



SEMIRARA
MINING & POWER
CORPORATION

Code of Conduct & Business Ethics



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Semirara Mining and Power Corporation
Makati City, Philippines
www.semiraramining.com



Code of Conduct & Business Ethics

English

Message from the President

Dear Colleagues and Employees,

The way we conduct ourselves and connect with others define our Organization and our reputation.

Doing what is just, fair, and right not only protects our business, but also our future.

We must be mindful of our legal and ethical obligations to keep the continued trust and support of our shareholders, regulators, host communities and other stakeholders, who are all vital to our success and sustainability.

Through this Code of Conduct and Business Ethics, each one is provided with a clear set of guidelines on behaving as members and representatives of our Organization. It validates our commitment to the good governance principles of fairness, accountability, transparency, integrity, and sustainability.

Every one of us—employees, officers, and members of the Board of Directors—must pledge to understand this Code and to abide by its principles.

May this Code serve as our fundamental guide to always pursue the highest ethical standards and to do the right thing at all times.



Maria Cristina C. Gotianun
President and Chief Operating Officer





About This Code

This Code of Conduct & Business Ethics (Code) embodies our core values, principles and stakeholder commitments. It defines the standards of conduct expected from the people who comprise our organization.



Who Are Covered

This Code shall guide and govern all business conducts and relationships of the directors, executive officers and employees of Semirara Mining and Power Corporation and its subsidiary companies (Company).

Employees are those who render full-time, part-time, temporary, contractual and seasonal work for the Company.

Consultants and contractors are likewise expected to adhere to the provisions of this Code in the course of fulfilling their contractual obligations to the Company.

Significance of the Code

Millions of people rely on our Company for their energy requirements and livelihood.

Tip:

Use the **Ethics Decision Diagram** to assist you when determining the best course of action.

Abiding by this Code will enable us to secure the trust and support of our customers, business partners, suppliers, shareholders, co-workers, regulators and host communities.

Equally important, upholding the values, principles and commitments contained in this Code will sustain our operations, strengthen our reputation and enable our continued growth.

How to Use the Code

While the Code cannot address every possible workplace situation or list all of the Company's policies and procedures, it can be a useful guide in making ethical decisions and resolving challenging issues in the workplace.

As such, those covered by this Code are strongly encouraged to:

- Read and understand the entire Code
- Examine how the Code applies to your role
- Consider how you might handle situations to avoid improper, illegal or unethical actions
- Use the questions and answers to help clarify situations that you may encounter
- Apply the Code in conjunction with other Company personnel policies and procedures which may be updated or amended from time to time
- Ask your immediate supervisor, a Human Resources authority, Legal Department, Compliance Officer or our Board's Audit Committee if you have questions

Administration, Amendment and Waiver

The Company's Human Resources Department has the primary responsibility to implement and administer this Code to all Employees, while the Audit Committee shall administer this Code to all Directors and Executive Officers.

The Code shall be communicated within all business units and departments in all levels across the organization.

The Code shall be reviewed regularly and may be amended by the Board of Directors or Audit Committee.

Under certain limited circumstances, waivers of any provision of this Code may be granted by the Board of Directors or Audit Committee.

Duties and Responsibilities

Each employee is expected to have a clear understanding of all policies that apply to his/her job function and to perform his/her duties with honesty and integrity at all times.

All Managers and Department Heads must demonstrate visible leadership in supporting this Code by proactively ensuring that it is applied and observed in their respective Departments.

Any Director, Executive Officer or Employee who becomes aware of any existing or potential violation of this Code shall promptly notify the Company's Human Resources management, Audit Committee or Legal Counsel, and take appropriate action where breaches have taken place.

Questions?

Any questions relating to how this Code should be interpreted or applied should be addressed to the Human Resources Department, Corporate Counsel, Compliance Officer or Audit Committee.

All Directors, Executive Officers and Employees are required to certify their compliance with this Code annually.

Violations and Consequences

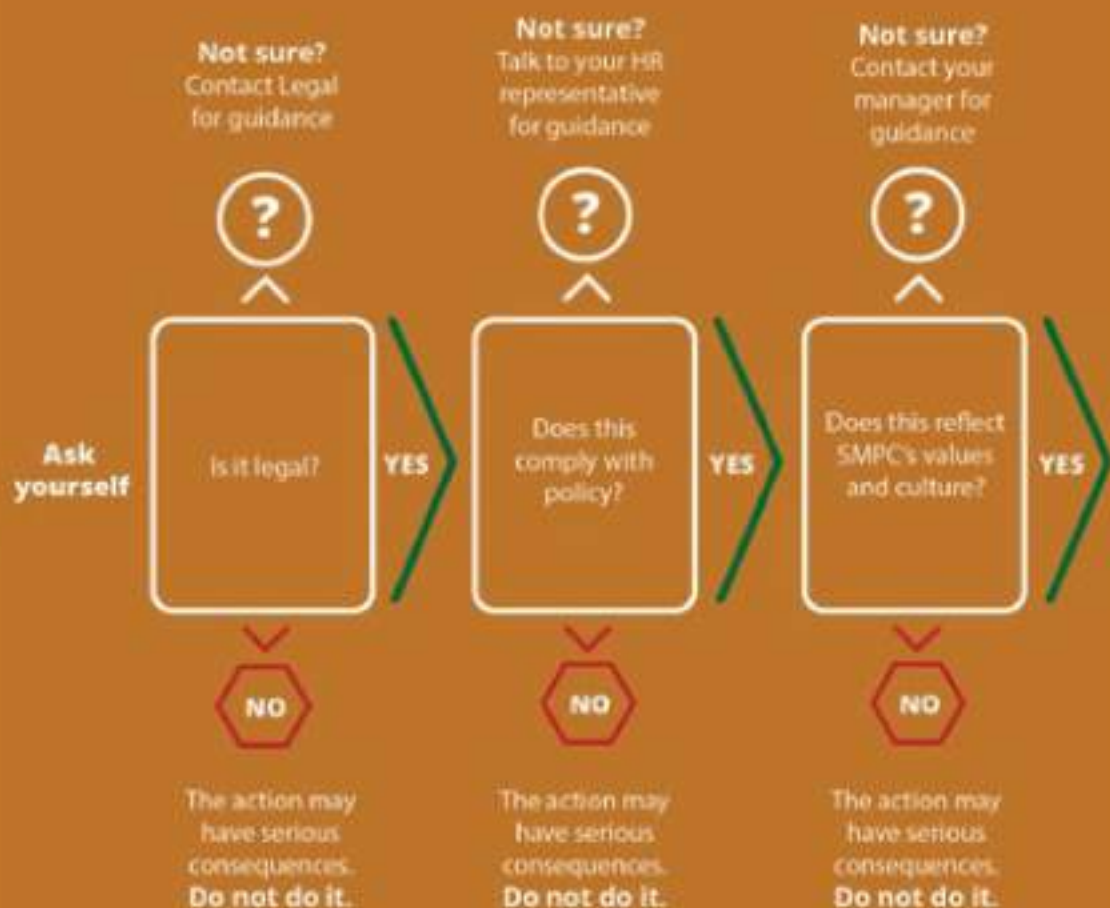
All violations of this Code of Conduct, Company policies, contractual obligations, or laws will be taken seriously and may result in disciplinary action, up to and including termination of employment and possible legal action, including referral to law enforcement.

Alleged breaches of conduct will be investigated. In all cases and at all times, the Company shall observe due process and procedures in the implementation of the provisions of this Code.

Ethics Decision Diagram

When faced with an ethical dilemma, the decision diagram below can help analyze the situation and the potential outcomes of an action.

Identifying the potential impacts of an action can lead a decision maker to act in accordance with his/her ethical beliefs and the long-term interests of the Company.



