



Gifts and Gratuities Policy

GENERAL POLICY STATEMENT

Guided by a firm, unequivocal commitment to Integrity as one of its Core Values, PHINMA prohibits its employees from accepting and/or offering inappropriate gifts and gratuities that may impair or appear to impair the recipient's objectivity and may affect their ability to properly perform their job and responsibilities. If an employee faces a situation that may involve receiving and/offering of inappropriate gifts and gratuities, the employee is required to disclose such information and seek appropriate guidance.

PURPOSE

This Gifts and Gratuities Policy forms part of the PHINMA Integrity Assurance Program and sets out to achieve the following:

- ³⁵₁₇ To guide officers and employees in identifying and avoiding inappropriate gifts and gratuities
- ³⁵₁₇ To set procedures in dealing with the acceptance and offer of inappropriate gifts and gratuities

SCOPE

This policy applies to all officers and employees of PHINMA. This also applies to gifts and gratuities accepted from, given or offered to individuals or entities outside of each company under PHINMA.

DEFINITION

- ❖ **PHINMA** is an all-encompassing term that is use throughout the policy to describe PHINMA Group of Companies.
- ❖ **Gifts** includes cash or cash equivalents to or from any current, former or potential vendor, customer, broker, or provider. Cash equivalents include checks, honorariums,

money orders, stocks and savings bonds. Gift certificates and gift cards are not considered cash equivalents but are subject to the limitation on common business courtesies.

Gifts may also include goods or items of value whether for promotional or commercial purposes.

- ❖ **Gratuities** are favours or gifts, usually without any tangible form, which include any free or discounted items or services, such as meals, entertainment event tickets, golf and travel expenses, for which payment is normally required.
- ❖ **Bribery** is the promise, offering or giving, directly or indirectly, of an undue advantage or benefit to any person who directs or works, in any capacity, for a private sector entity, for the person himself or herself or for another person, in order that he or she, in breach of his or her duties, acts or refrains from acting.
- ❖ **Kickback** is a form of negotiated bribery in which a commission is paid to the bribe-taker for services rendered.

RESPONSIBILITIES

Audit Committee

³⁵₁₇ Approves the PHINMA Gifts and Gratuities Policy

³⁵₁₇ Performs oversight on:

- Implementation of this policy
- Management's actions to resolve cases of inappropriate gifts and gratuities

Management

³⁵₁₇ Ensures effective and efficient implementation of this policy

³⁵₁₇ Receives disclosures and resolves cases of inappropriate gifts and gratuities

³⁵₁₇ Provides guidance to employees concerning gifts and gratuities

Integrity Officer

³⁵₁₇ Receives disclosures and evaluates management's actions to resolve cases of inappropriate gifts and gratuities

³⁵₁₇ Provides guidance to employees concerning gifts and gratuities

³⁵₁₇ Periodically report to the Audit Committee on significant matters relating to inappropriate gifts and gratuities

Internal Audit

³⁵₁₇ Assist the Integrity Officer in the conduct of investigations, as required

³⁵₁₇ Provide advice and assistance on risk and control issues

³⁵₁₇ Perform periodic reviews to evaluate the effective implementation of this policy

All PHINMA Officers and Employees

³⁵₁₇ Read, understand and comply with this policy

³⁵₁₇ Disclose any inappropriate gifts and gratuities to immediate superior and Integrity Officer

³⁵₁₇ Seek appropriate guidance in case of inappropriate gifts and gratuities

³⁵₁₇ Report details of observed inappropriate gifts and gratuities

POLICIES AND PROCEDURES

A. General Policy

A.1. Cash Gifts

Accepting, offering or giving of any amount cash as a form of gift is prohibited.

A.2. Gifts and Gratuities

Accepting, offering or giving of gift and gratuities is prohibited if it is (a) beyond nominal value and (b) offered, given or accepted in exchange for an official act or an act under the employee's official responsibilities.

All gifts and gratuities worth beyond the nominal value which are offered to the employees must be disclosed to the immediate superior, with a copy furnished to the Integrity Officer, and is subject to the discretion of the immediate superior whether this will be accepted, donated or declined.

A.3. Loans

All loans acquired from related parties should be properly disclosed with the following information:

³⁵₁₇ Related party involved

³⁵₁₇ Amount of Loan

³⁵₁₇ Interest Rate

³⁵₁₇ Term

³⁵₁₇ Other pertinent information

A.4. Other Prohibitions

No employee shall offer to or accept from any gifts taking the form of any of the following, whatever the value involved:

³⁵₁₇ Cash

³⁵₁₇ Bribes

³⁵₁₇ Kickbacks

³⁵₁₇ Similar monetary advantages

Likewise, any attempt or offer of the above must be disclosed to the immediate superior.

B. Disclosure

B.1. Disclosure Process

Officers and employees are required to disclose to their immediate superior via email as described above within 30 days upon accepting or offering of gifts and gratuities.

The information provided must be accurate and may have a direct bearing on the individual's employment status with PHINMA.

All disclosures shall be submitted to the Immediate Superior with a copy furnished to the Integrity Officer.

B.2. Resolution Process

The immediate superior reviews the disclosure and discusses with the employee whether to accept, donate or decline.

B.3. Evaluation by the Integrity Officer

All disclosures on gifts and gratuities shall also be evaluated by the Integrity Officer.

In case the Integrity Officer disagrees with the immediate superior's resolution, he will discuss with the latter to settle the matter. The decision of the Integrity Officer shall be final.

C. Administration and Revision

The Integrity Officer is responsible for the administration, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed.

Implementing guidelines and procedures in support of this policy may be prepared by the Integrity Officer subject to the approval of the SBU Head.

D. Approval

This policy shall be approved by the Audit Committee upon the recommendation of the Integrity Officer.