines are in place to protect the employee who are not directly operating it and also for the safety of machines from unavoidable breakdown through preventive maintenance.

Sanitation, Food and Housing

Good housekeeping is considered one of the fundamental defenses against accidents and injuries in the workplace and as such personnel are given the responsibility in maintaining safety workplace with the following practices – removing all obstructions along the walkways, passages, fire exit doors, periodic inspection of fire extinguisher and other fire fighting equipment, containment of chemical and its spillage, segregated containers for disposal of wastes. Employees are provided with area for storage of their tools and movable equipment and all other materials in their proper storage areas. They are encourage to ensure good housekeeping by regularly cleaning the workplace area and prohibition of bringing food to avoid contamination with other substances.

Health and Safety Communication

The company organizes Emergency Response Team for the delineation of jobs prior and during emergency situation also to have a channel of communication. The team evaluates the health and safety conditions of facilities, equipment and in case of emergency shall appraise the situation to organize evacuation, rescue, salvage and fire fighting. The team takes care of notifying appropriate agencies to coordinate and request for needed assistance and actions.

Environment

The company adheres to the systems and procedures laid down in government regulations through its agencies to minimize the potential impact on environment. It implements programs and adopt best practices to prevent and control pollution of any kind. It takes into consideration the proper handling, storage and disposal of chemical and substances for the protection of environment and human health.

Disastrous Weather Conditions (Storm Water Management)

The Site Main Controller, as the leader and its Emergency Response Team of the company shall be responsible during emergency situation including un-avoidable and disastrous weather conditions. The team will provide the accurate information regarding weather conditions and the possible effect to the company facility and employee, then inform management to make the necessary decision and proclamation.

Flood Control Program

The company prepares its facilities and contingency plans in case of projected flood within the area. Control measures like sand bag are provided all the time to put in areas where the flood water will enter. Safety precautionary measures for the machines and equipment, and safety of employees are provided through orientation to protect everyone from serious and detrimental effect, such as, drowning and electrocution.

3. Ethics

Business Integrity

The company protects the interest and integrity of its business and the ethical behavior of its employees in dealing with its customers and third party suppliers. Such that, OGI shall not allow and condone any payment to an employee representing undisclosed commission, kickback or bribe from a third party to obtain a contract, a competitive award or otherwise bestowing a special favor. All business transactions shall be carried out with transparency and accuracy according to its business records.

No Personal Advantage

The company discourages any employee to take any personal advantage by virtue of his position in dealing with third party supplier. It does not allow any form of bribery to obtain a contract even to the benefit of the company. This prohibition covers promising, offering, authorizing,

giving or accepting anything of value, either directly or indirectly through a third party in order to obtain or retain a business.

Disclosure of General Information

Information on business activities related to Environmental, Health and Safety, structure and performance is to be disclosed to restrictive government agency and guided by applicable regulations and prevailing industrial practice. Falsification of records and misrepresentation of information on environment, health and safety practices and condition in the supply chain is to be avoided.

Intellectual Property

Respect is given to intellectual property right. Transfer of technology is carried out protecting the intellectual property rights, including protection of customer information.

Fair Business Practice, Advertising and Competition

The company upholds fair business practice in its advertisements. It abides by the fair competition and not take side with unfair behavior, such as monopoly, forced trading, illegal tie-ups, false propaganda, dumping, defamation, collusion, infringement of trade secrets. It also safeguards customer information.

Grievance Committee, Protection of Identity and Non-Retaliation

The company respects the individual to raise their concerns through a suggestion box located in accessible area. It ensures confidentiality and anonymity of the employee airing out its opinion and does not retaliate in any form.

Sourcing of Minerals

The company advocates responsible sourcing of minerals and ensure that tantalum, tin, tungsten and gold in its products, do not directly nor indirectly finance or benefit armed group that are perpetrators of human rights.

Privacy

It is the commitment of the company to protect the privacy of personal information of individual including suppliers, customers, consumers and employees. It obliges everyone to comply with the privacy of information and abide by the secrecy laws and regulatory requirements while personal information is gathered, stored, processed and transmitted.

4. Management System

Management Commitment

The management of OGI commits to abide by all the applicable laws, rules and regulations in dealing with customer requirements. OGI also conforms to this code for the continual improvement of its operations and performance.

Management Accountability and Responsibility

OGI appoints company representative to ensure the proper implementation, maintenance and regular review of the compliance to management systems.

Legal and Customer Requirements

OGI monitors, abides and continuously update itself on the prevailing and applicable laws, regulations and customer requirements, including the requirements of this code.

Risk Assessment and Risk Management

The company identifies the potential hazards and risks, their probability, likelihood and severity to measure their effects in the operations and to project the period of business recovery.

