



**ATS CONSOLIDATED (ATSC), INC.
(FORMERLY "ABOITIZ TRANSPORT SYSTEM CORPORATION")**

CODE OF BUSINESS CONDUCT

INTRODUCTION

Code of Business Conduct

The ATS Consolidated (ATSC), Inc. (Formerly “Aboitiz Transport System Corporation”) Code of Business Conduct (the “Code”) is a statement of policies and procedures of ATS Consolidated (ATSC), Inc. for conducting its business in a legal and ethical manner.

The Code includes provisions from existing Corporate Policies to provide an accessible reference for all employees.

All policies and procedures in the Code apply to all employees and Board of Directors of ATS Consolidated (ATSC), Inc., its divisions and affiliates. References to employees in the Code include agents.

The policy of the Company is to prevent the occurrence of illegal and unethical behavior, to halt any illegal or unethical behavior that may occur as soon as reasonably possible after its discovery, and to discipline those who violate the Code, including individuals responsible for the failure to exercise proper supervision and oversight to detect and report a violation by their subordinate employees. Discipline may, when appropriate, include dismissal.

Guidance & Interpretation

An employee who has a question regarding the applicability of interpretation of the Code should utilize the procedure specified in the section on page 7 entitled “IMPLEMENTATION OF THE CODE”.

Compliance with the Law

The employees of the Company and its Board of Directors shall comply with the laws and highest standards of business ethics and conduct in every area in which the Company does business.

Corporate Policy #1: *Conflict of Interest*

Each employee must avoid any investment, interest, or association that interferes or might interfere with the independent exercise of his or her own individual best judgment, and with such employee’s obligation to perform his or her responsibilities in the best interests of the Company. Specifically:

1. All employees shall deal with all suppliers, customers and all other persons doing business with the Company in a completely fair and objective manner without favor or preference based upon personal financial considerations.
2. Employees shall not accept from or give to any supplier, customer or competitor any gift or entertainment except as permitted under *"Gifts and Entertainment"* on page 5.
3. No employee shall do business with a close relative on behalf of the Company, unless the transaction is on arms-length terms and is disclosed, in writing, to the Corporate Compliance Officer of the Company who determines that the transaction is not inconsistent with the purposes of this policy.
4. No employee shall, directly or indirectly, own any financial interest in or hold any employment or managerial position with any firm or corporation which is a competitor of or which does or seeks to do business with the Company if such interest or position may influence any decision that such employee might make in the performance of his or her regular duties.
5. All employees have the affirmative duty to disclose to the corporate officer responsible for their function the existence of any personal material financial interest in or employment or managerial position with any firm or corporation which is a competitor of or which seeks to do or does business with the Company. Each corporate officer shall review each such case with the Corporate Compliance Officer, and they shall determine whether the existence of such interest or position is or may be in conflict with this policy or otherwise detrimental to the best interest of the Company or any of its operations. If it is determined that such conflict or detrimental effect may occur, such steps as are necessary to correct the situation will be immediately instituted.

Corporate Policy #2: *Confidential Information*

The disclosure of Confidential Information regarding Company business operations, whether intentional or accidental, can adversely affect the financial stability of the Company and the job security of its employees.

Because of this risk of harm to the Company and its employees, no employees shall, without the written consent of the Company, during the term of employment or thereafter, use, directly or indirectly, for the benefit of such employee or others, or disclose to others, any Confidential Information obtained during the course of employment.

"Confidential Information" means all discoveries, inventions, improvements and innovations, whether or not patentable or copyrightable, methods, processes,

techniques, shop practices, computer software, equipment, research data, marketing and sales information, personnel data, customer lists, financial data, plans and all other know-how and trade secrets which are in the possession of the Company and which have not been published or disclosed to the general public.

Each employee shall promptly report to the appropriate immediate supervisor any attempt by outsiders to obtain Confidential Information or any unauthorized use or disclosure of Confidential Information by other employees.

Corporate Policy #3: *Gifts and Entertainment*

No employee shall seek or accept, or offer or give any payments, fees, loans, services or gifts from or to any person or firm as a condition or result of doing business with the Company.

The Company's policy is intended to permit gifts of reasonable value, normal business meals and entertainment, the exchange of customary reciprocal courtesies between employees of the Company and their business associates, and similar customary and reasonable expenditures to promote general business goodwill.

Reasonable expenditures for gifts to, and the entertainment of business contacts by Company employees may be made if the expenditures have been appropriately authorized and are correctly recorded on the books of the paying entity. However, entertainment or gifts shall not be of substantial monetary value nor exceed that value customarily and openly provided by responsible competitors of the Company in the area involved.

With respect to gifts to, and entertainment of government officials or employees, this policy is subject to the provisions of the "PHILIPPINE GOVERNMENTAL PAYMENTS" on page 4.

