

PAXYS, INC. CODE OF ETHICS

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I. INTRODUCTION

A. General Policy and Procedures

The Code of Ethics (the "Code") sets forth the Company's business principles and values which shall guide and govern all business relationships of the Company and its subsidiaries, their respective management teams, officers and employees, including their decisions and actions when performing their respective duties and responsibilities.

The good name and reputation of Paxys, Inc. (the "Company" / "Paxys") are the products of the adherence of its employees to the 6 core values of the company which includes customer centric, accountability, purpose driven, passion for excellence, integrity and teamwork. Proper decorum must be practiced inside and outside office since the employees are the representatives of the Company. In this light, the Company expects all of its employees to share its commitment to highest standards which necessitate compliance with the Philippine Constitution, laws, orders, and public policy, and avoiding any activity which would involve the Company and its employees in any unethical and unlawful act.

Compliance with this Code is mandatory. The Code outlines the basic legal and ethical standards of the Company. It also serves as a guide when deciding what course of action to take and how to solve ethical dilemmas. However, please take note that the Code cannot address all situations that an individual can encounter. In circumstances like this, one should be able to apply good judgment as guided by the Company's moral principles.

This Code is designed to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Compliance with applicable governmental rules and regulations;
- Accountability for adherence to the Code.

B. Responsibility

Although it is everyone's responsibility to adhere to the Company's Code of Ethics, it is still the Company's President and CEO who will have the ultimate responsibility of overseeing compliance with the laws, Code and all other Company policies.

Although it is the President and CEO's responsibility to oversee everyone's compliance to the Code, it does not necessarily mean that it diminishes the employees' responsibility to comply with laws and all Company policies. It also doesn't lead to the managers or officers not performing their role in ensuring that all employees under their supervision act in compliance with the stipulations on the Code.

C. Spirit of Implementation

To ensure that everyone complies with the Code, sanctions must be in place in case of non-compliance. But one should remember that sanctions should not be taken as a punitive control but rather a positive motivation. An officer should only resort to implementing a sanction when necessary to correct an unacceptable behavior and this should never be used for the abuse of power.

Since there are already sanctions in place which are equivalent to the degree of severity of each transgression, it is everyone's responsibility to make sure that due process is safeguarded at all times. All actions must be timely but considerate and prudence must always accompany administrative sanction. In the application of sanction, uniformity and fairness should be observed regardless of the rank and tenure of the employees concerned.

D. Limitations

The enumeration of acts herein are not exclusive - all other acts similar in nature and may be detrimental to Company interest or present threat or transgressions to the rights, safety, and health of others will likewise be dealt with in similar manner, as specified in the schedule of disciplinary sanction.

Similarly, the specific violations and penalties against established policies, systems and procedures may be amended or supplemented from time to time as the need arises upon the written order of the President and CEO of the Company.

E. Coverage

All employees of the Company and its subsidiaries, irrespective of rank, position, status or classification, are covered by this Code of Ethics. The term "employees" includes regular, probationary and project-based employees of the Company or its subsidiaries.

Ignorance of the policies, procedures, rules and regulations stated in this Code as well as in circulars, memoranda and other Company promulgations duly disseminated shall excuse no one from compliance therewith nor exempt them from administrative sanctions imposed for violations committed.

All employees of the Company and its subsidiaries are expected to adhere to the Code of Ethics by:

- Engaging in honest conduct and comply with all applicable laws, rules and regulations. Demands brought about by business exigencies or pressures are not excuses for violating the stipulations in this Code.
- Personally adhering to the standards and restrictions imposed by those laws, rules and regulations.
- Avoiding direct or indirect commission of bribery and corruption.

F. Effectivity

This Code shall take effect immediately upon the circulation / posting of copies thereof inside the Company's premises.

II. Foundation of Business Ethics

In simple terms, the spirit of the Code means that all actions of the Company and its subsidiaries, their respective directors, officers and employees must, at all times, be consistent with the 6 core values of the Company.

