

**KNIGHTS OF COLUMBUS FRATERNAL ASSOCIATION  
OF THE PHILIPPINES, INC.  
(KCFAPI)**

**REVISED KCFAPI CODE OF ETHICS**

*WHEREAS*, the Knights of Columbus Fraternal Association of the Philippines, Inc. or KCFAPI for ease of reference, is a non-stock and non-profit organization licensed under Philippine Laws since 1958 as a mutual benefit association which primarily serves as the instrument of the Order of the Knights of Columbus in its Luzon, Visayas and Mindanao Jurisdictions in the Philippines to carry out its mission to provide better protection to its members and the members of their families under its insurance program.

*WHEREAS*, in a very real sense, the insurance program is one form of KCFAPI's participation or involvement in the economic order and the Catholic Bishops Conference of the Philippines (CBCP) exhorts the entire Church (clergy, religious and laity) "to renew economic life with the values of the Gospel and of the Kingdom of God, which are authentically human values such as integrity, justice, equity, service, preferential option for the poor, responsible stewardship"; and then emphasizes that the prophetic word of the Church to the economic order is not merely about economic production or juridical or social organization; it is about solutions that call for "ethical and religious values, as well as changes of mentality, behavior, and structures."

*WHEREAS*, accordingly, the particular nature of KCFAPI's activity requires from its Trustees, officers and employees and those who worked for it under a non-employee category the highest degree of ethical standards and norms under the principle that the positions they hold or work under are one of trust and that success in its operations depends on the continuing confidence in it of the Members of the Order and their families, in particular, and of the public in general.

*WHEREAS*, the KCFAPI had earlier adopted a **CODE OF ETHICS** to govern the conduct of its Trustees, officers and employees, as well as of its non-employees, such as field representatives including outsourced services; however in light of present demands in an environment of rising expectations in the industry and rapid advances in information and communication technology, there is a need to revise the **CODE OF ETHICS**.

*NOW, THEREFORE*, the Knights of Columbus Fraternal Association of the Philippines, Inc. (KCFAPI) hereby adopts and promulgates this

## **REVISED KCFAPI CODE OF ETHICS**

### **ARTICLE I**

#### **SCOPE**

SECTION 1.- This **Revised KCFAPI Code of Ethics** shall apply to the Members of the Board of Trustees, the officers and the employees of the Knights of Columbus Fraternal Association of the Philippines, Inc. (KCFAPI), as well as to all who work for it or any of its department or agency in a non-employee category such as, but not limited to, the filed representatives, including outsourced services, and those enumerated in Articles XI and XII hereof.

### **ARTICLE II**

#### **GENERAL POLICY**

SECTION 1.- The Knights of Columbus Fraternal Association of the Philippines, Inc. (KCFAPI) shall maintain the highest standard of integrity, conduct, and morality in its business dealings and operations with the public in accordance with the doctrines and teachings of the Catholic Church and shall pursue its mission with dedication, zeal and enthusiasm to ensure the delivery of quality service to its clientele and enhance and strengthen the latter's trust and confidence in the KCFAPI and the Order of the Knights of Columbus.

### **ARTICLE III**

#### **INTEGRITY AND FAIR DEALING**

SECTION 1. - Integrity is a value which the Trustees, officers and employees of the KCFAPI must at all times possess and faithfully promote, guard and protect. Accordingly, they must ensure that their conduct and behavior must be beyond reproach.

SEC. 2.- They shall avoid impropriety and the appearance of impropriety in all of their dealings and activities.

SEC. 3.- They shall deal fairly with KCFAPI's stakeholders and the public in general. They shall not take unfair or undue advantage over any person through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or through any unfair dealings.

SEC. 4.- They shall not take personal opportunities that are discovered and made known to them through the use of KCFAPI's corporate property, information or position. Neither shall they use them for personal gain or for the benefit of the immediate members of their families or close associates in their profession or other business, nor compete with the KCFAPI or with any of its foundations or corporations wholly or partly owned by it.

## **ARTICLE IV**

### **FIDELITY TO DUTY**

SECTION 1.- Fidelity to duty is an indispensable component of integrity. Accordingly, the Trustees, officers and employees of the KCFAPI shall not use their official positions to secure unwarranted benefits or privileges for themselves or for others.

SEC. 2.- They shall not accept any fee or remuneration beyond what they receive or are entitled to in their official capacity.

SEC. 3.- They shall not give gifts, privileges, perquisites or excessive entertainment to attract or influence activity.

SEC. 4.- They shall not solicit or accept any gift, favor or benefit based on any implicit or explicit understanding that such gift, favor or benefit shall influence their official actions.

SEC. 5.- They shall not discriminate by dispensing special favors to any one, or allow any kinship, rank or position from any party to influence their official acts or duties.

## **ARTICLE V**

### **CONFIDENTIALITY**

SECTION 1.- The Trustees, officers or employees of the KCFAPI shall not disclose any confidential information acquired by them from either authorized or unauthorized sources during or in the course of their service as such.

SEC. 2.- Confidential information includes, but is not limited to, all non-public information that might be of use to competitors, or harmful or disadvantageous to KCFAPI, its stakeholders and foundations and corporations controlled by it if disclosed.

