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|  <p>B.S. Aquino Drive, Bacolod City, Negros Occidental, 6100</p> <p>DR. PABLO O. TORRE MEMORIAL HOSPITAL</p> | Document Code: | DPOTMH-HW-P10 |
| | Effective Date: | 08-15-2021 |
| | Document Type: | CORPORATE GOVERNANCE POLICY |
| | Page Number: | 1 of 21 |
| | Department/Section: | COMPLIANCE DEPARTMENT |
| | Document Title: | GIFT AND HOSPITALITY POLICY |

Section 1. Introduction

Riverside Medical Center, Inc. (the "Company"), hereby adopts this Gift and Hospitality Policy (the "Policy") to reinforce its commitment to the highest ethical standards and best practices of professional conduct in terms of the provision and receipt of Gifts in the course of its operation and business dealings.

Section 2. Objective


This Policy recognizes that Gifts can be an important part of developing and fostering business relationships. However, the same must be made within the limits provided and determined by the Company to prevent impropriety, the appearance of impropriety, or the creation of undue and improper obligation on the part of the recipient.

This Policy articulates the compliance requirements in relation to the acceptance, offering, and giving of Gifts to and by the Company, its directors, officers, executives, employees, and consultants (hereafter, "Company Personnel").

This Policy lays down the procedure to ensure that Company Personnel may provide and receive Gifts, within the limits and in compliance with high standards of integrity as provided by relevant laws, rules and regulations.

Section 3. Our Policy

Company Personnel shall refrain from putting themselves in situations or acting in manner that could significantly affect the objective, independent or effective performance of their duties and responsibilities in the Company.

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A. General Policy on Gifts

As a general matter, the Company competes for and earns business through the quality of its personnel, products, and services, not with gifts or lavish entertainment. The use of Company funds or assets for gifts, gratuities, or other favors to Government Officials or any other individual or entity (in the private or public sector) that has the power to decide or influence the Company's commercial activities is prohibited, unless all of the following circumstances are met, in which case it shall be considered a "Token Gift":

- (a) The gift does not involve cash or cash equivalent (e.g., gift cards, store cards, or gambling chips);
- (b) The gift is permitted under both local law and the guidelines of the recipient's employer;
- (c) The gift is presented openly with complete transparency;
- (d) The gift is properly recorded in the Company's books and records;
- (e) The gift is provided as a token of esteem, courtesy, or in return for hospitality and should comport with local custom; and
- (f) The item costs not more than PhP5,000.00 ("Nominal Value").

Gifts that do not fall specifically within the above guidelines require advance consultation with and approval by the Company's Compliance Officer and/or MPHHI Group's Chief Compliance Officer, and the Company's President & CEO in accordance with Section 7 of this Policy.

Note that the provision of gifts, as well as the reporting requirements, in this Policy apply even if Company Personnel are not seeking reimbursement for the expenses (i.e. paying these expenses out of the one's own pocket does not avoid these requirements).

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Company Personnel must not accept or permit any member of his or her immediate family to accept any gifts, gratuities, or other favors from any customer, supplier, or other person doing or seeking to do business with the Company, other than items of Nominal Value. Any gifts that are not of Nominal Value should be returned immediately and reported to the immediate supervisor of the Company Personnel concerned. If immediate return is not practical, they should be given to the Company for charitable disposition.

B. General Policy on Hospitality

Common sense and moderation should prevail in business entertainment and the payment of travel, and lodging expenses engaged in on behalf of the Company. Company Personnel should provide business entertainment to someone doing business with the Company only if the entertainment is infrequent, modest, and intended to serve legitimate business goals.

Meals, entertainment, travel, and lodging should never be offered as a means of influencing another person's business decision. Each should only be offered if it is appropriate, reasonable for marketing and promotional purposes, offered or accepted in the normal course of an existing business relationship, and if the primary subject of discussion or purpose of travel is business. The appropriateness of a particular type of entertainment, travel, and lodging of course, depends upon both the reasonableness of the expense and on the type of activity involved. This is determined based on whether or not the expenditure is sensible and proportionate to the nature of the business relationship and the stature of the individual involved. Adult entertainment is always prohibited.

