


 SAN MIGUEL CORPORATION	CHR POLICIES MANUAL	Section	Sub-Section
		1.0	1.2
Issue No.		Revision No.	
1		1	
Effectivity Date:			
August 1, 2016			
CORPORATE HUMAN RESOURCES			

POLICY ON SOLICITATION OR ACCEPTANCE OF GIFTS

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I. RATIONALE

Gift-giving has become a common practice in establishing and maintaining business or personal relationships. However, other parties may use this custom to gain undue advantage or influence the objectivity of company executives, decision makers, and employees.

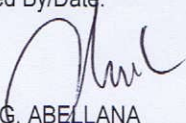
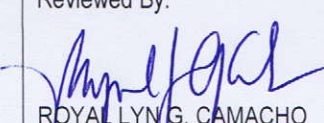
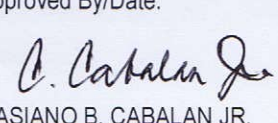
The "Policy on Solicitation or Acceptance of Gift" is hereby established to provide guidance in handling gifts solicited from or offered by third parties/business partners/suppliers to executives, employees, consultants, and agents of all the businesses belonging to the San Miguel Group.


II. POLICY STATEMENT

The Company is committed to uphold the highest standard of honesty, integrity, and fairness. Consistent with this commitment, the Company strictly prohibits soliciting and accepting gifts, as well as favors and/or services from any current or potential business partner, supplier or third party provider.

III. COVERAGE

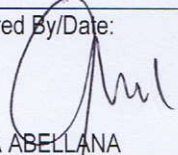
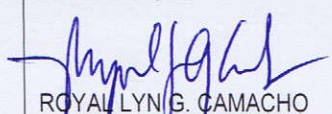
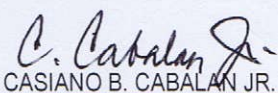
This policy will apply to all executives, regular and temporary employees, consultants, and authorized representatives (collectively referred to as "recipients") of SMC & subsidiary companies groupwide.


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IV. DEFINITIONS

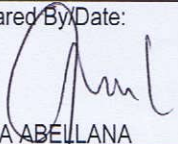

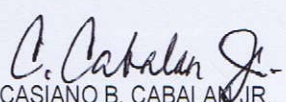
- a) Gift – a thing, present, sponsorship, or any other personal benefit given by third parties/business partners/suppliers to recipients or any member of their immediate families, with whom they transact, whether directly or indirectly, in relation to company business dealings, and regardless of the place where such gift is offered to or received by the recipients or member of their immediate families.
- b) Entertainment – any form of hospitality such as meal for recipients, sponsored by third parties/business partners/suppliers. It also covers spectator and participative activities such as golf, concert, and other similar activities.
- c) Sponsored Travel – any travel, hotel accommodation, and/or attendance/participation in conferences, conventions, seminars, domestic or international, whether for personal or business purposes, the costs of which are fully or partially paid for by third parties/business partners/suppliers.
- d) Donation – a voluntary gift, contribution, pledge, grant, or offering, typically for charitable purpose and/or to benefit a cause. A donation may take various forms, including cash offering, services, or new/used goods.
- e) Courtesy Discount – a special discount extended to recipients or their immediate family members, for personal purchase of products and services from third parties/business partners/suppliers.
- f) Promotional/Corporate Giveaway – a free gift given to recipients by third parties/business partners/suppliers, for the purpose of advertising their company and products. Promotional items include calendars, pens/pencils, cups, clocks, bags, jackets, and other merchandises (often branded with a logo or slogan).


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IV. DEFINITIONS

- g) Token – a gift or souvenir item bestowed to recipients by third parties/business partners/suppliers, to show gratitude/thanks for their actual participation in sponsored events.
- h) Bribe – includes gifts in any form, gratuity, favor, service, fee, commission, credit, compensation, personal business and the like, benefits or advantage of any kind that is, directly or indirectly, provided to, solicited or received by anyone in his personal capacity or thru others for the purpose of obtaining favorable treatment in connection with a business transaction.
- i) Third Party Provider – refers to an individual, entity, organization and/or its representatives that have existing and/or intended business dealings with the Company. This includes but shall not be limited to prospective or existing contractors, providers, suppliers, buyers, dealers, customers, or all other business partners who are or may be similarly situated.

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V. GUIDELINES

A. Gift

1. All recipients, regardless of their status in the Company, including members of their immediate families, are prohibited from soliciting or accepting gifts, as well as favors and/or services from any current or potential third party provider.
2. Should a gift be left behind while the recipient is not around, the same should be promptly returned to the giver upon knowledge by the recipient.
3. In cases where it is inappropriate or impractical to decline or return a gift, the recipient should immediately turn over the gift to his/her superior or HR office.
 - a) Perishable gifts (e.g. food, etc.) will be turned over to the recipient's superior for sharing with all other employees in the group.
 - b) Non-perishable gifts will be turned over to HR office. The item will be included as raffle prize in the next immediate company function.