- A. Customer Centric – Meeting or exceeding client expectations.
- B. Accountability – Taking full responsibility for one's action.
- C. Purpose Driven – Focused on the shared objectives.

D. **Passion for Excellence** – Being the best in all undertakings and striving to surpass individual, team, corporate and industry performance.

E. **Integrity** – Respect for oneself and others by demonstrating professionalism and ethics.

F. **Teamwork** – Working towards a common goal.

III. Standards of Business Conduct and Ethics

Mentioned below are the commitments of the respective management teams, officers and employees to the Company or to its subsidiary and to their various business dealings:

A. Competition and Fair Dealing

Employees could avoid unfair advantage of anyone through manipulation, concealment, abuse of authority, misrepresentation and/or any unfair dealing. All employees must deal fairly with the Company's customers, service providers, suppliers, competitors and employees.

B. Discrimination

Paxys is committed in providing a positive work environment which includes equal opportunity for all and free from discrimination. Examples of this include derogatory comments based on race or ethnicity.

C. Harassment

All intimidating behaviors, whether in the office, company or client-related setting, are prohibited. Abusive, harassing or offensive conduct, whether verbal, physical, or visual, against an employee by any co-worker is unacceptable.

D. Safety and Health

Paxys is committed to keeping its workplace free from hazards.

E. Conflicts of Interest

Paxys does not allow its employees to take personal gain, otherwise profit, from their employment, by misusing their position or Paxys' assets. Conflict of interest arises when a personal or private interest interferes in any way with ones work, duties and/or interests of the Company.

- Family and Personal Relationships

Possible conflict of interest exists when an employee, a member of his/her immediate family (spouse, child or parent) or his/her relatives by consanguinity or affinity within the 3rd civil degree (brother, sister, uncle, aunt or cousin), directly or indirectly has an interest as a business competitor or has dealings with the Company.

An employee must declare that the persons stated above are out from his/her scope of supervision and from his influence in work. It is Management's prerogative to reassign the concerned employee to avoid working together of family members in the same group.

- Outside Work

One possible scenario where conflict of interest may arise is when an employee directly or indirectly serves as a consultant or an agent of an entity in a business that is considered as a competitor of the Company.

Likewise, conflict of interest arises when an employee engages in a business or other transactions which hinders him to dedicate his full time effort to his job in the Company. All employees are expected to devote their office time to their designated duties and responsibilities and shall not devote their office time to outside work without the approval of the management.

F. Bribery and Corruption

Paxys values long lasting relationships with its business partners and other agencies that will directly and indirectly affect its business on the basis of ethics, merit and trust and to never illicit unlawful favors.

Paxys prohibits all forms of bribery and corruption. Gifts and other means of showing appreciation and gratitude may be exchanged with business partners given that it will never influence business decisions. Acceptance and giving of any gift must be avoided if it may be perceived as unfair or may influence a business relationship or any business decision.

G. Fraud

Paxys has zero tolerance for fraud and will cooperate as necessary with law enforcement agencies. Company assets such as funds, products or computers may only be used for legitimate business purposes only.

Paxys Management is responsible for mitigating fraud risks by establishing appropriate controls and processes.

H. Confidentiality of Information

It is the responsibility of all employees to maintain and safeguard the confidentiality of information entrusted by the Company, its subsidiaries, affiliates, customers, business partners, or such other parties with whom the Company relates.

IV. Implementation and Monitoring of the Code of Ethics

It is the responsibility of all employees of Paxys to commit and comply with both the letter and spirit of this Code and the Company endeavors to obtain the same commitment from its business partners. In this light, it is the officers' accountability to explain to employees and business partners the Company's principles and values set forth in this Code and emphasize the importance of conducting themselves in accordance with the standards set by this Code in order to attain financial rewards for the Company and to deter wrong doing.

This Code shall be reviewed at least once every two (2) years or such other frequency as may be determined by the Management Committee.



Tarcisio M. Medalla
Chairman & President