



HUMAN RESOURCES AND ADMINISTRATIVE SERVICES POLICIES AND PROCEDURES

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Date	13 December 2017	Date	14 December 2017
Copies to	All Employees	Last revision date	01 August 2010
		Effective date	14 December 2017

I. POLICY STATEMENT:

Shang Properties, Inc. & its subsidiaries shall ensure that all of our actions and dealings with customers, suppliers, contractors, other business partners, competitors, guests, and co-employees are governed by the highest Ethical Standards

II. DEFINITION OF TERMS:

1. Company – shall refer to Shang Properties, Inc. and/or any of its subsidiaries, affiliates, etc.
2. Ethical Standards – refer to the principles, proper behaviors, and right conduct.
3. Gifts – refer to something that is given and/or bestowed voluntarily by the giver and without compensation.
4. Gratuities – refer to something that is given as a gesture of gratitude or something that is given voluntarily or beyond obligation usually for some service.
5. Employee/s – refer to all regular, probationary, contractual employees hired by the Company.

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III. GENERAL PROVISIONS:

A. Conflicts of Interest

1. No Employee shall have direct or indirect financial or business interest in the business of any supplier, contractor, or competitor of the Company unless with the written approval by the President or the Executive Committee in the absence of the President.
2. No Employee shall accept a position as an officer, director, or consultant of an outside business concern (except professional or civic organizations or family businesses which have no relationship of any kind with the Company) unless with the written approval by the President or the Executive Committee in the absence of the President.
3. No Employee, personally or through subordinates or others, shall influence any business transaction between the Company and any outside company in which that Employee has a financial interest or involvement, or in which the Employee may stand to have financial or personal gain, or when the outside company employs any of the Company Employee's relatives.
4. No Employee shall accept any salary, discounts, fee, commission, or other forms of compensation, or any other things of value from any supplier, contractor, competitor, or other business partners as enumerated in Section D unless with written approval by the President or the Executive Committee in the absence of the President unless otherwise provided in this Policy.
5. No Employee or his/her relatives shall make or guarantee a loan to, or accept a loan from suppliers, contractor, or competitor of the Company, or have borrowings guaranteed by an individual or organization having business dealings with the Company.
6. No Employee shall accept concurrent employment (regular, consultancy, or commission basis) without written approval by the President or the Executive Committee in the absence of the President from any other employer.

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B. Use of Company Assets, Resources, and/or Information:

1. No Employee shall use any asset, resource, and/or confidential information of the Company for financial or personal gain of the employee or any other person, interest, or entity other than the Company. All information received and/or acquired in the course of one's employment with the Company is deemed confidential and the unauthorized disclosure thereof, for financial gain and the like, shall be dealt with accordingly.

C. Dealings with Customers or Suppliers:

- a. No Employee shall offer or give payments or any gifts or entertainment, directly or indirectly, to or for the benefit of any Employee of the Company's customers, or to any organization in which an Employee of the Company's customer is known to have a material, direct or indirect, financial or business interest, if such payments or gifts are for purposes of influencing said Employee to commit or omit any act in violation of the lawful duty of said Employee.
- b. Amenities, entertainment, and other courtesies that are modest may be extended to employees of the Company's customers, but only to the extent appropriate and reasonable under applicable laws and customs and only for legitimate business purposes.
- c. Cash or non-cash payments and donations by the Company of things of value to Company customers, suppliers, contractors, or their employees shall be allowed if these:
 - a. Are modest and are designed to promote the sale of the Company's products or to enhance generally the business relationships between the Company and its customers, suppliers or contractors; and
 - b. Are legal and acceptable by local community standards and customs.

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D. The following gifts or gratuities shall not be accepted by any Employee of the Company:

1. Any amount of money or cash gifts;
2. Any value of gift checks, prepaid cards, or any form of cash equivalents;
3. Personal gifts that are inappropriately lavish or excessive, or create a perception of undue influence or of significant amount (over Php3,000.00);
4. Business courtesies including discounts or benefits that are not made available to other employees;
5. Tickets, pocket money, and lodging for leisure and business travels;
6. Tickets to sporting, entertainment, or other non-fundraising events; and
7. Testimonial dinners and events, except personalized plaques or trophies.

E. The following gifts or gratuities are the exceptions and may be accepted within the context of this policy (Refer to Section G for procedures and Appendix A for tabular illustration):

1. Personal gifts on special occasions (eg. Christmas party, Birthdays, etc.) that conforms to the reasonable and ethical practices of the local community (e.g. flowers, fruit baskets, etc) or that would not exceed reasonable limits of propriety (Php3,000.00 and below);
2. Corporate gifts donated to or solicited by the Company during special occasions (e.g. Christmas party, anniversaries, etc.) as raffle prizes;

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3. Promotional materials made available under customer relations programs, such as but not limited to pens, corporate diaries, key chains, coffee mugs, books, reports, pamphlets, calendars, periodicals, videotapes, free admission to informational conferences or seminars, corporate giveaways or marketing items of insignificant value, i.e., less than Php3,000.00;
4. Gifts donated to a charitable institution; and
5. A discount or rebate in the normal course of business which shall be deducted from the proposed price / cost of the contract or the purchase order.