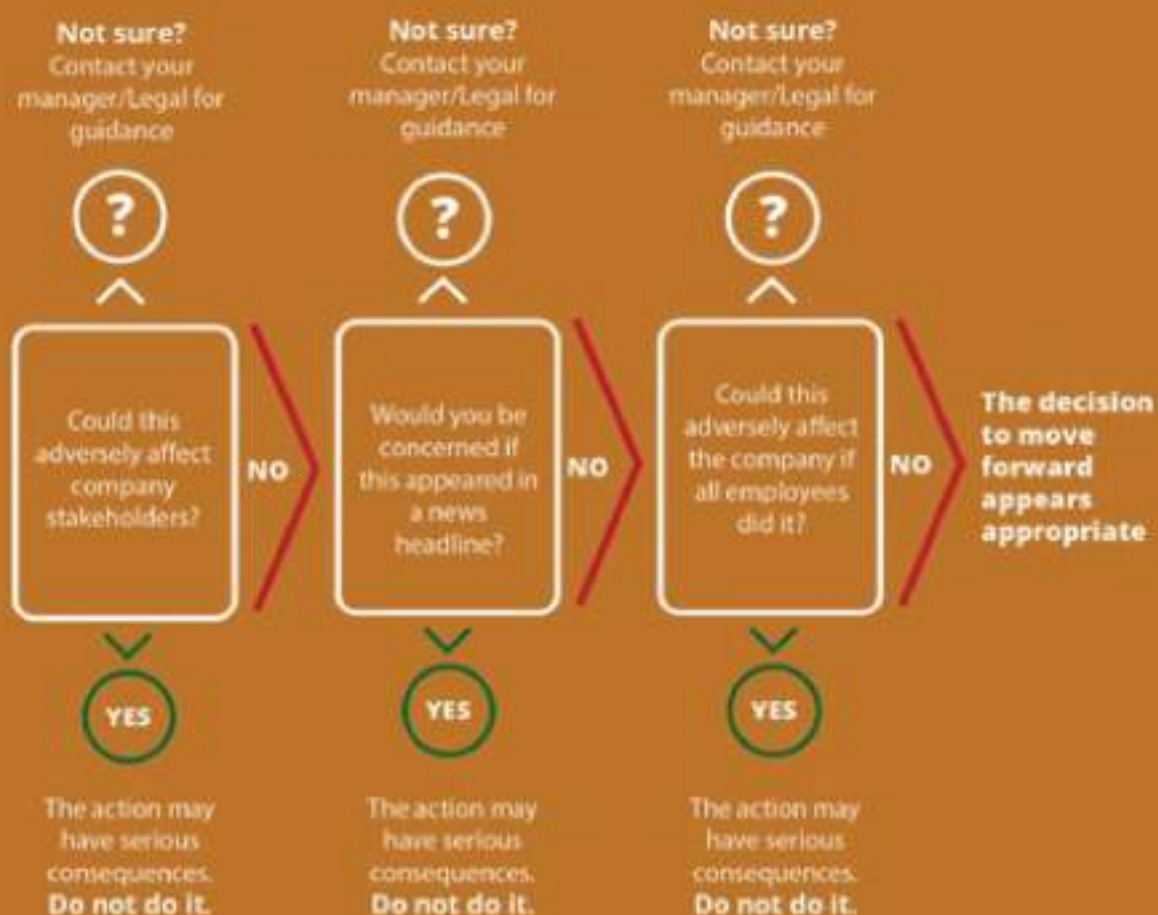


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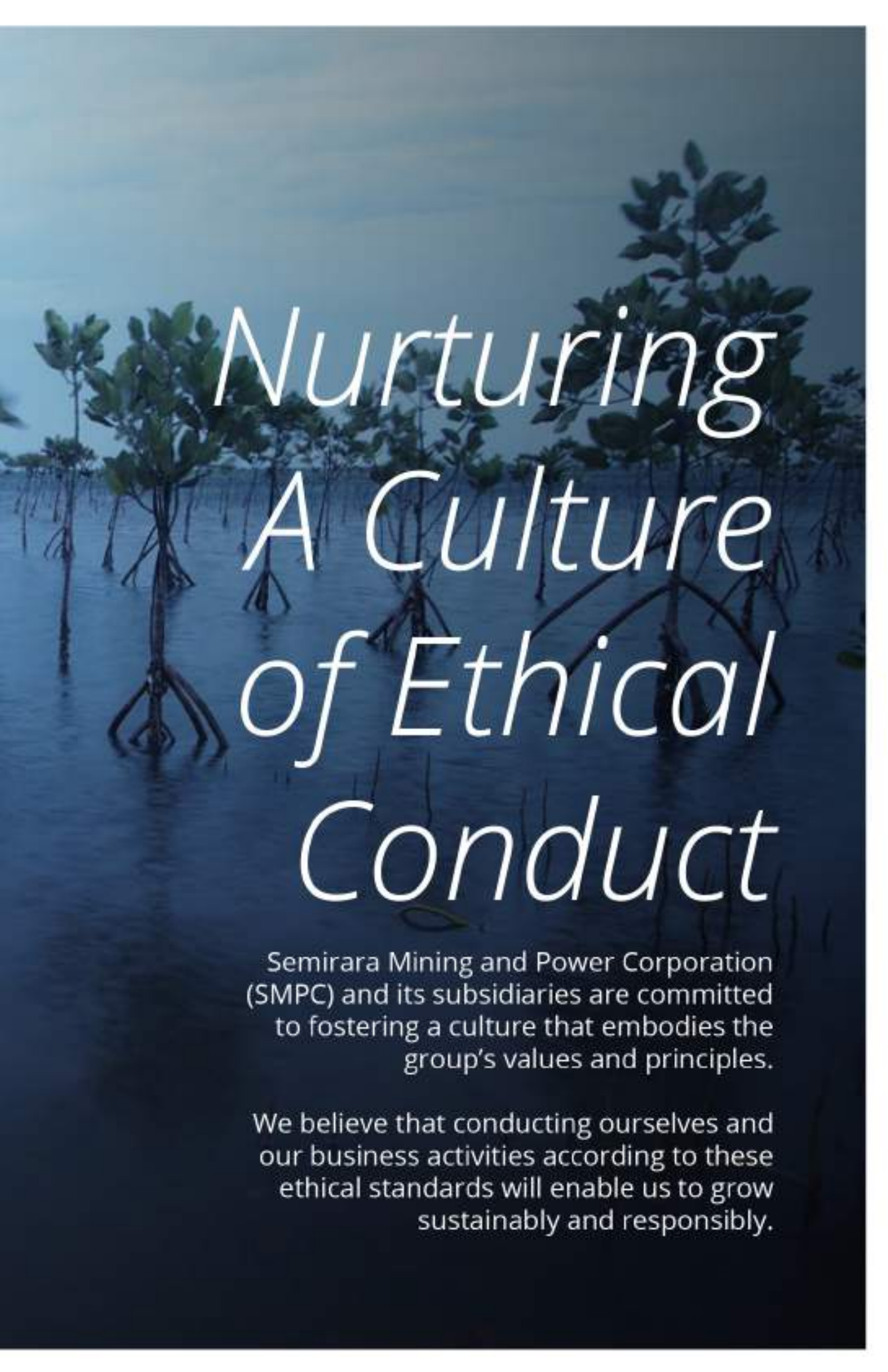
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DOCUMENT HISTORY	March 6, 2006 Semirara Mining Corporation Employee Code of Conduct; Semirara Mining Corporation Code of Conduct – Directors and Executive Officers
	April 20, 2011 SEM-Calaca Power Corporation Code of Conduct and Business Ethics
	November 6, 2015 Semirara Mining and Power Corporation Group Code of Conduct and Business Ethics



A photograph of a mangrove forest with several trees in the foreground and background, their roots visible in the water. The scene is dimly lit, suggesting dusk or dawn, with a blueish-grey color palette.

Nurturing A Culture of Ethical Conduct

Semirara Mining and Power Corporation (SMPC) and its subsidiaries are committed to fostering a culture that embodies the group's values and principles.

We believe that conducting ourselves and our business activities according to these ethical standards will enable us to grow sustainably and responsibly.

Our values



Commitment

We are firmly focused on realizing our mission without compromising the Environment, Safety and Health of our stakeholders.



