

**PNB Holdings Corporation****CODE OF ETHICS**

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This set of guidelines which shall form part of the Code of Ethics of PNB Holdings Corp. (the Company) is being issued for the purpose of:

- (1) Upholding and protecting the integrity of each employee, both officers and staff, as well as the integrity of the Company and its subsidiaries;
- (2) Strictly observing what is proper and upright in the performance of the duties and responsibilities of each employee;
- (3) Establishing and maintaining strictly professional working relationships with suppliers, contractors, consultants and other business partners while protecting the interest of the Company and its subsidiaries.

**CODE OF ETHICS**

1. Each employee of the Company and its subsidiaries shall strictly observe the following guidelines in the performance of their duties and responsibilities in, but not necessarily limited to, the following areas:
  - 1.1 Purchasing
  - 1.2 Quality & Quantity inspection
  - 1.3 Fund disbursements
  - 1.4 Contract awarding
  - 1.5 Rendering of architectural, civil and industrial plans, designs or specifications
  - 1.6 Negotiations with any third party
2. In any situation where the officer or employee is bound to exercise judgment and discretion and in the course of his performance of his functions, could be influenced by matters of personal gain or benefit for him to decide in favor of specific parties, the following guidelines shall govern:
  - 2.1 The officer/employee should not accept any invitation for entertainment from any and all suppliers, contractors, business partners and other similar parties, except when in the middle of a field visit or field meeting where invitation is just for lunch or snacks where the refusal of such invitation is not in accord with ordinary courtesy.
  - 2.2 The officer/employee should not solicit nor accept any gift, cash, favor, entertainment, accommodation or privilege from suppliers, contractors and other business partners. If by reason of repetitive insistence, refusal is not acceptable, employee concerned shall turn over such gift or cash to the Office of the President & COO or to the Human Resources Department, who, at their discretion, may set aside such gift or cash for future activities that shall benefit all employees.
  - 2.3 Unless previously bound by personal ties which should be declared upon hiring, the officer/employee concerned is discouraged from promoting or advancing a personal relationship with suppliers, contractors and similar parties by way of making them *compadres*, inviting them to join the same organizations, promoting referrals, and the like.

- 2.4 Each officer/employee shall at all times practice and maintain a strictly professional business relationship with suppliers, contractors and business partners of the Company and its subsidiaries.
3. Conflict of Interest would refer to situations wherein judgment and discretion, in the course of a person's employment, could be influenced by matters of personal gain or benefit.
- 3.1 Business decisions which are made must always reflect independent judgment and discretion, and must be based on the best interests of the Company.
- 3.2 Situations where personal interest conflicts with the interests of the Company are not allowed, whether or not it involves the employee directly or any one of his/her immediate family members.
- 3.3 Immediate family members refer to your spouse, parents, children, brothers and sisters, as well as the spouses of your children, brothers and sisters.

Acknowledge by:

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Signature over Printed Name / Date

*Employee's Copy*

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This set of guidelines which shall form part of the Code of Ethics of PNB Holdings Corp. (the Company) is being issued for the purpose of:

- (4) Upholding and protecting the integrity of each employee, both officers and staff, as well as the integrity of the Company and its subsidiaries;
- (5) Strictly observing what is proper and upright in the performance of the duties and responsibilities of each employee;
- (6) Establishing and maintaining strictly professional working relationships with suppliers, contractors, consultants and other business partners while protecting the interest of the Company and its subsidiaries.

**CODE OF ETHICS**

4. Each employee of the Company and its subsidiaries shall strictly observe the following guidelines in the performance of their duties and responsibilities in, but not necessarily limited to, the following areas:
  - 4.1 Purchasing
  - 4.2 Quality & Quantity inspection
  - 4.3 Fund disbursements
  - 4.4 Contract awarding
  - 4.5 Rendering of architectural, civil and industrial plans, designs or specifications
  - 4.6 Negotiations with any third party
5. In any situation where the officer or employee is bound to exercise judgment and discretion and in the course of his performance of his functions, could be influenced by matters of personal gain or benefit for him to decide in favor of specific parties, the following guidelines shall govern:
  - 5.1 The officer/employee should not accept any invitation for entertainment from any and all suppliers, contractors, business partners and other similar parties, except when in the middle of a field visit or field meeting where invitation is just for lunch or snacks where the refusal of such invitation is not in accord with ordinary courtesy.
  - 5.2 The officer/employee should not solicit nor accept any gift, cash, favor, entertainment, accommodation or privilege from suppliers, contractors and other business partners. If by reason of repetitive insistence, refusal is not acceptable, employee concerned shall turn over such gift or cash to the Office of the President & COO or to the Human Resources Department, who, at their discretion, may set aside such gift or cash for future activities that shall benefit all employees.
  - 5.3 Unless previously bound by personal ties which should be declared upon hiring, the officer/employee concerned is discouraged from promoting or advancing a personal relationship with suppliers, contractors and similar parties by way of making them *compadres*, inviting them to join the same organizations, promoting referrals, and the like.

- 5.4 Each officer/employee shall at all times practice and maintain a strictly professional business relationship with suppliers, contractors and business partners of the Company and its subsidiaries.
6. Conflict of Interest would refer to situations wherein judgment and discretion, in the course of a person's employment, could be influenced by matters of personal gain or benefit.
- 6.1 Business decisions which are made must always reflect independent judgment and discretion, and must be based on the best interests of the Company.
  - 6.2 Situations where personal interest conflicts with the interests of the Company are not allowed, whether or not it involves the employee directly or any one of his/her immediate family members.
  - 6.3 Immediate family members refer to your spouse, parents, children, brothers and sisters, as well as the spouses of your children, brothers and sisters.

Acknowledge by:

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Signature over Printed Name / Date