Expenses for meals, entertainment, travel, and lodging for Government Officials or any other individual or entity (in the private or public sector) that has the power to decide or influence the Company's commercial activities may be incurred without prior approval by the Company's Compliance Officer only if all of the following conditions are met, in which case it shall be considered a "*De minimis Corporate Hospitality*":

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- (a) The expenses are bona fide and related to a legitimate business purpose and the events involved are attended by appropriate Company representatives;
- (b) The cost of the meal, entertainment, travel, or lodging is not more than PhP5,000.00 per person; and
- (c) The meal, entertainment, travel, or lodging is permitted by the rules of the recipient's employer (if applicable).

For all such expenses, the reimbursement request must identify the total number of all attendees and their names, employer, and titles (if possible). All expense reimbursements must be supported by receipts, and expenses and approvals must be accurately and completely recorded in the Company's records. In all instances, Company Personnel must ensure that the recording of the expenditure associated with meals, lodging, travel, or entertainment clearly reflects the true purpose of the expenditure.

Note that the provision of meals, entertainment, travel, and lodging as well as the reporting requirements, in this Policy, apply even if Company personnel are not seeking reimbursement for the expenses (*i.e.* paying these expenses out of one's own pocket does not avoid these requirements).

When possible, meals, entertainment, travel, and lodging payments should be made directly by the Company to the provider of the service and should not be paid directly as a reimbursement. Per diem allowances may not be paid to a Government Official or any other individual (in the private or public sector) that has the power to decide or influence the Company's commercial activities for any reason.

Any meal, entertainment, travel, or lodging expense greater than PhP5,000.00 per person, and any expense at all that is incurred for meals, entertainment, travel, or lodging unrelated to a legitimate business purpose, must be pre-approved by the Company's Compliance Officer and the Company's President & CEO.

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Please note that in addition to traditional gifts, meals, entertainment, and travel that are provided to business relationships where Company Personnel are not in attendance shall be considered gifts, and subject to the rules and requirements for gifts specified in this Policy.

Furthermore, Company Personnel who have received Gifts and Hospitality from any Third Party with whom the Company does business or purposes to do business, whether directly or indirectly, shall inform their donor that these were received on behalf of the Company and shall be handled in accordance with this Policy.

Section 4. Applicability

A. This Policy applies to, and shall be implemented by all Company Personnel.

B. The scope of this Policy extends across all of the Company's business dealings. Adherence to this Policy will ensure that Company Personnel are compliant with laws, which in turn will reduce the risk of the Company incurring criminal liability or suffering reputational damage. It is the responsibility of each Company Personnel to be aware of and remain compliant with this Policy..


C. It is the intention of the RMCI Board of Directors that a similar policy shall be adopted and implemented by each RMCI subsidiary and the respective Presidents of these companies shall recommend the adoption of this Policy (or a similar policy) to their respective Boards of Director.

Section 5. Definitions

For purposes of this Policy,

(a.) **BRIBERY** - the promise, offering or giving, directly or indirectly, of an undue advantage or benefit to any person who directs or works, in any capacity, for a private sector entity, for the



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person himself or herself or for another person, in order that he or she, in breach of his or her duties, acts or refrains from acting.

(b.) **BUSINESS ADVANTAGE** - means that the company is placed in a better position financially and economically or in any other beneficial way either than its competitors or than it would otherwise have been had the Gift (which could constitute bribery or corruption) not given or received.

(c.) **ENTERTAINMENT** - refers to any form of hospitality such as meals for Company Personnel given by Third Parties. It also covers spectator and participative activities (i.e., golf, music, sailing, and other similar activities).

(d.) **GIFT** - means any item with value that is transferred from one person or entity to another as a sign of appreciation or friendship without expectation of receiving anything in return. It includes cash or cash equivalents to or from any current, former or potential patient, vendor, customer, broker, or provider. Cash equivalents include checks, honorariums, money orders, stocks, and savings bonds. Gift certificates, gift cards, store cards, or gambling chips are considered cash equivalents and should be subject to the limitation on common business courtesies and must be pre-cleared with the Compliance Department and the Industrial Relations Manager prior to its offering and/or receipt. Gifts may also include goods or items of value whether for promotional or commercial purposes. Also include any business courtesy offered such as a product discount or any other benefit if the benefit is not extended to all employees. Finally, Gifts include 'courtesy gifts', which are gifts given at culturally recognized occasions (e.g., weddings, funerals) or special times of the year (e.g., Christmas, New Year).