Corporate Finance Manual #1: *Accuracy and Integrity of Books and Records*

All Company books, records and accounts must accurately reflect the nature of the transactions recorded. All assets and liabilities of the Company must be recorded in the regular books of account. No undisclosed or unrecorded fund or asset shall be established in any amount for any purpose. No false or artificial entries shall be made for any purpose. No payment shall be made, or purchase price agreed to, with the intention or understanding that any part of such payment is to be used for any purpose other than that described in the document supporting the payment.

Corporate Policy #4: *Governmental Payments*

No employee shall directly or indirectly give, offer or promise any form of bribe, gratuity or kickback to a local government official or employee.

Corporate Human Resources Policy #1: *Equal Employment Opportunity*

It is the policy of the Company to provide employment opportunities without regard to race, religion, color, national origin, sex, age, ancestry, citizenship, veteran status, marital status, sexual orientation or disability, or any other reason prohibited by law, and to maintain a work environment free from harassment. Decisions as to hiring, promotion and other aspects of the employment relationship must be based solely upon job-related qualifications.

Corporate Policy #5: *Safety and Health*

The Company is committed to providing its employees with a safe and healthy work environment. Employees shall comply with all applicable occupational health and safety laws and regulations.

Corporate Policy #6: *Environmental Laws*

All employees of the Company, and all of its facilities and operations, shall comply with all applicable environmental laws, rules and regulations, including those dealing with emissions to the atmosphere, discharges to surface or underground works, drinking water supplies, solid and hazardous waste management, releases of hazardous substances, community emergency response planning and toxic substances control.

Corporate Policy #8: *Insider Trading In Securities*

If a person possesses material non-public information concerning a corporation, it is illegal for the person to trade in securities of the corporation.

All directors, officers and employees of the Company, and third parties who are in a confidential relationship with the Company, shall not trade in or recommend the purchase or sale of ATS common shares (or any other ATS securities) while they are in possession of "material information" regarding the operations or prospects of the Company that has not been publicly disclosed and disseminated to the investment community. All such persons shall also similarly abstain from trading in, or recommending the purchase or sale of the securities of any other corporation of which they have obtained unpublicized "material information" as a result of their employment by the Company.

“Material information” is information which, if publicly disclosed, could reasonably be expected to affect the market value of a corporation’s securities or to influence investor decisions with respect to those securities. Specific examples of “material information” include generally unanticipated changes in annual and quarterly earnings or dividend rates, significant acquisitions, proposed tender offers or stock splits and senior management changes. Information regarding major new products, contract awards, expansion plans or significant litigation or regulatory proceedings may also fall in the category of “material information”.

IMPLEMENTATION OF THE CODE

Corporate Compliance Officer

The Chief Finance Officer or any designated officer is the Corporate Compliance Officer responsible for implementation of the Company’s compliance program, including the Code.

Questions Regarding the Code

An employee who has a question regarding the applicability or interpretation of the Code should direct the question to:

- His or her manager, or
- Human Resource Manager

Questions may also be directed to the Corporate Compliance Officer.

Reporting of Violations

If an employee knows of a violation or possible violation of the Code, the employee should immediately report it to:

- His or her manager, or
- Human Resource Manager

An employee may also report a violation or possible violation of the Code directly to the Corporate Compliance Officer.

Any manager, or Human Resource Manager receiving such a report must, when appropriate, immediately advise the Corporate Compliance Officer.

Investigation of Violations

All reported violations of the Code will be promptly investigated by the Company and will be treated confidentially to the extent consistent with the Company's interests and its legal obligations.

All investigations by the Company of wrongdoing will be directed by the Corporate Compliance Officer. Employees are expected to cooperate in the investigation of an alleged violation of the Code. If the result of the investigation indicates that corrective action is required, the Company will decide what steps it should take, including, when appropriate, legal proceedings, to rectify the problem and avoid the likelihood of its recurrence.

Discipline for Violations

Disciplinary actions may be taken for:

- Authorization or participation in actions that violate the Code.
- Failure to report a violation of the Code.
- Refusal to cooperate in the investigation of a violation of the Code.
- Failure by a violator's supervisor(s) to detect and report a violation of the Code, if such failure reflects inadequate supervision or lack of oversight.
- Retaliation against an individual for reporting a violation of the Code..

Disciplinary action may, when appropriate, include dismissal. With respect to disciplinary action, principles of fairness will apply including, when appropriate, review of a disciplinary decision.

Acknowledgment

The Company requires that all employees and Board of Directors sign an acknowledgment confirming that they have received and read the Code and understand it.

Acknowledged by:

(Sgd.) JON RAMON M. ABOITIZ
Chairman

(Sgd.) ENRIQUE M. ABOITIZ JR.
President and CEO

(Sgd.) ROBERTO D. GOTHONG
Vice-Chairman

(Sgd.) ROBERTO E. ABOITIZ
Director

(Sgd.) SABIN M. ABOITIZ
Director

(Sgd.) JUSTO A. ORTIZ
Director

(Sgd.) ERRAMON I. ABOITIZ
Director

(Sgd.) ALOYSIUS B. COLAYCO
Director

(Sgd.) WASHINGTON Z. SYCIP
Director

(Sgd.) HELEN G. TIU
Corporate Secretary