Excellence

We set high standards for ourselves and our Company, and then strive to consistently exceed them.



Professionalism

We use our skills, competence and character to deliver value to our stakeholders.



Teamwork

We work together and support each other to achieve our shared goals.



Integrity

We act in a fair, honest, ethical and responsible manner.



Loyalty

We put a premium on personal commitment over self-interest.

Business Principles

SMPC is an integrated energy company that is committed to providing reliable, affordable energy to the Philippines.

Towards this end, we uphold the following business principles:



People

We strive to provide our employees and host communities with a safe, healthy and enabling environment so they can become productive and fulfilled individuals.



Profit

We believe that appropriate returns can be generated through our competitive advantage, operational efficiency and customer focus.



Planet

We engage in the judicious use and rational conservation of natural resources to minimize, mitigate and remediate the impact of our operations on the environment.



Progress

We work closely with the government and other stakeholders to achieve energy sufficiency and sustainable growth for our country.

Compliance

SMPC and the people comprising it are duty bound to follow the law.

Compliance with all applicable laws and regulations must never be compromised. Employees are expected to be familiar with the laws, regulations, policies and procedures applicable to the performance of their work.

Internal Rules and Regulations. Directors and employees shall adhere to internal rules and regulations as they apply in a given situation. These internal rules are specific to the Company and may go beyond what is required by the law. Employees are expected to comply with Environment, Health and Safety management systems at the workplace.

Legal and Regulatory. SMPC works closely with regulators to ensure that our policies and processes are aligned with relevant government laws and standards.

We are strongly committed to complying with all environmental and energy laws and regulations across our operations.

SMPC shall also faithfully abide by the Labor Code, as amended, including all laws, rules and regulations relating to labor and employment. Compliance with all relevant tax, environment, and other government rules and regulations shall also be given utmost importance.

SMPC is likewise committed to ensuring compliance with the principles of respecting and upholding human rights, justice and fair play.

Our Commitment

SMPC **will not tolerate** retaliation for truthful reports of abusive behavior or violations of this Code.

Anyone raising a concern in good faith will not be criticized or penalized in any way, even if it is shown, after investigation, that they were mistaken.

Non-Retaliation Commitment

Our non-retaliation policy reinforces our long-standing commitment to a safe reporting. Those who speak up to protect the well-being and reputation of our Company will be protected in return.

Any form of reprisal or victimization against anyone who has raised a genuinely held concern is forbidden, and will not be tolerated.

Those participating in an investigation of a complaint are likewise covered by this policy.

Any such reprisal or victimization will be treated as a serious disciplinary matter.

Similarly, a concern raised maliciously will be treated as a serious disciplinary matter.

Integrity Hotline

Our hotline reporting mechanism provides a secure reporting channel for employees, customers, suppliers and other stakeholders.

In case employees have a compelling need to remain anonymous, they can complete and send their complaint or completed Whistleblowing Hotline Report Form to the Company.

All valid concerns will be properly investigated and the identity of the whistleblower shall be kept confidential.

Once the investigation has been completed, the whistleblower will be directly informed of the outcome.



Q: What is a whistleblower?

A: A person who discloses improper or illegal activity, fraud or misconduct within an organization.

What to Report: Some Examples



Illegal Activities

- Violating laws on labor, occupational safety, environment, etc.
- Financial statement falsification
- Providing false information to or withholding material information from auditors
- Others



Corruption

- Willful misuse or unauthorized use of company assets
- Bribery (giving, accepting or soliciting)
- Conflicts of interest
- Others



Fraud

- Payroll fraud
- Asset theft
- Bogus or misrepresented reimbursement claims
- Others



Misconduct

- Harassment
- Bullying
- Discrimination
- Others

Questions and Answers

Q: *Why is legal and regulatory compliance so important?*

A: Compliance is necessary for a sustainable business – having a clean Compliance record supports continued operations, profitability and shareholder confidence.

A strong Compliance program instills trust and support among customers, (potential) employees, investors and the authorities.

Non-compliant behaviour creates considerable risks to the Company. Potential government sanctions, damage claims from customers and lawyer fees associated with defending against such sanctions can result in multi-million payments.

Compliance protects all of us and our business.

Q: *What constitutes retaliation?*

A: Retaliation is any adverse action(s) taken against an individual who reports wrongful or illegal conduct in good faith, or who participates in an investigation. Examples of such include, but are not limited to:

Unjustified termination of employment, demotion, suspension, denial of training and/or promotion, or threats of the same;

Unjustified negative evaluations, adjusting compensation or benefits, increased surveillance, or threats of the same;

Discrimination, harassment, or bullying by intimidation, humiliation, or social isolation, which can occur directly or

indirectly (e.g., via e-mail, social or professional networking sites, etc.);

Any other action, threat, or comment, either direct or implied, that is likely to deter an individual from reporting or raising concerns or cooperating with investigations.

Q: *Since joining the Company five years ago, I have not been promoted or given a salary increase. I think it's because my immediate superior and I are not on good terms. Can I use the Integrity Hotline to report my case?*

A: No. The Integrity Hotline is not intended for use where an employee is unhappy with his/her employment position or remuneration. The Company has a separate grievance procedure to address such situations.





Safeguarding our People in the Workplace

Our people are central to our success.

When we treat our colleagues with respect
and fairness we can succeed individually
and as a company.

We should all strive to maintain a
workplace that is open, inclusive and
appreciative of each other's uniqueness.

Equal Opportunity, Respect and Dignity

Our Company aims to provide a progressive work environment where employees have equal opportunities to develop their skills and talents.

We expect our people to treat one another with respect, dignity and understanding. We believe that civility in the workplace results in better teamwork and stronger employee commitment.

Tips for Creating Respect in the Workplace

1

Before acting, consider the impact of your words and actions on others

2

Take responsibility for your actions and practice self-restraint and anger management skills in responding to potential conflicts.

3

Adopt a positive and solution-driven approach in resolving conflicts.

4

Rely on facts rather than assumptions. Gather relevant facts, especially before acting on assumptions that can damage relationships.

5

View difficult situations from a broader (big picture) and more realistic perspective by considering what they mean in the overall scheme of things.

Fair Treatment and Diversity

We believe that fair treatment and diversity in the workplace maximizes productivity, creativity and loyalty within the organization.

Our commitment to recognizing the importance of diversity extends to all areas of our business including recruitment, talent development, skills enhancement, appointment to roles, Board appointments, retention of employees, succession planning, among others.

Our Company will not tolerate harassment, discrimination and intimidation on grounds of race, origin, gender, age, disability, marital status, sexual orientation, religion or belief, or any unlawful reason.

Q: What is workplace diversity?

A: Workplace diversity refers to the variety of differences between people in an organization. It is understanding and accepting that each individual is unique. These differences include age, family status, gender, gender identity, ideologies, religious beliefs, among others.

Health and Safety

Our Company shall maintain and promote a productive and healthy working environment.

We are committed to conducting our business with utmost concern for the health and safety of our employee workforce, customers, contractors, suppliers and the general public, pursuant to the Occupational Safety and Health Standards issued by the Department of Labor, and the Implementing Rules of Book IV, Rule II.

It is the responsibility of every employee to help ensure that their working environment is both healthy and safe through compliance of our health and safety policies and procedures.

Our contractors and business partners are likewise required to know and adhere to our safety procedures while conducting business in company premises.

Any employee who is aware of a potentially dangerous situation should report it to their line manager or a senior officer of the Company without delay.

Each Power Plant/Facility, Business Unit and the Corporate Office must designate a Safety Officer with specific responsibility for health and safety matters.

Each must have a written statement describing its policy, organization and arrangements concerning the health and safety of employees which must be communicated and fully implemented.

BASIC SAFETY REMINDERS

- 1** Wear the right personal protective equipment (PPE) in designated work areas at all times.
- 2** Know and follow company systems and procedures on Environment, Safety and Health.
- 3** Promptly report workplace injuries, unsafe work conditions and practices, safety violations and environmental hazards to the Safety Officer.

