

INTERNAL AUDIT: ACCEPTANCE OF GIFTS OR OTHER INDUCEMENTS

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Title
INTERNAL AUDIT: ACCEPTANCE OF GIFTS OR OTHER
INDUCEMENTS

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1.0 INTRODUCTION

Alphaland Corporation, herein referred to as "AC", its affiliates and subsidiaries are committed to ensuring that all employees demonstrate the organization's commitment to treating all people and organizations, with which we come into contact or conduct business, in an impartial manner. AC's employees should demonstrate the highest standards of ethics and conduct. Employees should practice and demonstrate equal treatment, unbiased professionalism, and non-discriminatory actions in relation to people or organizations with which the employee has business dealings or contacts on behalf of the Company. AC employees are expected to comply with the policies and procedures outlined in this manual.

The purpose of this manual is to provide direction for the acceptance of gifts or other inducements from people or organizations with which the employee has business dealings or contacts on behalf of the Company.

This manual defines the policies and procedures which the Company has established to guide its employees in the acceptance of gifts or other inducements to avoid conflict of interest, the appearance of a conflict of interest, or the need for the employees to examine the ethics of acceptance.

Outlined in this manual are the standardized policies and procedures on the acceptance of Gifts or Other Inducements. There may be instances where AC's individual subsidiaries and affiliates develop its own policy/ies which provide a more detailed guidance to its employees. AC's subsidiaries and affiliates shall adopt the policies and procedures issued by AC, herein referred to as "Parent Company." Such manual should first be approved by the AC's Senior Management to ensure that they are not in conflict with the basic policies and procedures in this manual. Management of AC's subsidiaries and affiliates may adopt a stricter approach in executing their Gift or Other Inducement policy/ies. However, these companies are prohibited from adopting a lenient approach in its execution.

2.0 ROLES AND RESPONSIBILITIES

2.1 Purpose

This section defines the responsibilities of employees and persons regarding the Gift or Other Inducement policies from people or organizations with which the employee has business dealings or contacts on behalf of the company.

2.2 Persons and Offices affected

This policy applies to all offices of AC, its subsidiaries and affiliates, and employees With which have direct or indirect control in the receipt or approval of gifts or other inducements from people or organizations with which the employee has business dealings or contacts on behalf of the company.

2.3 Policy Details

All employees should have sufficient knowledge of the policy to understand the disciplinary consequences for non-compliance with this policy.

Individual Employee Responsibility

All employees should understand the purpose of standard procedures, as well as the policies which support these procedures. It is an employee's responsibility to consult with his/her superior if the policies and procedures are not completely clear or if there may be difficulties in fulfilling its requirements. Any problems which arise should be brought to the attention of Senior Management, including that of the President, if appropriate. Policies and procedures are not intended to restrict the efforts of employees, but to provide a foundation for complete and consistent consideration of all aspects of the operations cycle.

3.0 ACCEPTANCE OF GIFTS OR OTHER INDUCEMENTS

3.1 Purpose

The purpose of this section is to establish the policies and procedures on receiving gifts or other inducements from the people or organizations with whom the employee has business dealings or contacts on behalf of the Company for any reason other than to fulfill the its needs.

3.2 Persons and Offices affected

The policies and procedures outlined in this document apply to AC. It is the responsibility of all employees to follow the policies and procedures described herein. This policy applies to all kinds of gifts or other inducements – whether in cash or in kind.

As per this policy, a gift or inducement is herein defined as something given to Company executives and/or employees voluntarily by a supplier, contractor or other parties which have direct or indirect transaction or relationship with the Company, no matter the value of the item or service and regardless of the motive or intention of the giver.

3.3 Policy Details

The Company shall ensure the absence of conflict of interest which may be caused by receiving gifts from people or organizations with which the employee has business dealings or contacts on behalf of the Company.

All employees shall discharge his/her duties with utmost responsibility, integrity, competence, loyalty, honesty, fairness, efficiency, professionalism, and shall uphold the company's interest.

Employees are required to professionally inform people or organizations with whom the employee has business dealings or contacts on behalf of the company of this no-

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gift policy, and the reasons the company has adopted the policy. Employees will request that vendors respect the company policy

The Human Resources Department (HR), in coordination with Administration Department (Admin) shall be principally responsible in ensuring the consistent implementation of this policy.

3.3.1 Non-Acceptance of Gifts or Other Inducements

As a rule, Alphaland Executives and/or Employees are required to abide by the following rules:

- No gifts (other than advertising matter of modest value such as calendars and diaries) or favors should be accepted by an employee, or their close family, from people or organizations with whom the employee has business dealings or contacts on behalf of the company;
- Company executives and/or employees should not suggest, solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value from any person, entity or firm, in the course of his/her official duties or in connection with any transaction which may be affected by the functions of his/her office or positions;
- Offers to a Company executive and/or employee, or his/her close family, if hospitality or entertainment of a frequency, type or scale which the Company would not wish to reciprocate, should not be accepted. Rigid definitions are not feasible, but the company looks to its employees to exercise common sense and judgment and, if there is any doubt, decline an offer;
- Business meals and entertainment with the Company's suppliers are not allowed without the written approval of the Department Head or immediate Supervisor. Copies of such written approvals must be furnished to the HR Department; and
- Special forms of entertainment such as hotel accommodations, outing trips, golf games, tournaments and the like, require the prior written approval of the President.

