

Asia United Bank
Summary of Bank's Policies on Business Conduct or Ethics
Affecting Directors, Senior management, and Employees

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	To conduct fair business transactions with the bank and to ensure that personal interest does not bias board decisions, Directors should, whenever possible, avoid situations that would give rise to a conflict of interest. If transactions with the institution cannot be avoided, it should be done in the regular course of business and upon terms not less favorable to the institution than those offered to others. The basic principle to be observed is that a director should not use his position to make profit or to acquire benefit or advantage for himself and/or his related interest.	The policy defines when a conflict of interest arises, and when an employee benefits directly or indirectly from his position or employment with the bank, or as a result of the performance of his functions, duties and responsibilities. The policy contains examples of what constitute conflict of interest such as: use of bank's name, influence or goodwill for personal purposes; employees engaging directly or indirectly in the bank's line of business; dealing or participating, directly or indirectly, in transactions involving any individual, corporation or business	The policy defines when a conflict of interest arises, and when an employee benefits directly or indirectly from his position or employment with the bank, or as a result of the performance of his functions, duties and responsibilities. The policy contains examples of what constitute conflict of interest such as: use of bank's name, influence or goodwill for personal purposes; employees engaging directly or indirectly in the bank's line of business; dealing or participating, directly or indirectly, in transactions involving any individual, corporation or business enterprise with which the bank has a business relationship, for the employee's personal gain or benefit.

	He should avoid situations that would compromise his impartiality.	enterprise with which the bank has a business relationship, for the employee's personal gain or benefit.	
(b) Conduct of Business and Fair Dealings	A director is expected to remain fit and proper for the position for the duration of his term. He should possess unquestionable credibility to make decisions objectively and resist undue influence. He shall treat board directorship as a profession and shall have a clear understanding of his duties and responsibilities as well as his role in promoting good governance. Hence, he shall maintain his professional integrity and continuously seek to enhance his skills, knowledge and understanding of the activities that the bank is engaged in or intends to pursue	Fit and proper standards apply to members of the senior management. Integrity, technical expertise and experience in the institution's business, either current or planned, are expected of each member of the senior management. The actions of the senior management must at all times be consistent with the policies of the Bank.	Conduct and Behavior - Proper deportment of all employees is important to any institution, as it will reflect positively or negatively on its public image. It also has an effect on the morale and efficiency of the employees. The following acts are examples of violations of this section: A. Failure to wear the Bank ID or the prescribed uniform or proper corporate attire; B. Engaging another employee/s in a fight, prodding another employee/s to engage in a fight, or challenging to a fight, threatening with bodily harm or actual assault causing injury to another employee during working hours or within Bank premises or disruption of company operations; C. Engaging in horseplay, using

	<p>as well as the developments in the banking industry including regulatory changes through continuing education or training.</p>		<p>abusive, foul and profane language during working hours or within Bank premises;</p> <p>D. Committing theft within Bank premises;</p> <p>E. Planting evidence to cast aspersions on another employee or evading responsibility for the commission of a violation or offense under this Code;</p> <p>F. Deliberate destruction of property owned, held by or in custody of the Bank;</p> <p>G. Spreading intrigues or gossip about another employee which tends to discredit the latter;</p> <p>H. Gambling, betting, conducting lotteries or other similar acts within Bank premises;</p> <p>I. Immoral, indecent or scandalous acts committed within the Bank premises regardless of whether it was done before, during or after working hours (this includes distribution/use of immoral, indecent or scandalous literature and materials);</p> <p>J. Unauthorized possession of</p>
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			<p>explosives, firearms or other illegal items within Bank premises that are capable of inflicting bodily injuries;</p> <p>K. Writing, carving, etching, painting or posting writings/drawings/graffiti or other acts of defacement of Bank property;</p> <p>L. Acts of gross discourtesy or disrespect to any individual committed during working hours or within Bank premises;</p> <p>M. Drinking of intoxicating beverages during working hours or within Bank premises;</p> <p>N. Getting intoxicated within Bank premises or during company affairs or while representing the Bank in outside gatherings;</p> <p>O. Soliciting money/material objects or selling during working hours or within Bank premises without obtaining written</p>
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			<p>permission from Human Resources;</p> <p>P. Possessing, using, selling, distributing or causing to be brought into or used any narcotics or prohibited drugs within Bank premises at any time and in any manner except when such drugs take the form of medicine prescribed by a physician;</p> <p>Q. Willfully holding back, slowing down, hindering or limiting work output;</p> <p>R. Falsely and maliciously representing oneself to be an officer, agent or representative of the Bank or performing an act or function pertaining to any employee of the Bank without being authorized to do so;</p> <p>S. Directly or indirectly borrowing or lending one's personal funds</p>
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			<p>to customers, suppliers or other employees;</p> <p>T. Conduct that falls under sexual harassment shall be dealt with under the Anti-Sexual Harassment Code of Conduct and shall only be dealt with under this Code if the Anti-Sexual Harassment Code does not apply.</p> <p>Unless otherwise specified, the penalties for these acts range from WARNING to DISMISSAL depending upon the gravity of the offense.</p>
(c) Receipt of gifts from third parties	Same as (a) and (b)	Receipt of token gifts not more than P500 are not violations of the conflict of interest rule. Gifts amounting to more than P500 may be received without a consequent violation of the conflict of interest rule if the employee has duly	Receipt of token gifts not more than P500 are not violations of the conflict of interest rule. Gifts amounting to more than P500 may be received without a consequent violation of the conflict of interest rule if the employee has duly notified Human Resources.