Substance Abuse

Unauthorized use of controlled substances creates serious health, wellness and safety risks in the workplace.

Pursuant to Department of Labor Order No.53-03, the Company shall aim to formulate and implement drug abuse prevention and control programs in the workplace, including the formulation and adoption of company policies against dangerous and illegal drug use.

Our Company reserves the right, in certain circumstances, to test any employee for the presence of illegal or controlled substances.

Employees must not distribute, sell, possess or use illegal or unauthorized drugs on all company premises or in a manner that may affect the safety or the performance of their work responsibilities.

Any person caught violating this provision shall, after notice and hearing, be meted with the penalty of outright dismissal.

This is without prejudice to criminal prosecution of the offender for violation of the Republic Act No. 9165 or the "Comprehensive Dangerous Drugs Act", and other pertinent government rules and regulations.

Harassment, Discrimination and Abusive Behavior

We value a working environment that is free of verbal and physical harassment and abuse.

Directors, Executive Officers and Employees shall treat one another with courtesy, dignity and respect, regardless of race, gender, age, disability, marital status, sexual orientation or religious belief.

Any conduct that creates an intimidating, hostile or offensive working environment, or unreasonably interferes with an individual's work performance, will not be tolerated.

Pursuant to the provisions of Republic Act No. 7877 (Anti-Sexual Harassment Act of 1995), all forms of sexual harassment in the employment environment shall be unlawful

Q: What is a controlled substance?

A: A controlled substance is generally a drug or chemical whose manufacture, possession, or use is regulated by a government. Such substances include:

- Illegal drugs and narcotics
- Prescription drugs obtained or used without a legal prescription
- Other prohibited substances or materials

and will earn corresponding sanctions, including dismissal, without prejudice to the filing of appropriate legal charges against the offender.

Consistent with our non-retaliation policy, there will be no victimization or reprisal for truthfully reporting abusive behavior or participating in an investigation of a complaint involving harassment, discrimination or abusive behavior.

Child Labor and Forced Labor

The Company's workplace shall be free from all forms child labor. It prohibits persons who are below 18 years of age from being hired or employed in any form. Neither does the Company engage in or condone forced labor in any form in its work place.

We expect our suppliers and contractors with whom we do business to uphold the same standards. Should a pattern of violation of these principles become known to the Company and not be corrected, we will discontinue the business relationship.

Q: What is sexual harassment?

A: Work-related sexual harassment is committed by an employer, employee, manager, supervisor, agent of the employer, or any other person who, having authority, influence or moral ascendancy over another in a work environment, demands, requests or otherwise requires any sexual favor from the other, regardless of whether the demand, request or requirement for submission is accepted by the object of said act.

Questions and Answers

Q: *My supervisor asked me to perform a task that I believe violates safety regulations. What should I do?*

A: Check with your supervisor to be sure you have understood the request. If you still feel the request violates safety regulations, report the concern to management or the Integrity Hotline.

Q: *I have a gay subordinate who is having work performance problems. I am afraid to give a negative review for fear of being accused of discrimination. What should I do?*

A: Provide consistent feedback to all members of your group. Be fair in your evaluation, and document your proof with facts and examples. If you are accused of discrimination and have followed Company policies, the Company will support you. If you need help or additional guidance on this matter, consult with your Human Resources representative.

Q: *What could be considered as sexual harassment?*

A: Unwelcome actions such as the following are inappropriate and may be considered as sexual harassment:

- Sexual pranks, or repeated sexual teasing, jokes, or innuendo, in person or via e-mails and social media
- Verbal abuse of a sexual nature
- Touching or grabbing of a sexual nature
- Repeatedly standing too close to or brushing up against a person
- Repeatedly asking a person to socialize during off-duty hours when the person has said no or has indicated he or she is not interested
- Giving gifts or leaving objects that are sexually suggestive
- Repeatedly making sexually suggestive gestures
- Making or posting sexually demeaning or offensive pictures, cartoons or other materials in the workplace



Responsibilities of Employees

As employees, we contribute to the success
and reputation of the Company.

By conducting ourselves and our business in
a manner that is consistent with the law and
good corporate governance, the Company
can avoid unwanted risk and achieve long-
term sustainability.

Conflict of Interest

All Directors, Officers and Employees must avoid any conflict between their personal interests and those of the Company.

No person may, directly or indirectly, use his decision-making authority or position to obtain a personal benefit from any sale, purchase or other activity of the Company.

Q: When does conflict of interest arise?

A: Conflicts of interest arise when a person's objectivity in reaching or influencing decisions for the Company is, or may be, affected by factors other than the Company's best interests.

Actual, apparent and potential conflict of interest should be avoided or otherwise identified and disclosed for proper disposition or resolution.

Any conflict or potential conflict of interest must be disclosed to higher Management and/or the Board prior to the transaction.

An employee is prohibited from personally securing (or directing to a third party) a business opportunity that is discovered through the use of corporate property, information or position, unless the Company has been already offered and declined the opportunity.

DISCLOSURE REMINDERS

All Directors, Officers, and Employees are required to submit an Annual Disclosure Statement of their financial, business or personal interests or dealings with the Company, or a Single Transaction Disclosure of interest in a specific contract, sale, lease, or purchase proposed to be entered into with the Company.

Conflict of interest may also arise from personal relationship or affiliation, including employment of closely related persons. It is important that Directors, Officers and Employees are not and do not appear to be improperly influenced or unfairly treated by the existence of such personal relationship or affiliation in the workplace.

Transactions or dealings involving the Company and an employee's family, relatives or in-laws or friends must be promptly brought to the attention of Management to determine if such transactions pose a perceived, potential or actual conflict of interest.

The continuation of any interest or activity that might otherwise constitute a conflict of interest shall not be deemed to be a violation after it has been fully reported in writing to the immediate superior, President, the Audit Committee, Compliance Officer or Corporate Counsel, as appropriate, unless and until such time that the employee is requested to take action regarding such interest or activity. Failure to comply with any such request will, however, constitute a violation of this policy.

Q: What are gifts and entertainment?

A: A gift is any item of monetary value offered or accepted by the Company's Director, Officer and Employee.

Entertainment is an event with a specific business purpose including, but not limited to, beverages, recreation, lodging, transportation and tickets.

Gifts and Entertainment

Directors, Officers and Employees (including members of their families) shall not solicit or accept gift and entertainment from an actual or prospective customer, supplier, contractor or business partner as it could be construed as improperly influencing business judgment or action.

In particular, individuals must avoid any interest in or benefit from any supplier, customer or business partner that could reasonably be interpreted as inducing favoritism towards that business partner over others.

Fair Dealings and Competition

The Company does not seek competitive advantages through illegal or unethical business practices.

Each Director, Executive Officer and Employee should endeavor to deal fairly with the Company's customers, service providers, suppliers, contractors and competitors.

There should be no unfair advantage of anyone through manipulation, concealment, abuse of privilege information, misrepresentation of material facts, or any unethical practices.

OUR COMMITMENT

We strongly believe in free and open competition.

Our goal is to compete vigorously and fairly in the marketplace.

Q: What qualifies as anti-competitive conduct?

A: Anti-competitive conduct include, but are not limited to:

- Agreements with competitors regarding prices, bids
- Product/services or territory allocations
- Selection of customers or suppliers
- Limits on distribution
- Agreements on prices

The Company is committed to fully comply with laws governing free and fair competition. Collusion with competitors is strictly prohibited. Such behavior may contravene competition laws and have serious adverse consequences to the Company, including serious damage to reputation and the imposition of heavy financial penalties.

The Company or its subsidiaries are not allowed to abuse its position in any market where it has a dominant position.

Employees must avoid any actual or perceived anti-competitive conduct.

Market Abuse

The Company does not allow market manipulation, the dissemination of false or misleading information, colluding with other market participants to distort the price its shares or that of any other company.

Insider and Employee Trading

Directors, Officers and Employees often learn of important and material information about the Company or its parent or affiliated companies that has not been made generally available to the public.

