



# AFPGEN

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SAGOT KA NAMIN 24/7

Admin

**AFP General Insurance Corporation**

AFPGen Bldg. EDSA cor. Bonny Serrano Road,

Camp Aguinaldo, Quezon City, Metro Manila

Trunkline No.: (02) 911.9888 Fax Nos.: 911.3149 • 421.2286

Website: www.afpgen.com

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Memorandum Circular number: 2016-07

**Subject: POLICY ON ANTI-BRIBERY AND CORRUPTION**

**I. POLICY STATEMENT**

The Company upholds the principles of honesty, integrity, and transparency in conducting business. In line with this, the Company strictly prohibits any form of bribery and corruption within the Company, as well as dealing with its business partners, service providers, customers and governmental agencies and instrumentalities.

The Company recognizes and is proud of the culture of generosity, kindness and camaraderie prevailing in the Philippines. In performing acts in accordance with such customs and traditions, the Company is guided by the principle of ensuring that gifts and/or services which are customarily given in the ordinary course of business are appropriate to the occasion.

**II. POLICY SCOPE**

This policy applies to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, probationary or contractual), consultants, contractors, on-the-job trainees, outsourced staff, agents, agency staff, or any other person associated with the company and all other shareholders (collectively referred to as employees in this policy) in their actions, dealings and transactions involving business activities of the Company.

**III. DEFINITION**

The Company defines Bribery and Corruption as follows:

- a. The receiving or offering of an undue reward by or to any holder of public office, private office/employee, colleague, or representative of any other organization or entity,

- designed to influence them in the exercise of their duties, and to incline them to act contrary to the accepted principles of honesty and integrity;
- b. The misuse of public office or public power for private gain by offering or promising anything of value, whether directly or indirectly, to a public official or a political candidate, party or party official in order to obtain, retain direct business, or to secure any improper business advantage, whether directly or indirectly;
  - c. Using or performing official functions for personal gain;
  - d. Performing or neglecting to perform any official function in exchange for receiving favors or benefits in the course of business; and
  - e. Any actions similar to those stated above.

#### **IV. POLICIES AND PROCEDURE**

##### **General Prohibition**

All forms of bribery and corruption are prohibited. The Company will not tolerate any act of bribery or corruption. Any breach of this policy or local law could result in disciplinary action being taken and ultimately could result in dismissal. A bribe does not actually have to take place - just promising to give a bribe or agreeing to receive one is prohibited. Bribery is prohibited when dealing with any person whether they are in the public or private sector and the provisions of this policy are of general application.

##### **Gifts or Hospitality**

Giving or receiving gifts or hospitality is often an important part of maintaining and developing business relationships. However, all gifts and hospitality should be for a genuine purpose, reasonable, given in the ordinary course of business.

Lavish or unreasonable gifts or hospitality, whether these are given or received, are unacceptable as they can create the impression that the Company is trying to obtain or receive favorable business treatment by providing individuals with personal benefits.

##### **Facilitation Payments**

Facilitation payments are any payments, no matter how small, given to an official to increase the speed at which they do their job. All facilitation payments are generally prohibited. However, there may be circumstances in which the Company has no alternative but to make a facilitation payment in order to protect against loss of life, limb or liberty. Any request for a facilitation payment should be reported and approved by the Senior Vice President.

## **Dealing with Public Officials**

Although this policy applies to both public and private sectors, dealing with public officials poses a particularly high risk in relation to bribery due to the strict rules and regulations and relative laws of the Philippines. Public officials include those in government departments, but also employees of government owned or controlled corporations, international organizations, political parties and political candidates. The provision of money or anything else of value, no matter how small, to any public official for the purpose of influencing them in their official capacity is prohibited.

In addition, many public officials have their own rules regarding the acceptance of gifts and hospitality, etc, and the Company must respect these rules where applicable.

## **Reported Cases**

Any act or attempt or allegation of bribery and corruption shall be treated seriously and dealt with swiftly. In handling any case of bribery or corruption, the Company shall be guided by the provisions of applicable laws, rules and regulations and existing Company policies, such as but not limited to, Company By-Laws, Corporate Governance, Employees Code of Conduct and Discipline, Revised Penal Code and Special Penal Laws of the Philippines.

Any act or attempt by a Company employee to commit bribery or corruption should be reported to his/her immediate superior, Legal Department or the Compliance Officer, whom in every case shall study the matter and subject the same for investigation in accordance with the applicable policy, rules or regulation. The provisions of the Policy on Whistleblower Protection shall apply in each instance of reported bribery and corruption.

All employees have an obligation to act with integrity and to ensure compliance with this policy.

## **V. SEPARABILITY CLAUSE**

If any portion or provision of this Memorandum Circular is declared void or illegal by the competent authority, the remaining portions or provisions hereof shall not be affected by such declaration.

## **VI. EFFECTIVITY**

This Memorandum Circular shall take effect upon approval.

  
**LTGEN ALAN R LUGA AFP (RET)**  
President and CEO