

# Business Conduct

The way we do Business



# WALTON

Revised September 2023

## **1. Introduction**

This Code of Business Conduct and Ethics (“Code”) delineates the principles and guidelines governing ethical conduct within W-LOTTO, Inc. (“Company”). It is crafted to guarantee our responsible operation, characterized by integrity, fairness, and compliance with pertinent laws and regulations. Our aim is to furnish a secure, enjoyable, and equitable gaming experience for all our customers. Company operates with ethics, honesty, and strict adherence to all laws and regulations. This Code of W-LOTTO applies to every business decision in every area of the company worldwide.

## **2. Purpose**

This Code establishes the criteria for professional and ethical conduct anticipated from the Directors, Officers, and Employees of the Corporation. It supplements the Corporation’s Code of Corporate Governance and aligns with Securities and Exchange Commission (“SEC”) Memorandum Circular No. 19, Series of 2016.

## **3. Principles of the Code of Business Conduct**

### **I. Honesty, Integrity and Fairness**

While executing their duties and responsibilities, the Directors, Officers, and Employees of the Company are committed to acting with honesty, integrity, and fairness, always prioritizing the best interests of the Company and its stockholders.

### **II. Insider Trading and Fraudulent Practices**

Insider trading and fraudulent practices, as per this Code, encompass insider trading and any fraudulent or manipulative devices and practices prohibited under the Securities Regulations Code of the Philippines.

### **III. Confidentiality**

All employees and officers are obligated and anticipated to protect confidential and proprietary Company information pertaining to the manner in which the Company conducts its business. Financial reports, strategies, and plans should not be disclosed unless explicitly authorized by the Company or mandated by applicable law. The Company adheres to the guidelines outlined in the Data Privacy Act, and all information related to individuals employed by the Company is considered private and shall not be disclosed to external parties, unless required by legal processes or with the explicit consent of the employee.

### **IV. Conflict of Interest**

Conflict of interest is described as a scenario in which a Director, Officer, or Employee possesses a personal interest, whether direct or indirect, in a transaction involving the Company. This extends to the receipt of inappropriate personal benefits resulting from one's position or rank, to the detriment of the Company or its stockholders. Additionally, conflict of interest encompasses simultaneous employment with a Competitor.

For instance, a conflict of interest may manifest when a covered party engages in actions or holds personal interests that could impede the objective and effective execution of their duties for the Company. It may also arise if a Covered Party or an immediate family member receives inappropriate personal benefits due to their position within the Company.

Conflicts of interest can extend to indirect scenarios. For instance, a conflict may arise if a Covered Party serves as an executive officer, holds significant shares, or possesses a substantial interest in a company or organization engaged in business with the Company.

Every covered party is obligated to conduct the Company's business with honesty and ethical integrity, which includes the ethical management of actual or perceived conflicts of interest between personal and professional relationships. Any situation that entails, or could reasonably be expected to involve, a conflict of interest with the Company must be promptly disclosed to the Chairman of the Board or the General Counsel.

It's important to note that this Code does not attempt to outline all potential conflicts of interest that may arise.

## **V. Customer Relations**

The essence of the Company's operations revolves around its clients and customers. Ensuring customer satisfaction and loyalty holds paramount significance. All directors, officers, and employees are obligated to approach customer interactions with fairness, professionalism, courtesy, and respect, recognizing customers as being 'right' at all times.

The Company is dedicated to providing accurate information to customers and will not engage in providing false or misleading information. Furthermore, the Company is steadfast in safeguarding the safety and security of its customers. It endeavors to maintain well-secured premises, enabling customers to fully enjoy our gaming properties. The Company is also committed to identifying and eliminating threats and hazards that could jeopardize the safety of its customers.

## **VI. Fighting Corruption**

Corruption is defined as a scenario where something of value is promised, given, or permitted to be given improperly, either directly or indirectly, to a public official or a private sector individual. This is done with the intent of gaining an undue advantage by influencing the recipient to perform or refrain from performing specific actions within their duties. Both the provider and recipient of the undue advantage are held accountable for engaging in corruption. Influence-peddling, considered a form of corruption, entails offering an undue advantage to secure special treatment, a job, contract, or a favorable decision from an authority or body, utilizing the influence or connections of the individual involved.

The terms 'something of value' and 'advantage' are broadly construed in the context of corruption. While some may perceive a bribe solely as a direct payment for a commercial advantage, it can also manifest through indirect transactions. Bribery may take various

forms, such as donations to charities, sponsorship of activities like seminars, contributions to social funds, gifts, or gestures of hospitality, including covering meal or travel expenses.

Donations and sponsorships provide the Company with opportunities to contribute to charitable or humanitarian projects, support cultural or sports activities, promote educational institutions, and align with the Company's values. Additionally, membership in business associations allows the Company to support local organizations in line with its business objectives. While these contributions and memberships serve positive purposes, they can potentially be misused to conceal acts of corruption. As a result, donations, charitable contributions, corporate sponsorships, and memberships undergo thorough verifications and precautions to ensure they remain free from corruption. The Company's participation in donations, patronage, and sponsorships adheres to applicable laws in the respective countries and maintains complete transparency. The Company strictly refrains from making political contributions or providing benefits to endorse any specific political party or public official. All Company employees are prohibited from utilizing Company resources to secure benefits for political parties or public officials.

## **VII. Accuracy of Business Records**

It is imperative that all financial books, records, and accounts accurately reflect the details of transactions and events, adhering not only to the Philippine Financial Reporting Standards ("PFRS") but also to the Company's established system of internal controls. The integrity of the financial reporting process is paramount, and no entry should be made with the intention of hiding or disguising the true nature of any transaction. Covered Parties, in this regard, are expected to exercise utmost transparency and diligence, aiming for clarity, conciseness, truthfulness, and accuracy in recording any information. This commitment ensures the reliability of financial data, promoting the Company's adherence to ethical and legal standards.

## **VIII. Whistle – Blower Policy**

All employees, including directors, officers, supervisors, and rank-and-file, as well as customers, vendors, suppliers, and other stakeholders, have the right to report in writing

any violations of this Code, unethical conduct, fraud, and other malpractices to ethics@wlotto.ph. These reports will be directed to the Office of the President, where a commitment to handle such matters with strict confidentiality is assured. Discretion will be exercised to safeguard the identity of the person(s) making the report. Individuals who file reports will be protected from any retaliation that may arise from the parties being reported

#### **IX. Creation of Rights Clause – No Rights Created**

This Code serves as a declaration of fundamental principles, policies, and procedures governing the conduct of the Company's Covered Parties in the course of the Company's business. It is important to note that this Code is not designed to, and does not, establish any rights for employees, customers, clients, visitors, suppliers, competitors, shareholders, or any other individuals or entities. The Company firmly believes that this policy is comprehensive and addresses most foreseeable situations.