They may not directly or indirectly use material inside information concerning the Company or any of its parent or affiliated companies, in purchasing or selling any securities. This type of misconduct is referred to as “insider trading.”

Passing on or “tipping” material non-public information to someone who may buy or sell securities may also be a violation, by both the person who provides the information and the person who receives it.

Since SMPC is a publicly-listed company, Directors, Executive Officers and employees are likewise bound by

Q: What does material inside information mean?

A: Material inside information are details about certain aspects of a company that has not yet been made public but, once released, will cause a reasonable investor to consider buying, selling or holding shares of a company.

Some examples include:

- Company financial results and dividends
- Significant management changes
- New business relationships
- New product launches
- Important developments in litigation
- Anticipated mergers, acquisitions or divestitures

the “insider trading rule” and are prohibited from engaging in speculative or “in and out” trading in the securities of its parent and other affiliated companies.

Persons covered by this Policy are the following:

- Board of Directors and Corporate Secretary;
- All Key Officers, managers and members of the Management Committee who are or may be in possession of material non-public information about the Company because of their responsibilities;
- Executive Consultants and Advisers of the Company;
- Executive Assistants, confidential staff and all other employees who are made aware of undisclosed material information until such information has been publicly disclosed and;
- Members of the immediate families of Directors, Key Officers and all other Covered Persons who are living in the same household as the abovementioned Covered Persons.

Directors, Key Officers and Covered Persons of the Company are strictly prohibited from trading the securities of the parent company during the following periods:

- *Structured Disclosures – Within Five (5) trading days before and within Three (3) trading days after the disclosure of quarterly (SEC17Q) and annual (SEC 17A) financial results and similar reports*
- *Non-Structured Disclosures – Within Three (3) trading days after the disclosure of any material information other than the abovementioned structured disclosure*

Q: What is money laundering?

A: Money laundering is the process of concealing the identity of illegally obtained money so that it can be transformed from “dirty” money into “respectable” money or other assets.

The Company sets a reporting protocol requiring all Directors and key officers to notify the Legal Department one day before any trading of company shares. Directors and Key Officers are required to report their trades of the said shares within three (3) business days to the Legal Department for eventual compliance reporting to the SEC and Philippine Stock Exchange.

When in doubt, Key Officers and Covered Persons should consult the Legal Department prior to trading of the parent company's shares, regardless of when they would like to perform such transactions, in order to determine if the trade will or will not violate this Policy.

Corruption Prevention

We base our business relationships on trust, transparency and accountability.

All forms of bribery and corruption are prohibited and in breach of any applicable law, as they cause market distortions and curtail economic, social and political development in the country.

Employees are prohibited from directly or indirectly giving or receiving any gift, payment or other benefit to any person for the purposes of securing or providing any improper business or other advantage.

The Company also reserves the right to refer such matters to public authorities for possible criminal prosecution.

The Company will pursue practices directed towards ensuring that its activities do not inadvertently contravene relevant money laundering legislation such as Republic Act 9160 or the Anti-Money Laundering Law. We will not engage in any transaction which we know or suspect involves the proceeds of criminal activity.

All Departments / Business Units are required to take steps to minimize the risk of inadvertent participation in transactions involving the proceeds of criminal activity and should be alert to circumstances which ought to give rise to a suspicion of money laundering activity.

Questions and Answers

Q: *I overheard a discussion on the Company's quarterly earnings results before it has even been publicly announced. May I purchase company stock based on this information?*

A: No. This information is considered "material, nonpublic information," and the purchase of SMPC shares would be a violation of the Company's insider trading policy and a potential violation of Philippine securities laws.

Q: *One of our suppliers offered me a discount on a product they are selling. Is it alright to avail of this discount?*

A: You may accept the discount only if it is clearly available to all or many SMPC employees and approved by the Company. A discount offered to you personally is inappropriate and accepting it is a violation of our policy.

Q: *What situations can be considered as conflicts of interest?*

A: Examples of conflict of interest are, but not limited to, the following:

- Vested, personal or business interest or involvement with the Company or its customer, supplier, competitor or creditor;
- Acceptance of gifts or bribes;
- Use of position, Company resources and information for personal gain;
- Outside or concurrent employment or consultancy work;
- Directorship in other entities except those purely professional, civic, religious or cultural organizations;
- Office romance with direct reporting relationship may potentially affect employee morale, work productivity, confidentiality and performance review
- Personal financial gain and/or advantage (other than normal remuneration) in any business transaction or dealings involving the Company





Responsibilities to Stakeholders

We have a responsibility to protect shareholder value, and to be transparent about our financial, environmental and other social performance.

Our business partners, regulators, host government officials and host communities deserve to be treated with fairness, respect and professionalism.

Shareholders and Financial Community

We are fully committed to delivering value and long-term returns to our shareholders.

We will be clear, open and transparent in our financial reporting and we will maintain high standards of corporate governance and act in consonance with recognized best practices.

Inquiries from financial institutions, analysts and commentators or other members of the financial community should be referred to, and handled by, the Company's Investor Relations Department.

Customers

Our Customer Welfare Policy advocates fairness and transparency in business dealings with customers.

We are committed to meet our customer's quality standards in a mutually fair and satisfactory manner without compromising the business ethics set by the Company.

We provide a professional, friendly and responsive service to deliver quality. Furthermore, we are committed to providing customers with accurate information on which they can make an informed decision. We are fully responsive to inquiries and ensure that customers are not misled when they are being provided with information.

Quantity and quality determination of each coal shipment is conducted at the load port in accordance with American Standard for Testing and Materials (ASTM) and International Organization for Standardization (ISO) by a highly technical and competent independent surveyor and witnessed by the customer's representative.

Our standard contract also provides adjustment mechanism for the actual quality and quantity of coal delivered against guaranteed specifications.

To protect customer safety and welfare, we abide by the relevant laws, rules and regulations set by the Philippine government as well as International Standards.

Suppliers and Contractors

Our Company deals with a wide range of suppliers for goods and services. They include professional advisers and consultants. We consider our suppliers as our growth partners, and believe that they should be treated with fairness at all times.

We will observe high ethical standards in all our dealings with suppliers. Any corrupt, improper or unethical behavior in dealings with suppliers is prohibited.

Procurement decisions are made on the basis of quality, service, price, delivery and best value. Our Company shall consider other important factors in entering or remaining in business relationships with suppliers such as those who respect our Code of Conduct, good governance policies and can satisfy our standards with regard to labor and welfare conditions, human rights, health and safety and environmental management or who have given a commitment to achieve these standards within an agreed time-frame.

Government

Our Company shall conduct business through responsible corporate citizenship, and compliance with taxation, laws and regulations.

All employees engaged in business with a governmental body or regulators, agency or official must know and abide by rules governing business relationships and contracts with the government or their officials, violations of which may result in harsh penalties for the Company, and even criminal prosecution.

Our Company cooperates with government departments or agencies in meeting requests for information or facility visits in connection with government audits or investigations.

Communities and Environment

The sustainability of our host communities and the environment is firmly embedded in our business and operations. We aim towards an inclusive growth through strategic partnerships and economic projects with our host communities.

We strongly believe that good environmental practice is good for business, a fundamental corporate responsibility and a key contributor to sustainable development.

Environmental stewardship. Our Company recognizes that our business has a significant impact on the environment principally through power generation, coal extraction and waste management.

We are committed to maintaining safe and environmentally sound operations, and respecting the welfare of animals and marine life. We also strive to ensure that the environmental impact of our operations is reduced as far as practicable.

All our employees, suppliers and contractors have a valuable part to play in implementing our policy within their day-to-day activities.

Keeping environmental considerations at the heart of what we do, while staying focused on other important business considerations such as safety, quality and value, will ensure that we conduct our operations in a socially and environmentally responsible manner.

Human rights. Our Company shall comply with all applicable laws and regulations in engaging with our host communities. We are committed to ensuring compliance with international human rights principles within our sphere of influence.

Alternative Dispute Resolution

Our Company's Alternative Dispute Resolution policy promotes the use of dispute resolution processes and a conflict resolution environment that will minimize conflicts or differences with shareholders and key stakeholders. It encourages open consultation and early dialogues between parties towards a fair, efficient and equitable resolution of issues.