(e.) **GOVERNMENT OFFICIAL** - includes all officers or employees of a government department, agency, or instrumentality at all levels and subdivisions (i.e. local, regional, national); permitting agencies; customs officials; candidates for political office; officer or employee of political parties; and officials of public international organizations (e.g., the Red Cross). This term also includes officers or employees of government-owned or controlled commercial enterprises such as state-owned or controlled universities, airlines, oil companies, health care facilities, or other vendors. The term also includes family members and close

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associates (i.e. person representing or acting on behalf of the official in meetings and/or business partners, etc.) of such individuals (e.g., it is not permissible to give a lavish gift to the sibling, spouse, or child of a government official if a gift to the latter would be prohibited under this Policy). This term also includes healthcare professionals (HCPs) who are practicing in government hospitals or any department, agency, or instrument of a government, when any of the following instances apply: (i) the HCP has an official decision-making role, (ii) the HCP has responsibility for performing regulatory inspections, government authorizations or licenses, or (iii) the HCP has the actual or perceived capacity to influence or make decisions with the potential to affect the business of the Company or any of its subsidiaries.


(f.) **GRATUITIES** - are favors or gifts, usually without any tangible form, which include any free or discounted items or services, such as meals, entertainment event tickets, golf and travel expenses, for which payment is normally required.

(g.) **HOSPITALITY** - includes food, drink, accommodation, flights or other means of transport, or entertaining (including receptions, tickets to entertainment, social or sporting events) given to or offered by colleagues to initiate or develop business relationships with other colleagues or Third Parties.

(h.) **KICKBACK** - is a form of negotiated bribery in which a commission is paid to the bribe-taker for services, advantage or favors rendered.

(i.) **SPONSORED TRAVEL** - any travel, accommodation, and/or attendance/participation in conferences/conventions/seminars, international or domestic, whether for personal or business purposes, the costs of which are fully or partially paid for by Third Parties.

(j.) **THIRD PARTY** - an individual, entity, organization and/or its representatives that has existing and/or intended business dealings with the Company. This includes prospective or existing suppliers, contractors, consultants (including, Healthcare Providers), buyers, dealers and customers. This also covers associates (former classmates, co-workers, co-fraternity members, co-members in closed knit associations such as masonry/lodge, etc.) who are also

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prospective or existing suppliers, contractors, buyers, dealers or customers. This also covers partners in CSR activities, grants, sponsorships, foundations and other similar organizations.

Section 6. Detailed Policy Statements

A. Gifts


1. Solicitation of Gifts from Third Parties shall be avoided; while acceptance of Gifts from Third Parties shall be made on behalf of and surrendered to the Company, subject to the following guidelines:

i. Solicitation and/or acceptance of cash, cash/check gift certificates or other cash equivalents of any amount, free membership or subscription (e.g. sport or other clubs), and any Gifts, except as otherwise provided for in the succeeding paragraphs, from Third Parties even if given on occasions of rejoicing or celebration such as Company parties, birthdays, anniversaries, Christmas or New Year, is prohibited.

ii. Gifts or donations solicited by and/or given to the Company for Company-authorized corporate social responsibility programs or initiatives, including outreach or charitable works of the Company's officially recognized employee organizations, such as medicines for medical missions, food and supplies for calamities, materials for community development are acceptable; Provided, however, that in the event that not all Gifts or donations shall be accepted or entertained or not all Third Parties will be requested to make a donation, gift or pledge, the parameters, requisites or conditions for the selection shall be made transparent to all at the outset, including other relevant Third Parties.

iii. Donations in kind such as system equipment, to be utilized for the Company's research and development projects may be solicited and/or accepted on behalf of the Company. Provided, however, that in the event

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that not all donations are accepted, the acceptance parameters and conditions for acceptance shall be made transparent to all Third Parties.

iv. Raffle tickets (or prizes won from such raffle tickets) and other promotional items given to the Company Personnel for their attendance to certain events, conferences or product presentations of Third Parties may be accepted; Provided, however, that the other participants are likewise entitled to such raffle tickets and given equal opportunity to win prizes.


v. Gifts offered to or received by Company Personnel from Third Parties in connection with such Company Personnel's acceptance of an invitation or actual participation as speaker, facilitator, or reactors in conferences or seminars sponsored or organized by such Third Parties may be kept by the recipient; Provided, that the other speakers, facilitators and/or reactors are also given similar gift/tokens of appreciation by relevant Third Parties, and Provided further that the cost of Gift does not exceed PhP10,000.00 in any single occasion, and the total Gifts received by a Company Personnel under this circumstance should not exceed PhP 25,000.00 in any given year.

vi. Courtesy discounts given to Company Personnel by Third Parties on the former's personal purchases of products and services of Third Parties are allowed; Provided, that such discounted purchases are made openly and the same terms are made available to all Company Personnel.

