

THE NDC “NO GIFT POLICY”

I. OBJECTIVE

The National Development Company (NDC) hereby adopts a “No Gift Policy” in accordance with GCG Memorandum Circular No. 2012-07 – Code of Corporate Governance for GOCCs, and pursuant to the pertinent 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. 3019, otherwise known as the “Anti-Graft and Corrupt Practices Act.”

II. DEFINITION OF TERMS

1. NDC – refers to the National Development Company
2. Board of Directors – refers to the members of the Board of NDC and their alternates
3. Chairman – refers to the Chairman of the Board of Directors of NDC
4. General Manager/GM – refers to the General Manager of NDC
5. Employee – refers to the employees of NDC occupying plantilla positions
6. Gift or Donation – refers to a thing, right, property, interest, favor or anything of monetary value transferred or made gratuitously by any person, whether natural or juridical, group or association. It shall also include offer of entertainment characterized as excessive and under circumstances which may influence the decision on any matter relating to the functions or duties of the recipient.
7. Client –includes any natural or juridical person, association and group with actual, expected, potential, pending or prospective business or commercial transactions with NDC
8. Colleague – in relation to the recipient, refers to co-employees, the NDC Board of Directors, subsidiaries and affiliates
9. Policy – The NDC “No Gift Policy”

III. COVERAGE

The NDC “No Gift Policy” shall apply to the Board of Directors and employees.

IV. RULES AND PROCEDURES

1. Except as hereunder provided, the Board of Directors and employees are strictly prohibited from SOLICITING and ACCEPTING gifts as defined herein, directly or indirectly, from any person, whether natural or juridical, association or group, on or off the work premises, where such gift is:
 - a. Solicited or given in connection with, by reason of, or in the course of, the official duties of the recipient;
 - b. Solicited or given in connection with any transaction which may be affected by the functions of the office of the recipient;
 - c. Considered excessive and will put the recipient under the obligation to return the favor to, or under the influence of, the giver;
 - d. Perceived to, or will actually, create the appearance of conflict of interest.
2. The following are exempted from the foregoing prohibition:
 - a. Certificates, plaques of appreciation and other items of similar nature given during seminars and conferences;
 - b. Items given during seminars such as handouts, pens, pamphlets and others of similar nature;
 - c. Gifts given between and among colleagues during special occasions, provided that such gifts are unsolicited gifts of small or insignificant value offered or given as a mere ordinary token of gratitude or friendship according to local customs or usage, in accordance with Section 14 of Republic Act No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act. However, gifts by clients as defined herein are included in the prohibition even if they are given during special occasions.
3. This “No Gift Policy” shall be posted in conspicuous areas within the premises of NDC as well as on its official website. The Board of Directors and employees are likewise required to professionally inform any person, whether natural or juridical, group or association with any actual, potential or pending transaction or business

with NDC of this “No Gift Policy”, the reasons for the Policy, and request that the Policy be respected.

4. In case that a gift prohibited under the Policy is offered or given, the recipient shall immediately and politely decline and return the gift with an explanation (written or verbal, depending on the circumstances on how the gift is given) to the giver that NDC has adopted a “No Gift Policy.” In the event that it is impractical or inappropriate to decline or return a prohibited gift, the recipient shall immediately turn-over the same to the Human Resources Unit (HR) of NDC. The HR shall then donate the gift to an appropriate charitable institution. After the donation is made, the HR or the recipient shall inform in writing the giver that the gift was donated to a particular charitable institution in accordance with the Policy.
5. Any exemption from this Policy may be made only with the written permission of the Chairman of the Board of Directors.
6. Violation of the “No Gift Policy” shall be dealt with in accordance with applicable laws, rules and regulations.

V. MONITORING AND IMPLEMENTATION

1. The Compliance Officer, with the assistance of the HR Unit, shall ensure full advertisement, posting and strict implementation of the “No Gift Policy”.
2. All matters relating to this Policy, such as, but not limited to, incidents falling under Section IV (1), shall be reported in writing to the Compliance Officer.
3. The Compliance Officer shall provide a written report to the General Manager, every quarter, on the implementation of this No Gift Policy.