Questions and Answers

Q: *I met a research analyst at a social gathering, and he asked if I know anything about the Company's business prospects. Should I tell him?*

A: Unless you are authorized to speak to investors or analysts, you must refer the person asking the question to Investor Relations.

Only those employees who have the management authorization and required specialized knowledge should speak to securities professionals (e.g. such as analysts, investors, broker dealers, investment advisors and investment companies), on behalf of the Company.

Q: *A senior manager from one of the government regulatory offices wants to meet with me to discuss future openings at the Company. May I attend the meeting?*

A: Discussing job opportunities with an official who may be able to influence actions affecting the Company may be limited by law or regulation. Before responding to the invitation, notify your immediate superior and consult the Corporate Secretary of the Company regarding the requested meeting.

Q: *I was contacted by a member of the media to get my opinion on the Philippine mining industry. What should I do?*

A: If you are contacted by a member of the media seeking information about any issue relating in any way to the Company, refer the person to the Communications Department without making a statement.





Protecting our Assets and Financial Integrity

We protect our tangible and intangible assets so we can better serve our customers and preserve value for our investors and other stakeholders.

Everyone in the Company must act as good stewards of these assets to avoid loss, theft, damage, wastage and improper use.

Theft or Misuse of Property

Directors, officers and employees are entrusted with Company property and resources for official use. They should not use their title or position for personal gain nor use intimidation, coercion or blackmail to promote their personal interests.

Examples of Company Property Theft and Misuse

- Stealing cash, office supplies, equipment, documents or other property
- Submitting falsified time sheets or expense claims
- Unauthorized use of proprietary information or other company assets
- Retaining any personal benefit from a customer or supplier, which should properly belong to the Company

Any employee found to be engaging in, or attempting, theft, fraud or misuse of any property of the Company, or any personal property of other employees, will be subject to strict disciplinary action, including dismissal when deemed proper.

The Company also reserves the right to refer such matters to public authorities for possible criminal prosecution.

Disclosure and Maintenance of Proper Books and Records

Philippine law and regulations require the Company to:

- maintain proper records and accounts which, in reasonable detail, accurately and fairly reflect the Company's transactions and the dispositions of its assets;
- devise and maintain an adequate system of internal accounting controls; and
- adequately disclose material information required to be made public under applicable laws and statutory accounting principles.

Books, records, and accounts (whether in paper or electronic form) and including financial, tax, contract and corporate, environmental, health and safety, and employee records must fully and accurately reflect the Company's

transactions and business dealings in every aspect.

No payment shall be approved or made with the intent or understanding that all or any part of the payment is to be used for a purpose other than that described in the supporting documents.

No invoice should be issued or paid which does not accurately describe the items and amounts purchased and the full purchase price thereof.

No false or misleading transactions or entries shall be reflected or made in the books or records of the Company for any reason.

All material off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities that may have a significant current or future effect on the Company, or its financial condition, operations, liquidity, expenditures, resources, revenues or expenses should be accurately and adequately reported and/or disclosed in conformance with generally accepted accounting principles and regulatory reporting requirements.

Any employee who knowingly fails to record any fund or asset of the Company or who knowingly makes any improper or inaccurate entry on the Company's books and records, or wrongfully destroy records will be subject to disciplinary action, including dismissal and may also face potential criminal liability.

Destruction or falsification of records to avoid disclosure in a legal proceeding may constitute a criminal offense, with severe penalties for both the Company and the employee.

Employees must contact the Legal Department or the Corporate Secretary of the Company if they are uncertain of their responsibilities under this Code.

Influencing External Auditor

No Director, Executive Officer or Employee shall take any action to influence, coerce, manipulate or mislead the Company's external auditors.

Intellectual Property

Employees must safeguard the Company's proprietary information, trade secrets and intellectual property (including copyrights, trademarks and patents), if any, in the same way that they must protect all other important Company assets.

All documents, files, records and reports acquired or created in the course of employment with the Company are the property of the Company.

Employees involved in acquisition and divestiture activities may be required to sign individual non-disclosure agreements.

Questions and Answers

Q: *What are considered as company assets?*

A: Company assets could be information, financial, physical or intangible in nature.

Information assets are any data relating to the Company's business, regardless of how it is created, distributed, used or stored.

Financial assets are the Company's money, financial instruments and anything that can be converted to money.

Physical assets are anything of a tangible nature provided by the Company to employees for use in conducting its business and operations (e.g., computers, mobile phones,

materials, tools, machinery, company vehicles, office equipment and supplies).

Intangible assets are things such as our reputation, ideas, inventions, improvements, intellectual property, registered and unregistered copyrights, trademarks, patents, and service marks or trade secrets that are either conceived, developed or practiced.

Q: *My supervisor told me to destroy some financial documents last year. Now, the internal auditors are asking questions as though they are concerned. Will I get in trouble for following orders?*

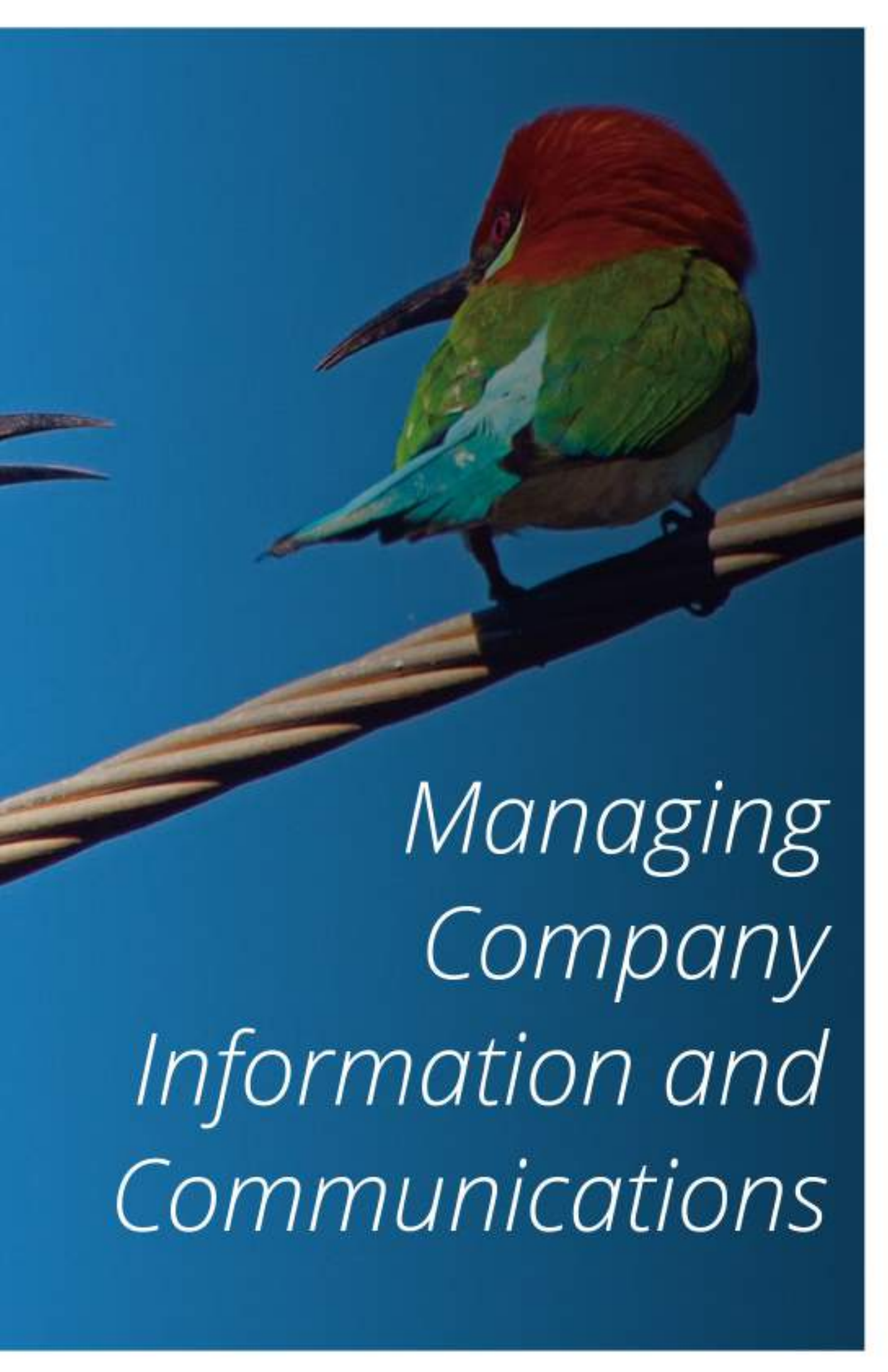
A: Internal Auditors do not investigate to get anyone “in trouble.” Their role is to ensure that our Company follows required policies and processes.

