

CODE OF ETHICS

Our Principles — How We Make Decisions

CIC is committed to the highest standards of ethics and business conduct.

At CIC, ethics is the foundation of our performance culture. Ethical behavior is built on:

Trust – which is demonstrated by reciprocity, mutuality and predictability, and is destroyed by deception, cheating, and failure to keep commitments

Respect – which is demonstrated by communicating openly, listening receptively to the ideas of others, and treating others with dignity

Integrity – which is demonstrated by uncompromising adherence to the Code of Ethics, consistency in words and actions, honesty, accountability, and application of sound methods to address business issues



*We do the right thing,
the right way, all the time.*

- New CIC Values (June 2015)



In a nutshell, we commit to the following:

- We will obey the law.
- We will act in good faith.
- We will consider the impact of our decisions on our stakeholders and seek fair resolutions.
- We will communicate openly and effectively with our stakeholders.
- We will seek always to build trust, show respect, and perform with integrity.

We take the following steps in making decisions:

- involve the right people
- understand the facts
- understand the legal requirements
- consider the duties owed to stakeholders and the impact of alternative decisions
- compare alternatives with reference to company values
- make a tentative decision that is lawful and seems best
- ask "Should I?"

CIC's Code of Ethics expresses its fundamental values, establishes rules of conduct, and provides guidance for policy formulation and decision-making.

As part of its commitment to the highest standards of business ethics, CIC expects all its suppliers to adopt CIC's Code of Ethics or to abide by their own Code of Ethics if it meets the minimum standards of CIC's Code of Ethics.

By accepting an engagement with CIC, you acknowledge that serious violation of the principles of CIC's Code of Ethics may result in the termination of your engagement and your blacklisting from future engagements.

Enclosed is a detachable Suppliers & Business Partners ACKNOWLEDGEMENT & DECLARATION FORM where we will ask you to acknowledge receipt of this code and your conformity to the above conditions. Kindly accomplish, sign and return this to us.

For any questions about this Code, please contact CIC's Business Practices Officer at: bpo@cic.ph or (+63998)968-3713.

All references to CIC include Concepcion Industrial Corporation and its subsidiaries:

Concepcion-Carrier Air Conditioning Company, Concepcion Durables, Inc., Concepcion-Otis Philippines, Inc., and Concepcion Midea, Inc.



We observe the following principles in all decisions that we make:

Our Customers

We will provide high quality and value, competitive prices, and honest transactions to those who use our products and services. We will deal lawfully and ethically with our customers.

Our Employees

We will treat employees fairly and use employment practices based on equal opportunity for all. We will respect employees' privacy and treat them with dignity and respect. We are committed to providing safe and healthy working conditions and an atmosphere of open communication for all our employees.

Our Suppliers and Partners

We will deal fairly with our suppliers and partners. We will seek long-lasting business relationships, without discrimination or deception.

Our Standards of Conduct — How We Perform

The following standards of conduct define our minimum expectations for ethical behavior.

Because these standards cannot anticipate the particular facts of every situation, they must be interpreted and applied within the framework of the laws and local customs, as well as in light of CIC's Commitments, Principles, guidelines, policies, and good common sense. Reasons such as "everyone does it" or "it's not illegal" are unacceptable excuses for violating these Standards. We must be mindful of avoiding at all times, on and off the job, circumstances and actions that give even the appearance of impropriety or wrongdoing which could discredit CIC.

Quality & Safety

Our products must be designed, produced and delivered with the primary consideration of the safety and health of our customers, product users, employees, and others who may be affected.

Our operating units have the responsibility to design, manufacture, and deliver quality products. All required inspection and testing operations must be completed properly.

Marketing & Selling

We will compete on the basis of the merits of our products and services. We will sell our products and services honestly and will not pursue any sale that requires us to act unlawfully or in violation of these standards.

In making comparisons to competitors, care must be taken to avoid disparaging a competitor through inaccurate statements.

All persons acting on behalf of CIC will abide by all laws relating to improper payments.

Business gifts that are customary and reasonable in frequency and value are generally permitted. A gift is never permitted if intended in exchange for favorable treatment or if prohibited by the policies of the recipient or his/her employer.

We will never offer or pay any bribe.

Our Shareowners

We will work to provide a superior return to our shareowners. We will safeguard the value of their investment through the prudent use and protection of corporate resources, and by observing the highest standards of legal and ethical conduct in all our business dealings.

Our Competitors

We will compete vigorously, independently and fairly, basing our efforts on the merits of our competitive offerings.

Our Communities

We will be responsible corporate citizens of the communities in which we operate. We will abide by all national and local laws, and we will strive to improve the well-being of our communities through the protection of natural resources, through the encouragement of employee participation in civic and charitable affairs, and through corporate philanthropy.

A WORD ON BUSINESS GIFTS

Our Code of Ethics requires that we be fair to employees, suppliers and business partners, and that business decisions should never be shaped or influenced by conflict of interest.

One of the sources of conflict of interest and improper influence is business gifts – which is anything of value given to or received by an employee or any of his family members as the result of a business relationship with the company for which the recipient does not pay full retail value.

We discourage our suppliers and business partners from giving business gifts to our employees, and would allow the same only if it is customary as a business courtesy, AND is reasonable in value and frequency. We do not allow the giving or receiving of business gifts, and we would even go to the extent of returning the same if it meets any of the following criteria:

- X violates law or company policy*
- X is in cash or its equivalent*
- X is given to government officials*
- X is given to PURCHASING staff of the company*
- X is solicited or requested by our own employee*
- X is given or received in exchange for special treatment*
- X is given around the time when a proposal is submitted or approved*
- X is intended or appears to*
 - improperly influence the acquisition of business or gain improper business advantage*
 - impose a sense of obligation*
 - advance personal interest*
- X fails to meet any of the criteria for allowed gifts*

Protecting Information Belonging to Others

We respect the legitimate proprietary rights and trade secrets of our customers, suppliers, and third parties. We will solicit, accept, use, and disclose proprietary information belonging to others only in conformity with relevant policies and applicable laws. We will not utilize any improper means such as theft or deception in gathering information.