Continuous Improvement and Objectives

The company strives for continuous improvement in its operations in attaining its objectives. It also considers the improvement on social and environmental performance with periodic assessment for the achievement of objectives.

Training and Development

The company provides training and development to managers and employees for the implementation of policies, procedures to comply with legal and regulatory requirements.

Proper Communication

The company conducts orientation to communicate its policies, practices, expectation and performance to employees, suppliers and customers. It provides other forms of communications

such as memorandum, bulletin boards, letters, emails, meetings and other practical way of information.

Employee Feedback System

Employees are allowed to submit their concerns and observation through suggestion box. They are also given the opportunity to bring out their ideas during meetings for the improvement of practices in the operations.

Audits and Assessment

The company conducts periodic audit and assessment of its performance and compliance to the procedures, legal and regulatory requirements, and the content of this code. It also conducts audits to verify its fulfillment of social and environmental responsibility.

Corrective and Preventive Action Report

The company provides corrective and preventive action report in case of deficiencies and non-compliance identified either internal or external and conducts inspection, investigation and review.

Documentation and Control of Records

Systems and procedures on documentation and control of records are maintained by the company.

Suppliers Responsibility

OGI communicates and promotes its sustainability and initiatives for its continuous business operations with its suppliers and ensures that the suppliers meet its business objectives.

5. Anti-Bribery and Anti Corruption

5.1 Bribery refers to the act of offering, giving, promising, asking, agreeing, receiving, accepting, or soliciting something of value or of an advantage so to induce or influence an action or decision.

5.2 A bribe refers to any inducement, reward, or object/item of value offered to another individual in order to gain commercial, contractual, regulatory, or personal advantage.

5.3 Bribery is not limited to the act of offering a bribe. If an individual is on the receiving end of a bribe and they accept it, they are also breaking the law.

5.4 Bribery is illegal. Employee must not engage in any form of bribery, whether it be directly, passively (as described above), or through a third party (such as an agent or distributor). They

must not bribe a foreign public official anywhere in the world. They must not accept bribes in any degree and if they are uncertain about whether something is a bribe or a gift or act of hospitality, they must seek further advice from the company's compliance manager.

5.5 What is and what is NOT acceptable

5.5.1 Gifts and hospitality – OMON Group Inc. accepts normal and appropriate gestures of hospitality and goodwill (whether given to/received from third parties) so long as the giving or receiving of gifts meets the following requirements:

- a. It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favours or benefits.
- b. It is not made with the suggestion that a return favour is expected.
- c. It is in compliance with local law.
- d. It is given in the name of the company, not in an individual's name.
- e. It does not include cash or a cash equivalent (e.g. a voucher or gift certificate).
- f. It is appropriate for the circumstances (e.g. giving small gifts around Christmas or as a small thank you to a company for helping with a large project upon completion).
- g. It is of an appropriate type and value and given at an appropriate time, taking into account the reason for the gift.
- h. It is given/received openly, not secretly.
- i. It is not selectively given to a key, influential person, clearly with the intention of directly influencing them.
- i. It is not offer to, or accepted from, a government official or representative or politician or political party

* As good practice, gifts given and received should always be disclosed to the compliance manager. Gifts from suppliers should always be disclosed.

5.5.2 Facilitation Payments and Kickbacks

* We do not accept and will not make any form of facilitation payments of any nature. We recognize that facilitation payments are a form of bribery that involves expediting or facilitating the performance of a public official for a routine governmental action. We recognize that they tend to be made by low level officials with the intention of securing or speeding up the performance of a certain duty or action.

* We do not allow kickbacks to be made or accepted. We recognize that kickbacks are typically made in exchange for a business favour or advantage.

* We recognizes that, despite our strict policy on facilitation payments and kickbacks, employees may face a situation where avoiding a facilitation payment or kickback may put their/their family's personal security at risk. Under these circumstances, the following steps must be taken:

- a. Keep any amount to the minimum
- b. Ask for a receipt, detailing the amount and reason for the payment
- c. Create a record concerning the payment
- d. Report this incident to your line manager

5.5.3 Political Contributions

We will not make donations, whether in cash, kind, or by any other means, to support any political parties or candidates. We recognize this may be perceived as an attempt to gain an improper business advantage.

5.5.4 Charitable Contributions

* We accept (and indeed encourages) the act of donating to charities – whether through services, knowledge, time, or direct financial contributions (cash or otherwise) – and agrees to disclose all charitable contributions it makes.

* Employees must be careful to ensure that charitable contributions are not used to facilitate and conceal acts of bribery.

* We will ensure that all charitable donations made are legal and ethical under local laws and practices, and that donations are not offered/made without the approval of the compliance manager.