F. The following gifts or gratuities are the exceptions and may be accepted/received from the supplier/vendor or a contracting party only after the project/purchase was already awarded to the same supplier/vendor or a contracting party (Refer to Section G for procedures and Appendix A for tabular illustration):

1. Any perishable goods of insignificant amount;
2. Infrequent business courtesies such as payment for lunch or dinner in connection with a business meeting;
3. Infrequent invitations to Company-sponsored invitational events (golf, badminton, etc.).

G. Procedures on accepting gifts or gratuities:

1. All gifts or gratuities received by Employees classified under III.E and F must be reported to the Employee's Division Head within five (5) days from receipt for reporting purposes and/or guidance as to distribution, consumption/ use to/of their team, as necessary.
2. The Division Heads shall maintain and update the records on gifts received by Employees classified under III.E and F, and to submit a report to the Executive Director every 5th of the succeeding month.

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3. For gifts or gratuities received by Employees classified under III.D (generally not to be accepted), these must be turned over and/or reported to the Internal Audit Department within five (5) days from receipt for recording, review, and corresponding disposition following the guidelines.
4. Internal Audit Department shall maintain and update the records on gifts or gratuities received by Employees classified under III.D and submit a report to the Group Controller and Executive Director every 5th of each succeeding month for guidance on its disposition.

H. Violations of the Provisions

1. Violations of any of the provisions contained herein shall be meted with disciplinary action, the severity of which shall be dependent on the gravity of the violation, the degree of trust reposed on the position of the concerned Employee, and other mitigating or aggravating circumstances.

I. Communication of this Policy:

1. It is the responsibility of the Human Resources to communicate this policy to his/her subordinates.
2. Employees directly transacting business to suppliers/contractors/etc are responsible to inform them regarding the company's policy on receiving gifts/gratuities/& other benefits.

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GIFTS/GRATUITIES AND OTHER BENEFITS WHICH MAY BE ACCEPTED

Type	Frequency	Suppliers Permitted to Give	Estimated Value	Approving Authority	Procedures / Guidelines
Personal Gifts (conforms to the reasonable and ethical practices of the local community)	Only on special occasions such as Christmas, Birthday, etc.	Any Supplier	Max of Php2000/ item	- NA -	<ul style="list-style-type: none"> ▪ Must be reported to Division Head w/in 5days from receipt
Corporate Gifts donated to or solicited by the Company (Commemorative & modest gifts)	Only on special occasions such as Christmas, Anniversaries, etc.	Any Supplier	- NA -	- NA -	<ul style="list-style-type: none"> ▪ Must be reported to Division Head w/in 5days from receipt ▪ Raffled to employees on occasions celebrated by the group.
Promotional materials (Pens, diaries, key chains, coffee mugs, etc)	- NA -	Any Supplier	Max of Php2000/ item	- NA -	<ul style="list-style-type: none"> ▪ Must be reported to Division Head w/in 5days from receipt
Corporate give-aways or Marketing items of insignificant value	- NA -	Any Supplier	Max of Php2000/ item	- NA -	<ul style="list-style-type: none"> ▪ Must be reported to Division Head w/in 5days from receipt

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GIFTS/GRATUITIES AND OTHER BENEFITS WHICH MAY BE ACCEPTED					
Type	Frequency	Suppliers Permitted to Give	Estimated Value	Approving Authority	Procedures / Guidelines
Promotional materials such as free admission to informational conferences or seminars (attendance is offered to other companies on an equal basis)	- NA -	Any Supplier	- NA -	President or Executive Director in the absence of the President	*Must be reported to Division Head w/in 5days from receipt
Discount or rebate in the normal course of the business	- NA -	Any Supplier	- NA -	- NA -	*Must be reported to Division Head w/in 5days from receipt
Gifts donated to a charitable institution	- NA -	Any Supplier	- NA -	- NA -	*Must be reported to Division Head w/in 5days from receipt
Any perishable goods of insignificant amount	One time per award	Awarded Supplier	- NA -	- NA -	*Must be reported to Division Head w/in 5days from receipt *Accepted only after the project / purchase was already awarded to the same supplier / vendor or a contracting party *Should be consumed / shared w/ the department

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GIFTS/GRATUITIES AND OTHER BENEFITS WHICH MAY BE ACCEPTED					
Type	Frequency	Suppliers Permitted to Give	Estimated Value	Approving Authority	Procedures / Guidelines
Infrequent business courtesias such as payment for lunch or dinner in connection with a business meeting	- NA -	Awarded Supplier	- NA -	- NA -	<ul style="list-style-type: none"> ▪ Must be reported to Division Head w/in 5days from receipt ▪ Accepted only after the project / purchase was already awarded to the same supplier / vendor or a contracting party
Infrequent invitations to company-sponsored invitational events (golf, badminton, etc.)	- NA -	Awarded Supplier	- NA -	- NA -	

- End of policy -



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