Protecting Company Assets

We will use our tangible assets (such as facilities, money, equipment, and information technology systems) and intangible assets (such as intellectual property, trade secrets, invention disclosures, sensitive business and technical information, computer programs, and business and manufacturing know-how) properly and only as authorized by management.

We will not use company assets for personal gain. All business transactions must be authorized by management in accordance with authority matrices and established processes for internal review and approval.

Accuracy of Records

All assets, liabilities, revenues, expenses, and business transactions must be completely and accurately recorded on company books and records, in accordance with applicable law, generally accepted accounting principles, and established financial policies and procedures. Budget proposals and economic evaluations must fairly represent all information relevant to the decision being requested or recommended. No secret or unrecorded cash funds or other assets will be established or maintained for any purpose. We will advise customers and suppliers of errors and promptly correct the error through credits, refunds or other mutually acceptable means.

Government Procurement

We will comply with all applicable procurement laws and rules.

Equal Employment Opportunity

We will treat employees and applicants for employment fairly, based only on factors related to legitimate business interests.



Workplace Environment

We are committed to providing employees a workplace that is free from known safety and health hazards, and a work environment free from discrimination, harassment, or personal behavior not conducive to a productive work climate.

We will abide by applicable laws and regulations regarding possession or use of alcohol, drugs, and other controlled substances. Serving of alcohol on company premises, jobsites and during company functions may be allowed subject to local laws and only upon prior approval of the Human Resources Department. Intoxication while in company premises and jobsites will not be tolerated.

The use, sale, purchase, transfer, possession or presence in one's system of regulated drugs while in company premises is strictly prohibited, except those that are medically prescribed and used lawfully.

Employee Privacy

We respect the privacy of our employees.

We will comply with all applicable laws in the collection, use, or disclosure of employee personal information.

CIC does not concern itself in the personal conduct of employees, unless such conduct impairs the employee's work performance or affects the reputation or other legitimate business interests of CIC.

Employee Communications

We will provide our employees with timely information on business results, product performance, customer relations, and employee achievements.

We will provide and maintain communication channels that encourage self-expression and open discussion relative to employee opinions and concerns, including the Dialog Program and the annual Employee Engagement Survey.

Employee Development

CIC will attract, motivate and retain competent, dedicated people by designing compensation and benefits programs that are competitive in our worldwide marketplaces.

CIC will promote employee development through training opportunities and scholarship for eligible employees.

Conflicts of Interest

CIC's directors, officers, employees, and representatives must be loyal to the company and deal with suppliers, customers and others in a manner that avoids a conflict between personal interests and those of CIC, or even the appearance of such conflict.

All actual, potential or perceived conflicts must be declared by the employee concerned as well as those who may be aware of it.

Securities Trading & Release of Material, Non-Public Information

CIC's directors, officers, employees and representatives must maintain the confidentiality of material, non-public information (i.e., information not disclosed by CIC and which a reasonable investor would consider important in making an investment decision). Such information will be disclosed only through designated spokespersons, who typically would be the most senior CIC officers.

CIC's directors, officers, employees and representatives (and their immediate family members) must not buy, sell or otherwise trade securities while aware of material, non-public information.

Representatives

All representatives (in addition to directors, officers, or employees) of CIC must act on behalf of CIC in a manner consistent with the Code.

We will not use any representative to circumvent standards of conduct described in this Code.

Partners & Suppliers

We purchase all equipment, supplies and services on the basis of merit. CIC's partners, suppliers, vendors and subcontractors will be treated with fairness and integrity and without discrimination.

Shareowner Communications

We will comply with all laws, rules, and regulations regarding the public disclosure of business information. All periodic reports, filings, and public communications, whether oral or written, must be full, fair, accurate, timely, and understandable, with no material omissions.

Protecting the Environment

We will conduct our operations in a manner that safeguards the natural environment. All required permits will be obtained; the terms of all permits will be upheld; and efforts will be made to minimize waste.

Community Support

We support organizations and activities of the communities in which we reside. We will support worthwhile civic and charitable causes.

Involvement in Political Activities

CIC will not participate in any partisan political activity such as contributions to political parties and individual candidates.

Personal participation by employees in political activities, including contributions of time or financial support, is a personal decision and will be entirely voluntary.

Those who make contacts on behalf of CIC with political parties, candidates, elected officials, or governmental officials must comply fully with all applicable laws and CIC policies.

International Trade

We will comply fully with laws on importation, exportation, financial transactions, investments, and other types of business transactions.

Antitrust Laws

We will comply with all applicable competition laws.

We will not engage in bid rigging, or enter into any agreement with competitors regarding our prices or our market or area of coverage, nor discuss with them our prices, costs, profits, or marketing strategies. Neither will we abuse market power.

Local Laws & Customs

We will abide by the national and local laws where we operate. If a conflict arises with respect to laws applicable between countries, the Legal Department must be consulted.

We will not knowingly facilitate illegal conduct or fraud by others, regardless of local norms.

Citizenship and Human Rights

We are committed to good citizenship and believe that engagement with others improves the human condition.

CIC will not use child labor or forced labor.

We will work to protect the environment, maximize the efficiencies of our products, and reduce wastes, emissions, energy consumption, and the use of materials of concern.

CIC will never offer or pay any bribe.