You are responsible for understanding our document retention policies. If your supervisor told you to destroy documents that should have been retained, blindly following orders was not the right course of action. The best thing you can do now is to answer the auditor’s questions completely and honestly.

Q: *Is it okay to do personal activities on a Company-issued computer or work phone?*

A: Generally, limited personal use of company resources is permitted as long as (1) there is no significant cost for the Company, (2) work is not disrupted and (3) the activities do not violate existing policies or laws.





*Managing
Company
Information and
Communications*

Confidentiality of Information

Directors, Executive Officers and employees must maintain confidentiality of the Company's business and proprietary information both during and after his tenure with the Company.


Employees must hold confidential materials they may have access to in their employment in the strictest confidence. Any employee leaving the Company must return all copies of any materials/documents containing confidential information before a clearance is issued.

Our Company also respects the confidential information of other companies, their officers and their employees. Disclosure of other companies' confidential information, whether obtained directly or from third parties, could form the basis for legal action.

If employees inadvertently come into possession of such information which they reasonably believe to be the confidential information of a third party, they should report it immediately to their line manager and to the Legal Counsel.

No offer of employment should be made to any person in the expectation of obtaining that person's specific knowledge of a former employer's confidential information, nor shall any new employee be placed in a position that would lead them to disclose or make improper use of a former employer's confidential information.

Unauthorized disclosure which could place the Company at an actual or potential commercial disadvantage, may result in the summary dismissal or other disciplinary action against the individual concerned, and could constitute a serious breach of criminal law.



Q: What are considered confidential materials?

A: Confidential materials include, but are not limited to, business plans and strategies, sales and marketing data, employee records, customer and client lists, technical data and information, pricing and services information, senior management succession details, prospective acquisitions or divestments, or other trade secrets.

Public Disclosures

All public disclosures including forecasts, press releases, speeches and other communications will be honest, accurate, timely and representative of the facts.

Inquiries which relate or are significant to our Company or any of its subsidiaries should be referred to and handled by the Company's Legal and Corporate Communications Departments.

Media Communications

Our Company is committed to delivering accurate and reliable information to the media and other members of the public. We are committed to responding to all public, media and other inquiries appropriately.

Newsworthy events, material information and potentially-controversial company developments must be disclosed in a timely and accurate manner to the Legal and Corporate Communications Departments, to facilitate effective corporate messaging, media engagement and reputational risk management.

All activities and initiatives involving the local, regional and national mass media must be cleared and/or coordinated with the Corporate Communications Officer or Department.

Information and Communication Technology Systems and Resources

All communications and information transmitted by, received from, created or stored in the Company information and communication technology (ICT) systems are the property of the Company.

All Directors, Officers, Employees, consultants and contractors who use the Company's ICT resources shall comply with the Company's ICT policies, including those that deal with intellectual property, protection, privacy,

misuse of the Company's resources, sexual harassment and confidentiality.

Employees must respect the copyright of all computer software used and strictly adhere to all relevant laws and regulations regarding the use and copying of such software.

The Company shall take disciplinary steps against any individual who breaches such policies including but not limited to termination upon due process.

Email, Intranet and the Internet

Employees must exercise the same care, caution and etiquette in sending email messages as they would in normal written business communications.

The Company will not tolerate abusive or unprofessional emails. Employees must not abuse access to the internet for personal or improper purposes.

Reasonable use of email and the Internet for non-business purposes may be permitted provided that such use does not impact on the proper performance of one's duties to the Company and complies with all relevant policies and laws.

Privacy and Monitoring of Company Facilities

The Company complies with the privacy and applicable data protection standards.

Employees' usage of Company telephones, e-mail and internet facilities will be subject to monitoring as and when warranted, and evidence of abuse will result in disciplinary action, including dismissal.

E-mail, intranet and internet usage are potentially subject to interception and disclosure to third parties in the course of litigation or an investigation.

Restrictions on Use of Company Systems and Equipment

Employees must not use the Company's systems or equipment to send or intentionally receive, retrieve or store:

- Information that is abusive, harassing, sexually explicit, discriminatory or offensive
- Information that involves an increased virus dissemination risk
- Copyrighted materials, trade secrets or similar materials without proper authority or infringing the rights of third parties
- Messages or files for any illegal or unethical purposes, or for any purpose that violate the Company's policies or may lead to liability or cause harm to the Company

Questions and Answers

Q: *I recently downloaded a free application that protects computers from malware. I've loaded it on my home computer, and it works very well. Can I load it on my company computer?*

A: No. Only applications and software approved and/or procured by the ICT Department may be loaded on company-issued computers and laptops.

Q: *A business contact accidentally emailed me some confidential information about a competitor. I didn't ask for it, but this kind of information could be very useful to me. What should I do?*

A: Do not read, save or forward the email. Immediately call your line manager and the Legal department to discuss how the information was acquired.

Information concerning competitors will be accepted only where there is reasonable belief that both receipt and use of the information is lawful.

If you are allowed to use it, refer to and follow the Legal department's instruction for documenting the source of the information.

Q: *I used to work at one of the Company's competitors. Is it okay to talk with my immediate superior about some of my former employer's marketing strategies?*

A: No. You should not share information that would be considered confidential or proprietary. It could constitute a serious breach of criminal law. Contact the Legal Department to get more guidance on this matter.





*Concerning
Donations and
Contributions*

Corporate and Charitable Giving

Our Company may make reasonable corporate gifts to charitable organizations or provide non-commercial sponsorships from time to time, provided that they:

- are not made to secure any improper business or other advantage;
- do not give rise to any conflict of interest; and
- are otherwise permissible under all applicable laws.

A Director or Executive Officer who has any significant interest in a charitable organization to which the Company proposes to make a corporate gift shall promptly inform the Audit Committee of this situation, and thereafter, any corporate gift by the Company to such charitable organization (and appropriateness thereof) shall be reviewed by the Audit Committee.

Political Contributions and Activities

It is a policy of the Company not to make donations to political parties or candidates.

Any political activity and participation in electoral politics by our employees must occur strictly in an individual and private capacity and not on behalf of the Company.

Employees should not use company time, property, equipment or funds to conduct or promote personal political activity.

A Director, Executive Officer or Employee may engage in public service or political issues in his personal capacity. However, prior to pursuing his political plan or accepting a political appointment, he must notify in writing the Company's Human Resources management or the Board or Audit Committee, as appropriate.

Unless otherwise specifically approved by the Audit Committee, he should do at least the following:

(a) where appropriate, make it clear that he is speaking or acting personally and not as a Director, Executive Officer or Employee of the Company;

(b) not make a political contribution for or in the Company's name, and as such will not receive reimbursement from the Company for any such political contribution made as an individual;

(c) not endorse for or in the Company's name the appointment or election of a public official or the passage or non-passage of any political proposition; and

(d) not use the Company's property in political activities.



Questions and Answers

Q: *My sibling is running for public office. Can I use my computer during lunch break to work on his campaign materials?*

A: No. While we support everyone's right to participate in the electoral process, you must act with integrity and show respect for the Company by using your own resources and time for personal political activities.

