

**LOPEZ HOLDINGS CORPORATION  
ANTI-BRIBERY AND CORRUPTION POLICY**

**A. Policy Statement**

The Corporation recognizes that corporate gift-giving is a local business custom practiced as a token of appreciation for beneficial business relations and consistent efficient service, and during special occasions such as Christmas, and milestones. Good corporate governance dictates that corporate gift-giving must not violate any law, and must comply with the company rules and regulations of the giver and recipient of a gift. Corporate gift-giving which constitutes bribery or corruption as defined by law and in this policy is prohibited.

**B. Objective**

This policy provides the guidelines on and procedures which shall be followed for corporate gift-giving to ensure that no act of bribery or corruption is committed by the Corporation, its employees, officers, directors, and consultants in gift-giving.

**C. Scope**

This policy shall apply to the Corporation's employees, officers, directors and consultants. It covers the giving of corporate gifts to government offices, officials and employees, and to private third parties and their employees, officers, directors, and consultants. It also covers receiving of gifts from the aforementioned entities and individuals.

A personal gift given or received by an employee, officer, director or consultant, to or from, a government official or employee, or a private third party employee, officer, director or consultant by virtue of kinship or a similar relationship is not covered by this policy.

**D. Guidelines and Procedures**

1. Bribery and corruption is defined as an act of offering or receiving an undue reward, to or from, any government office, official or employee, or to or from any private third party entity, any of its employee, officer, director or consultant, with which the Corporation has an existing or potential business transaction. Provided, that the act of offering or receiving undue reward is designed to influence the receiver in the exercise of his/her duty, or to induce him/her to act contrary to law or accepted standards of fairness, integrity and honesty, or to secure any improper business advantage.

2. This policy also adopts the definitions of bribery and corruption under applicable laws such as R.A. No. 6713 on the Code of Conduct and Ethical Standards for Public Officials and Employees; R.A. No. 3019 as amended, on the Anti-Graft and Corrupt Practices Act; Act No. 3815, as amended, on the Revised Penal Code; and other existing laws or those which may be enacted

which covers the offer, solicitation, and/or acceptance of gifts, including their implementing rules and regulations.

3. A gift refers to a right or thing of value, like cash or cash equivalents, reward, fee, commission, allowance, employment, travel, and benefits.
4. The offering or giving of a gift under the Corporation's corporate social responsibility (CSR) program is allowed and shall be subject to the applicable policies and procedures.
5. The offering or giving of a gift, other than for the Corporation's CSR program, is permitted as specified herein, subject to the following conditions:
  - a) The gift must not exceed a nominal value of Php5,000.00, and must not be in cash or cash equivalents, unless otherwise previously authorized by the President;
  - b) Only unsolicited gifts of insignificant value offered or given as a mere token of gratitude or friendship according to local customs or usage in accordance with R.A. No. 6713 on the Code of Conduct and Ethical Standards for Public Officials and Employees, and R.A. No. 3019 as amended, on the Anti-Graft and Corrupt Practices Act, may be given or offered to government offices, officials or employees, subject to the government-prescribed limits on the amount of such gifts or tokens of nominal or insignificant value; and
  - c) For corporate giveaways for the annual stockholders meeting and other events sponsored by the Corporation, as well as, those intended for special occasions such as Christmas, to be given by the Corporation, its directors, officers, employees or consultants, the amount of the giveaway must be approved by the President, and must bear the corporate name and/or logo as much as possible.
6. In all instances of permissible gift-giving as provided herein, the offer or giving of gifts must respect the policy of the corporate or government entity to which the recipient belongs, on the receiving of gifts.
7. The Corporation, its directors, officers, employees or consultants may accept unsolicited gifts offered or given to them as a mere token of gratitude or friendship during special occasions such as Christmas and milestones, provided that the value of the same does not exceed Php5,000. Any gift received which violates this Item D.7. shall be promptly returned to the giver with written advice on the prohibition under this policy.
8. The Corporation, its directors, officers, employees or consultants are prohibited from soliciting gifts, for personal or any other purpose.

#### **E. Information Dissemination**

The Corporation's employees, officers, directors, and consultants shall be informed of this policy within five (5) working days from the date of its approval, or upon the hiring of an employee, officer and consultant, and on-boarding of a director.

#### **F. Policy Approval**

The Corporate Governance Committee shall review and endorse this policy to the Board of Directors for approval.

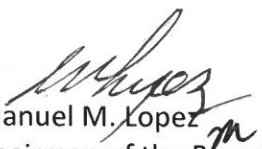
#### **G. Compliance Monitoring**

The department heads shall monitor and ensure compliance by the employees under their respective departments of this policy. The Internal Audit shall audit the compliance of directors, officers, employees, and consultants of this policy, and shall recommend appropriate measures to improve this policy and its implementation. The Compliance Officer shall monitor the implementation and compliance by the organization of this policy, and report the same, including any violation, to the Corporate Governance Committee. The Compliance Officer shall also recommend to the Corporate Governance Committee appropriate improvements to this policy. This policy shall be posted in the Corporation's website.

#### **H. Penalties for Violations**

Any employee, officer, director, and consultant who violates any provision of this policy shall be subject to the applicable penalties and sanctions provided under the Corporation's Code of Discipline and the Manual on Corporate Governance.

Approved by a majority of the Board of Directors on December 10, 2019.

  
Manuel M. Lopez  
Chairman of the Board