		notified Human Resources.	
(d) Compliance with Laws & Regulations	To have a working knowledge of the statutory and regulatory requirements affecting the institution, including the content of its articles of incorporation and by-laws, the requirements of the BSP and where applicable, the requirements of other regulatory agencies. A director should also keep himself informed of the industry developments and business trends in order to safeguard the institution's competitiveness.	To have a working knowledge of the statutory and regulatory requirements affecting the institution, including the content of its articles of incorporation and by-laws, the requirements of the BSP and where applicable, the requirements of other regulatory agencies. A member of the senior management should also keep himself informed of the industry developments and business trends in order to safeguard the institution's competitiveness.	To have a working knowledge of the statutory and regulatory requirements affecting the institution, including the content of its articles of incorporation and by-laws, the requirements of the BSP and where applicable, the requirements of other regulatory agencies. An employee should also keep himself informed of the industry developments and business trends in order to safeguard the institution's competitiveness.
(e) Respect for Trade Secrets/Use of Non-public Information	Directors must observe the confidentiality of non-public information acquired by reason of their position as directors. They may not disclose said information to any other person without	The code of conduct requires the employee to safeguard the integrity of bank records and documents such as data stored in computer hard drives, computer/system passwords, diskettes, CD-	The code of conduct requires the employee to safeguard the integrity of bank records and documents such as data stored in computer hard drives, computer/system passwords, diskettes, CD-ROM's, etc. The policy also cites what constitute violations of such:

	the authority of the Board.	ROM's, etc. The policy also cites what constitute violations of such: forgery/falsification of bank records and documents, unauthorized tampering, alteration, concealment and destruction of bank records, falsification of or misrepresentation on personnel records or employment application.	forgery/falsification of bank records and documents, unauthorized tampering, alteration, concealment and destruction of bank records, falsification of or misrepresentation on personnel records or employment application.
(f) Use of Company Funds, Assets and Information	Directors must observe the confidentiality of non-public information acquired by reason of their position as directors. They may not disclose said information to any other person without the authority of the Board.	In addition to item e above, the Code of Conduct also provides for a policy requiring employees to keep confidential any data, passwords, information or records that they may come in contact with in the course of work.	In addition to item e above, the Code of Conduct also provides for a policy requiring employees to keep confidential any data, passwords, information or records that they may come in contact with in the course of work.
(g) Employment & Labor Laws & Policies	The position of a bank director is a position of trust. Generally, employment and labor laws and policies do not apply to directors. Under the Corporation Code, vacancies	The bank complies with all employment and labor laws and policies as prescribed. For employees who have been charged with violations of the code of conduct,	The bank complies with all employment labor laws and policies as prescribed. For employees who have been charged with violations of the code of Conduct, due process is observed in dealing with violations, and the employee is properly

	in the Board may be caused by removal, expiration of term, resignation, among others.	due process is observed in dealing with violations, and the employee is properly informed.	informed.
(h) Disciplinary action	The position of a bank director is a position of trust. Under the Corporation Code, a director may be removed for cause upon the shareholders' initiative.	The Code of Conduct contains the penalties imposed in cases of successive and/or multiple violations. Penalties are categorized depending on the nature of the offense, and would range from light, less grave and grave offense.	The Code of Conduct contains the penalties imposed in cases of successive and/or multiple violations. Penalties are categorized depending on the nature of the offense, and would range from light, less grave and grave offense. This can result in sanctions ranging from reprimand, suspension or dismissal, depending on gravity of the offense committed.
(i) Whistle Blower	N/A	The bank provides employees with convenient confidential and reliable mechanisms for reporting incidents or raising concerns regarding possible improprieties or malpractices within the organization. Guidelines and procedures have been disseminated to all employees to inform them how the concern will be addressed and	The bank provides employees with convenient confidential and reliable mechanisms for reporting incidents or raising concerns regarding possible improprieties or malpractices within the organization. Guidelines and procedures have been disseminated to all employees to inform them how the concern will be addressed and who is tasked to evaluate and investigate the concern. After the investigation has been

		who is tasked to evaluate and investigate the concern. After the investigation has been concluded, the appropriate sanction, if applicable, will be imposed.	concluded, the appropriate sanction, if applicable, will be imposed.
(j) Conflict Resolution	A director should view each problem/situation objectively. When a disagreement with others occurs, he should carefully evaluate the situation and state his position. He should not be afraid to take a position even though it might be unpopular. Corollarily, he should support plans and ideas that he thinks will be beneficial to the institution.	Members of the senior management are allowed to communicate, with protection from reprisal, legitimate concerns about illegal, unethical or questionable practices directly to the Board of Directors or any independent unit. Policies shall likewise be set on how such concerns shall be investigated and addressed, for example, by an internal control function, an objective external party, senior management as to and/or the Board itself.	Employees are allowed to communicate, with protection from reprisal, legitimate concerns about illegal, unethical or questionable practices directly to the Board of Directors or any independent unit. Policies shall likewise be set on how such concerns shall be investigated and addressed, for example, by an internal control function, an objective external party, senior management as to and/or the Board itself.