Q: *Can the Company sponsor a fundraising event for a political candidate?*

A: The Company does not make corporate political contributions, and our name should not be used in connection with sponsorship or promotion of a political event or to support a political candidate.





Closing Note

The legal and ethical obligations of Semirara Mining and Power Corporation go beyond what is written in this Code of Conduct and Business Ethics.

While every effort was made to make this Code useful and informative, our legal and ethical obligations cannot be fully defined or guaranteed by any set of written guidelines.

Nonetheless, the Company expects its Directors, Officers and Employees to comply with both the letter and the spirit of the many laws and regulations that govern our business.

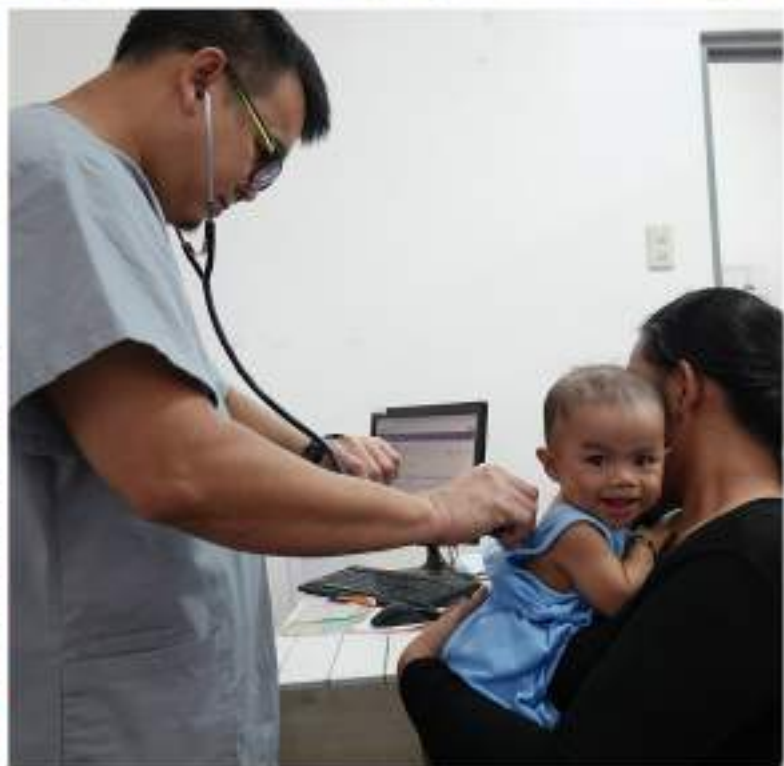
In the end, the Company can only rely on the honesty, integrity and good sense of the people who comprise it.

Questions?

If questions arise about any matter of compliance or ethics, whether covered by this Code or not, please consult your immediate superior, line manager, Human Resources Department, Compliance Officer or Corporate Counsel, or Audit Committee.

For unaddressed concerns or whistleblower complaints, contact the Integrity Hotline at hotline@semirampc.com.





Integrity Commitment Form

I have read and understood the Code of Conduct and Business Ethics ("Code") of Semirara Mining and Power Corporation, and agree to strictly comply with the Code.

I have not committed or participated in any activity that is prohibited by the Code, and will immediately report any future actions, relationships, interests, transactions and arrangements which may constitute a violation of the Code as they arise during the course of my employment with the Company.

I understand the Code is not a contract of employment and that failure to comply or to truthfully and completely respond to this questionnaire will be a basis for disciplinary action, including the possibility of dismissal for cause.

Signature

Title/Designation

Complete Name (Please Print)

Employee Number

Date

Employment Location

Resources and Tools

SMPC HR Portal - access to HR policies webpage

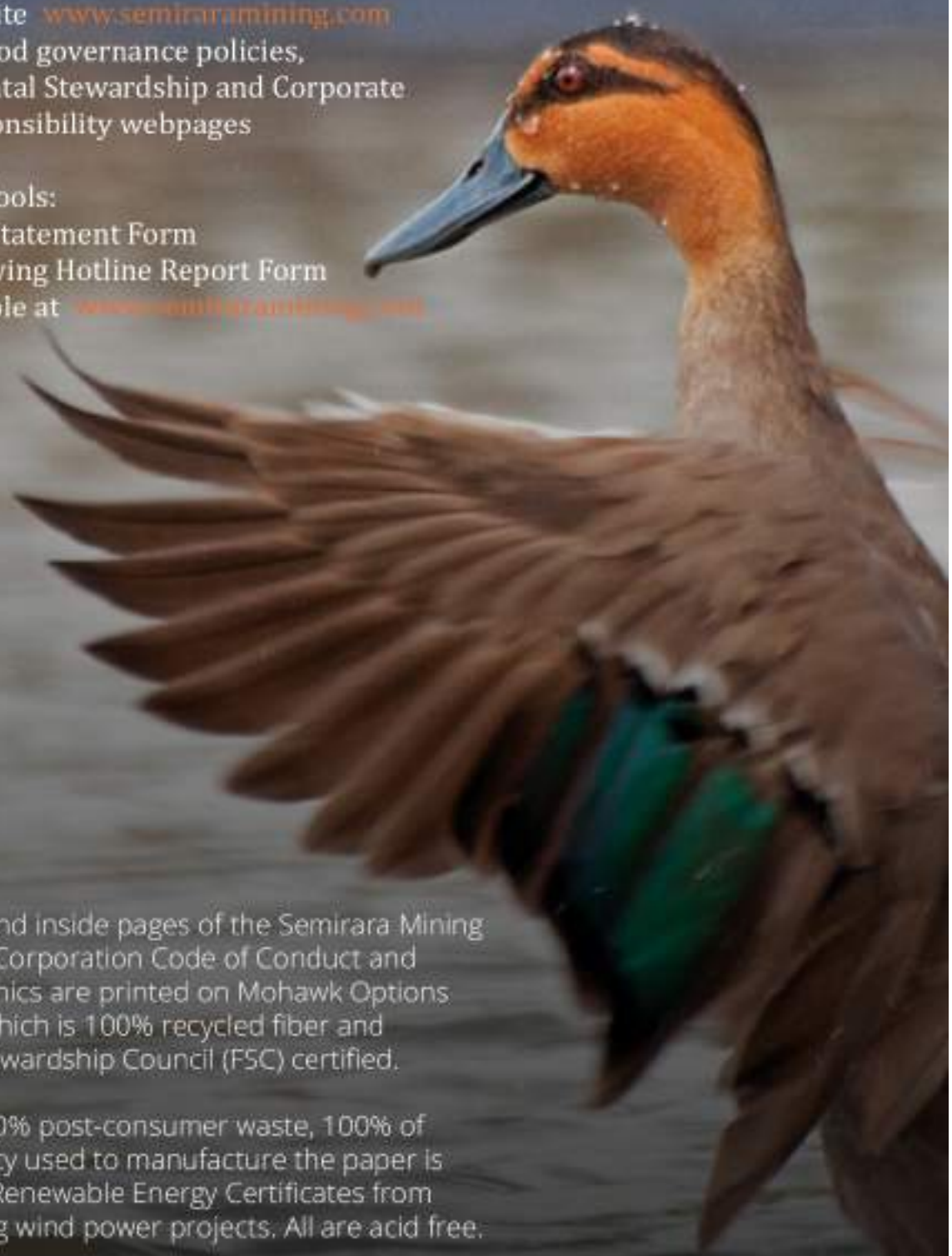
SMPC Website www.semiraramining.com
access to good governance policies,
Environmental Stewardship and Corporate
Social Responsibility webpages

Reporting Tools:
Disclosure Statement Form
Whistleblowing Hotline Report Form
downloadable at www.semiraramining.com

The cover and inside pages of the Semirara Mining and Power Corporation Code of Conduct and Business Ethics are printed on Mohawk Options PC White, which is 100% recycled fiber and Forestry Stewardship Council (FSC) certified.

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SEMIRARA MINING & POWER CORPORATION CODE OF CONDUCT & BUSINESS ETHICS