



# Philippine Sugar Corporation

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## "NO GIFT POLICY" of PHILIPPINE SUGAR CORPORATION

WHEREAS, in accordance with the mandate under the 1987 Philippine Constitution, particularly Article XI thereon on Accountability of Public Officers, providing that public office is a public trust, in relation with the provisions of Republic Act No. 6713, otherwise known as the 'Code of Conduct and Ethical Standards for Public Officials and Employees', and Republic Act No. 10149, otherwise known as 'GOCC Governance Act of 2011', and GCG Memorandum Circular No. 2012-07, entitled the 'Code of Corporate Governance for GOCCs', the Philippine Sugar Corporation ("Philsucor") is undertaking efforts to institutionalize the principles of corporate governance in its organization;

WHEREAS, a significant step towards this is for Philsucor to adopt its own "No Gift Policy" to be implemented and enforced to all concerned in Philsucor;

NOW THEREFORE, based on the foregoing premises, the Board of Directors of Philsucor hereby approves and adopts this "No Gift Policy" for Philsucor:

1. **Definition.** For purposes of this Policy, the term "Gift" shall have the same meaning as such term is defined in Section 3(c) of Republic Act No. 6713, which is a thing or a right to dispose of gratuitously, or any act of liberality, in favour of another who accepts it, and shall include a simulated sale or an ostensibly onerous disposition thereof. It shall not however, include an unsolicited gift of nominal or insignificant value not given in anticipation of, or in exchange for, a favour from a public official or employee.
2. **Coverage.** This Policy shall cover, and apply to, all directors, officials and employees of Philsucor, appointive, permanent or temporary, whether in the career or non-career service, whether or not they are receiving compensation, regardless of amount.
3. **Prohibited Acts.** Under this Policy, the following shall constitute as prohibited acts:
  - (i) Anyone who directly or indirectly requests or receives any gift, present, share, percentage, or benefit, for himself or for any other person, in connection with any contract or transaction with Philsucor, wherein he has to intervene under the law, in his official capacity (Section 3, R.A. 3019, otherwise known as the "Anti-Graft and Corrupt Practices Act");
  - (ii) Anyone who solicits, accepts, directly or indirectly, any gift, favour, entertainment, loan or anything of monetary value from any person (x) in the course of his official duties; or (y) in connection with any operation being regulated by the functions of his office; or (z) in connection with any transaction which may be affected by the functions of his office (Section 7[d], R.A. No. 6713);
  - (iii) Anyone who solicits, accepts, directly or indirectly, any gift, favour, entertainment, loan or anything of monetary value from any person where such Gift (v) would be illegal or in violation of law; (w) is part of an attempt or agreement to do anything in return; (x) has a value beyond what is normal and customary in

Philsucor's business; (y) is being made to influence the member of Board's or Official's, actions as such; or (z) could create the appearance of a conflict of interest; (Section 29, GCG MC No. 201207).

4. **Exceptions.** Exempted from this "No Gift Policy" are the following:

- (i) The acceptance and retention of certificates, plaques, cards, thank you notes, or other written forms of souvenir or mark of courtesy;
- (ii) The acceptance of seminar bags and contents, and partaking of moderately priced meals and beverages that officers and employees obtain at events such as conferences and seminars, and which are offered to members of the public attending the event;
- (iii) The acceptance of books, pamphlets, publications, and data and other information or reading materials that are directly useful to Philsucor or its directors, officials and employees' performance of their mandates and objectives, and which books and other materials are given by individuals or organizations that have no pending business with Philsucor as to create an actual or potential conflict interest;
- (iv) The acceptance by Philsucor directors, officers and employees of scholarships or fellowship grant, travel grants or expense for travel taking place within or outside of the Philippines (such as allowances, transportation, food and lodging) or more than nominal value, if such acceptance is appropriate and consistent with the interests of the Government, and permitted by the Chairman of Philsucor;
- (v) The acceptance or availment by Philsucor of grants from local or foreign institutions in the pursuits of its mandates, projects and activities, such as those coming from ADB, World Bank, USAID, etc., provided that the availment thereof shall be strictly in compliance with applicable procurement laws, rules and regulations.

4. **Obligation To Report.** Philsucor's directors, officers and employees are required to professionally inform any individual or organization with any actual or potential business with the company of this "No Gift Policy", the reason that Philsucor has adopted this policy, and request that such individual or organization respect such policy. Notices informing walk-in clients and visitors of the Policy shall likewise be posted in conspicuous areas within Philsucor's premises.

5. **Return and Acknowledgement of Gift.** If Philsucor, any of its directors, officers or employees, receive a gift covered by this Policy, such gift, if feasible, shall immediately and politely be declined. In the event that it is not feasible, or it is inappropriate or impractical, to return the gift, *e.g.*, it is a perishable item, the gift shall be donated to an appropriate charitable or social welfare institution. An acknowledgement letter shall be sent to the donor informing him/her of the "No Gift Policy" or that the gift has been returned or donated to a charitable or social welfare institution.

6. **Written Exemption.** Any exception to this "No Gift Policy" may be made only with the written permission of the Chairman of the Commission.




7. **Investigation of Violation of this Policy.** Any reported violation of this Policy shall be duly investigated upon by Philsucor, through its Risk Management Committee, which shall report the result of their investigation and recommended actions, to the Philsucor Board of Directors, for the latter's final decision.
8. **Sanctions.** Any director, officer or employee of Philsucor who may be found violating this Policy, with due regard to the principle of due process, shall be sanctioned by the Board of Directors, with any or combination of any of the following penalties:
- (i) Reprimand for first and minor infraction;
  - (ii) Suspension from office for the period of not exceeding six (6) months;
  - (iii) Fine not exceeding the equivalent of six (6) months of his basic salary;
  - (iv) Forfeiture, in whole or in part, of the performance-based bonus (PBB) or performance-based incentives, or any other bonuses or gratuities declared by Philsucor for the year involved; and/or
  - (v) Removal from office, or a recommendation will be made for his removal from office, with the appropriate government agencies, in accordance with existing rules and regulations.

The imposition of any of the above penalties shall largely depend on the nature of infraction committed, the amount of the gift involved vis-à-vis the pending matter with Philsucor that is compromised, the nature and extent of the damage caused or potential damage that be caused if it is not averted.

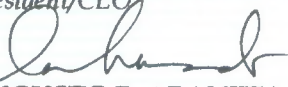
9. **Effectivity.** This Policy shall take effect upon the approval by the Governance Commission for GOCCs.

Approved by the Board of Directors of Philsucor during its Regular Meeting on 02 April 2014 in Makati City.

  
**MA. REGINA B. MARTIN**  
 Chairperson

  
**RENATO B. SALVATIERRA**  
 President/CEO

  
**ROBERTO G. ABELLO**  
 Director

  
**AUGUSTO B. ARANETA, JR.**  
 Director

n/a  
**TEOTIMO A. BALLESTEROS, JR.**  
 Director

  
**JOSEPH CONRAD F. LEDESMA**  
 Director

  
**RAYMOND T. GOMEZ**  
 Director

  
**ANDREW O. REGALADO**  
 Director

  
**JOSEPH EDGAR M. SARROSA**  
 Director

  
**CORNELIO V. TOREJA**  
 Director

  
**FREDDIE W. ZAYCO**  
 Director