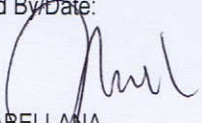
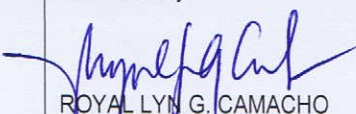
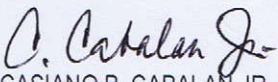
It will be the responsibility of recipient's superior to remind/inform the giver that company policy strictly prohibits accepting gifts from any third party provider.


4. This policy covers gifts sent within or outside the company premises e.g. recipient's residence, etc.

B. Entertainment

1. All recipients, including members of their immediate families, are prohibited from soliciting or accepting offers for sponsorship of company activities, non-company supported charity works, and/or personal events such as birthdays, weddings, baptisms, etc., from any current or potential third party provider.

The use of property belonging to third party providers, their employees, agents and/or representatives, such as, but not limited to, vehicles, beach/vacation houses, resorts, and the like, whether for a company purpose or for personal benefit is likewise prohibited.

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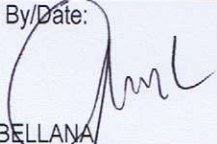
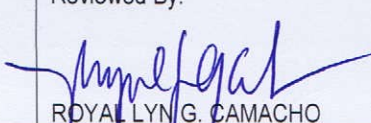
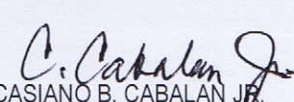
V. GUIDELINES


B. Entertainment

2. Customary business dealings involving payment by a third party provider for a meal or entertainment (such as social or sporting events) are acceptable provided all of the following conditions are present:
 - a) They are not excessive in frequency or amount;
 - b) They do not create an appearance of impropriety;
 - c) Acceptance to such offer or invitation will not obligate the recipient to make biased or subjective decisions;
 - d) Such offer or invitation is generally available to others in the same industry or community; and
 - e) Acceptance to such offer or invitation is cleared with and approved by the superior.
3. Invitations for breakfast/lunch/dinner meetings are acceptable if, the location of business meeting conforms to accepted standards of propriety and is conducive for business purpose.

C. Sponsored Travel

1. Recipients are prohibited from soliciting or accepting third party provider's offer to pay for travel, accommodation, and/or attendance/participation to business meetings, conferences, conventions, seminars, trainings, exhibits, product presentations or other similar functions except only if such sponsored trip or invitation is included in the existing and approved third party contract.
2. Trips sponsored by industry/professional organizations may be accepted provided that the sponsoring group is not associated with any third party provider.
3. All sponsored trips require prior approval of Department Manager.

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V. GUIDELINES

D. Donation

Donations from third party providers for Company-authorized Corporate Social Responsibility (CSR) programs or initiatives may be accepted provided they are coursed through the appropriate office as designated by the Plant Manager/General Manager/Business Manager/Functional Manager.

E. Courtesy Discount

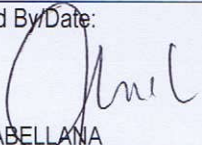
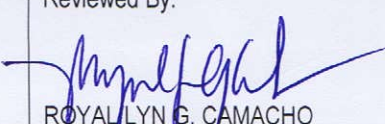
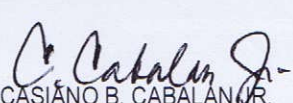
Courtesy discount on personal purchase of products and services from third party providers is allowed provided that it is offered equally to all recipients (e.g. computers).


F. Promotional Giveaway

Promotional giveaways, raffle prizes, and other freebies given to or won by recipients during conferences, seminars, product presentations, sports or social events, anniversary or Christmas parties and the like, may be accepted/kept by the recipient provided that other event participants are likewise entitled to such giveaway/freebie and are given equal opportunity to win raffle prizes.

G. Token

Tokens awarded to recipients for their actual participation as speaker, facilitator or reactor in conferences or seminars may be kept by the recipients provided that other speakers, facilitators, and reactors are also given tokens of appreciation.

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V. GUIDELINES

H. Others

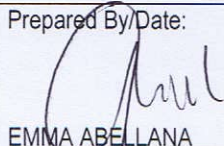
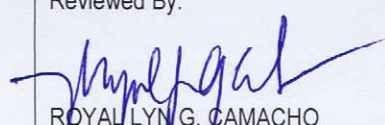

1. Superiors/managers are responsible in sharing this policy with recipients and third party providers, and in monitoring their compliance.

They are likewise required to reiterate this policy and remind recipients especially when the Christmas season is approaching.

2. An executive or employee who violates this policy will be disciplined subject to the following sanctions:

Position	Disciplinary Action	
	1 st Offense	2 nd Offense
a) Executive, managerial, supervisory, confidential employees, and those occupying fiduciary positions and/or positions of trust & confidence	Discharge	
b) Other positions	30 Days Suspension	Discharge

3. The engagement contract of a consultant who violates this policy will immediately be terminated by the Company.

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