3.3.2 Resolution for Delivered Gifts or Other Inducements

If an employee or receptionist receives a gift or other inducements:

- If feasible, the gift or other inducements must be returned to the vendor;
- If not feasible to return the gift or other inducements, forward the gift to the HR Department for the appropriate action such as:
 - a. The gift must be raffled off to all employees;

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- b. Plants or flowers will be displayed in the lobby, or at another central location where all employees may enjoy their presence; or
- c. Gifts of food should belong to the entire staff even if addressed to a single employee. Under no circumstances may an employee take a food gift home; food gifts must be shared with and distributed to all staff, with email notice, during work hours, in central, worksite locations.

3.3.3 Whistle blowing for Any Suspected Employee who failed to abide the No-Gift Policy

If any individual, whether internal or external, has any knowledge or suspect a certain employee who directly or indirectly receives gifts or other inducements from people or organizations with which the employee has direct or indirect business dealings or contacts on behalf of the Company, he or she may report it directly to the Internal Audit Department or HR Department for the conduct of an investigation/s.

If the employee is found guilty, the HR Department will be responsible to impose the appropriate sanction to the guilty employee.

The identity of the whistle blower will be protected for security reason.

3.3.4 Conflict of Interest

In order to safeguard the activities and assets of the Company, employees should not have interests in outside businesses which conflict or appear to conflict with their ability to act and make independent decisions in the best interest of the Company.

An employee is considered to have an interest in an outside business if the employee or any member of his/her immediate family holds any ownership in the business or its property; furnishes goods or services to the business; is a creditor, employee, agent, officer, director, or consultant of the business. Outside businesses include any person, firm, corporation, or government agency that sells or provides a service to, purchases from, or competes with the Company.

At the time of hire, and periodically thereafter as requested (at least annually), all employees will be required to sign an agreement concerning conflict of interest. Periodic checks will be conducted by the HR Department to determine changes that have occurred; however, all employees are expected to exercise good judgment and discretion in evaluating a particular activity so as to avoid any actual, or apparent, conflict of interest. If there is a doubt, the employee should discuss it with his/her supervisor and/or the Human Resources Manager.

3.4.5 Sanction to Company Executives and/or Employees who Found Guilty for Non-Compliance with this Policy

The HR Department will be the primarily responsible for imposing the sanction to employees who have been proven guilty for not abiding this policy. The appropriate sanction shall be based on the Company’s Code of Conduct.

3.4 Procedures

Process Number	Person Responsible	Process	Input (I)/ Output (O) Document, Frequency (F)
3.4.1 Non-acceptance of Gift or Other Inducements			
3.4.1.1	Employee	Inform people or organizations with whom the employee has business dealings or contacts on behalf of the company regarding the Company’s no-gift policy.	None
3.4.2 Resolution for Delivered Gifts or Other Inducements			
3.4.2.1	Receptionist/ Employee	Return the gift if feasible. If not, forward the gift to Human Resources Department	None
3.4.2.2	Human Resources Manager	Make the necessary action for the gift (e.g., raffle it to employees) as stated in this policy.	None
3.4.3 Whistle blowing for Any Suspected Employee who did not abide the No-gift Policy			
3.4.3.1	Any Individual (internal or external)	Report any employees who accepts gifts or other inducements from people or organizations with which the employee has business dealings or contacts on behalf of the company to Internal Audit Department.	None.
3.4.3.2	Internal Audit or HR Department	Conduct an investigation for the suspected employee.	None.
3.4.3.3	HR Department	Impose appropriate sanction to the guilty employee.	None

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4.0 PROCESS FLOWCHART

Not Applicable.

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5.0 FORM

A. Certificate of Conflict

CERTIFICATE OF CONFLICT

Declaration of Conflict of Interest as defined in the Acceptance of Gifts or Other Inducements Policy (AC-IA-MAN-003)

I hereby declare having read the HR Manual on Rules and Policies of Acceptance of Gifts or Other Inducements of Alphaland Corporation, and acknowledge that I am free from any conflict of interest related with my role within the Company according to the following clauses:

1. That both myself, as any family member of mine has a preference for any of the selected suppliers for the provision of goods or services to Alphaland Corporation, as thus get no benefit to me, to give a purchase contract to a particular vendor;
2. That, I am not involved in any commercial transaction, including the Company, its affiliates, employees, officers or others who have not declared a financial interest;
3. In case I am responsible for taking a financial or business relationship that may involve a conflict of interest, I will immediately inform my immediate supervisor about the circumstances. These circumstances should then be reviewed at the appropriate level to decide whether or not a conflict of interest exists.

In virtue of this, from the date of signing this declaration, I agree to comply with, perform and observe all the provisions of this document and the manual.

I am also committed to ensuring the best interests of the Company to enable it to meet its objectives. My failure to comply with the rules and policies of the Company and from engaging in acts that are detrimental to the Company will constitute sanctions which the HR Department has determined for the case.

Signed By:

(Signature over Printed Name)

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This document shall be reviewed

every Management Review Meeting Yearly every three years Not required

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