## **ARTICLE VI**

### **CONFLICT OF INTEREST**

SECTION 1.- The Trustees, officers and employees of the KCFAPI shall avoid conflict of interest in performing official duties. They shall exercise utmost diligence and prudence in being aware of conflicts of interest; disclosing any such conflict to the Board of Trustees insofar as Trustees and officers are concerned, and to the President through their immediate supervisor insofar as the employees are concerned; and in terminating such conflicts as soon as they arise.

SEC. 2.- A conflict of interest exists when the objective ability or independence of judgment in performing official duties by a Trustee, officer or employee is impaired or may reasonably appear to be impaired; or when one or his immediate family or business or other financial interest would derive financial gain, directly or indirectly, because of his official act.

## **ARTICLE VII**

### **USE AND PROTECTION OF KCFAPI PROPERTY**

SECTION 1.- All Trustees, officers and employees of the KCFAPI must ensure the efficient use of and exercise utmost diligence in protecting the property and assets of the KCFAPI, which must be used for legitimate business or purposes only.

## **ARTICLE VIII**

### **REPORTING OF ILLEGAL, IMMORAL OR UNETHICAL CONDUCT OR BEHAVIOR**

SECTION 1.- The Trustees, officers and employees shall disclose or report directly to the Board of Trustees or to the Founder Members Committee (FMC) any illegal, immoral, unethical, dishonest, corrupt, fraudulent act, conduct or behavior committed by any one covered by this KCFAPI Revised Code of Ethics.

## **ARTICLE IX**

### **HUMAN RESOURCE**

SECTION 1.- The KCFAPI shall always comply with all relevant and applicable statutory and administrative rules and regulations in the hiring, supervision, administration and termination of employees or personnel and shall endeavour to maintain a working environment that is conducive to professional growth, accomplishment and satisfaction.

## **ARTICLE X**

### **CORPORATE GOVERNANCE**

SECTION 1.- In order to ensure and assure compliance with statutory and administrative rules and regulations and high ethical standards of business conduct, KCFAPI shall at all times maintain its own **Manual of Corporate Governance**, which shall provide guidance in various areas of compliance, risks management and public accountability to protect the integrity, honor and reputation of KCFAPI.

## **ARTICLE XI**

### **APPLICABILITY TO KCFAPI FOUNDATIONS AND CONTROLLED CORPORATIONS**

SECTION 1.- This Revised KCFAPI Code of Ethics shall also apply to and shall govern the conduct of the Trustees, Directors, officers and employees of the KCFAPI Foundations and Controlled Corporations.

## **ARTICLE XII**

### **APPLICABILITY TO NON-EMPLOYEES**

SECTION 1.- This Revised KCFAPI Code of Ethics shall also apply, whenever deemed appropriate and practicable, to all those who worked for KCFAPI and its Foundations and controlled corporations under a non-employee category such as filed representatives and those under outsourced services.

## **ARTICLE XIII**

### **SIGNING OF PLEDGE OF ADHERENCE AND COMMITMENT**

SECTION 1.- Upon assuming office or upon entry to employment, a Trustee, officer or employee of KCFAPI and its Foundations and controlled corporations shall sign a pledge solemnly promising to adhere and commit to comply faithfully with this Revised KCFAPI Code of Ethics.

All incumbent Trustees, Officers, Directors and employees of the KCFAPI and its Foundations and controlled corporations shall sign the pledge within thirty days after the effectivity of this Revised KCFAPI Code of Ethics.

Subject to the qualification stated in Section 1 of Article XII hereof, the same rule shall apply to those under the non-employee category specified in said Article.

SEC. 2.- The pledge to be signed is as follows:

“I, \_\_\_\_\_ having been elected (or appointed) \_\_\_\_\_ (state the position) of the Knights of Columbus Fraternal Association of the Philippines, Inc. (KCFAPI) do hereby solemnly swear (or affirm) that I will faithfully and unconditionally adhere to and comply with the principles, tenets, value, and ethical standards prescribed by the Revised KCFAPI Code of Ethics, and to hold my office as a trust; and I impose upon myself this obligation without mental reservation or purpose of evasion.

SO HELP ME GOD.”

### **ARTICLE XIII**

#### **EFFECTIVITY**

SECTION 1.- This Revised KCFAPI Code of Ethics shall take effect upon its approval and promulgation.

APPROVED AND PROMULGATED during the regular meeting of the Board of Trustees on October 21, 2011 as RESOLUTION NO. 80-2011.

(Sgd)

**HILARIO G. DAVIDE, JR.**

Chairman

(Sgd)

**TEODORO O. ARCENAS, JR.**

Vice-Chairman

(Sgd)  
**GUILLERMO N. HERNANDEZ**  
Trustee-President

(Sgd)  
**EMILIANO R. DELEVERIO**  
Independent Trustee

(Sgd)  
**ARSENIO ISIDRO G. YAP**  
Trustee-Treasurer

(Sgd)  
**HOSPICIO T. SURALTA, JR.**  
Independent Trustee

(Sgd)  
**RAMON E. RODRIGO**  
Trustee-Corporate Secretary

(Sgd)  
**BALBINO C. FAUNI**  
Trustee

(Sgd)  
**RODRIGO N. SORONGON**  
Trustee