2. Company Personnel shall not be eligible to receive Gifts as part of any purchase made by the Company.

3. The direct or indirect offer, payment, solicitation and/or acceptance of Bribes in any form by a Company Personnel from a Third Party and vice-versa, is prohibited.

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B. Hospitality – Entertainment

1. Company Personnel shall use his/her best judgment in determining the propriety and frequency of accepting various forms of Entertainment offered by Third Parties. The following questions may be used as guidelines for a Company Personnel in deciding whether an Entertainment is acceptable:


- i. Is it related to the conduct of business?
- ii. Would I feel comfortable telling others about this Entertainment?
How would it appear to other employees or people outside the Company?
- iii. Do I feel compelled to reciprocate or grant special favors as a result of this Entertainment (or am I trying to constrain Third Parties to reciprocate or grant favors)?
- iv. Am I certain the Entertainment does not violate any law, local or business rules and regulations, this Policy, the Anti-Bribery and Anti-Corruption (ABAC) Policy of the Company, or any other Company rule?
- v. Is it contrary to morals or good customs?

2. Meals during business meetings are acceptable.

3. Business meetings in locations that do not conform to accepted standards of propriety and are not conducive for business purposes shall be avoided.

4. Acceptance of invitations to theater, concerts or social/sporting events are permissible. Provided, however, that such invitations are generally available to others in the same community, category or industry. Further, due regard to the frequency of attendance and benefit for the Company shall be considered at all times.

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5. Company Personnel shall not use property belonging to Third Parties, their employees, agents, and/or representatives such as, but not limited to, vehicles, beach houses, resorts and vacation houses whether for their personal benefit or Company purpose.
6. Company Personnel shall refrain from requesting for or soliciting any form of Entertainment from a Third Party including sponsorship of Company activities, non-Company supported charitable works, and/or personal events such as birthdays, weddings, baptisms, etc., or from accepting such Entertainment where such acceptance could impair their objectivity in the performance of their duties and obligations to the Company.

C. Hospitality – Sponsored Travel

1. Sponsorship of the Company or Company Personnel's attendance, which may include travel, accommodation and/or registration expenses in conferences, conventions, and exhibits are acceptable. Provided, that the sponsor is an industry/professional organization (e.g. Japan International Cooperation Agency, International Telecommunications Union, etc.) not associated with any Third Party.
2. Company Personnel is obliged to refuse offers of free travel and/or accommodation to conferences, conventions, exhibits, product presentations or other similar events from Third Parties. Attendance at such conferences, conventions, exhibits, product presentations or other similar events shall be allowed only if: (i) it will benefit the Company, (ii) is approved by the appropriate approving authority as provided in Section 7.B of this policy, and (iii) the Company pays for all expenses associated with such travel. However, in exceptional and justified cases as may be determined in writing by the applicable approving authority as provided in Section 7.B, Company Personnel may be allowed to accept sponsored travel to conferences, conventions, and such events from Third Parties.

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3. Complimentary travel and accommodation for trainings from Third Parties may be permitted if these are part of an approved/existing contract and are deemed to benefit the Company.

4. There are instances when Third Parties provide Sponsored Travel to Company Personnel to local and/or international business/industrial site to demonstrate actual performance of their products/systems (i.e. Proof of Concept). Acceptance of such sponsored invitation should be justified by the following:


- i. The purpose of the travel should be business in nature and has a direct benefit to the future performance and business of the Company.
- ii. Knowledge of Company Personnel assigned/chosen for the travel would be valuable to the evaluation of the system and directly related to his/her job function.

Section 7. What Needs to be Done

It is the duty of the Company Personnel who is offered or receives a Gift and/or Hospitality to immediately disclose the offer or receipt thereof to his/her superior. These shall be handled in the following manner:

A. Gifts

| Type of Gift | Disposition |
|---|---|
| 1. Gifts, including cash, cash/check certificates or other cash equivalents of any amount | Shall be politely refused and/or returned to the Third Party. |
| 2. Token Gifts | May be kept by the recipient. |

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B. Hospitality - Entertainment and Sponsored Travel

Whenever a Company Personnel receives offers of Hospitality, other than *De minimis* Corporate Hospitality as defined in above, he/she shall discuss such offer for approval of the relevant superior (refer to the Table below) before acceptance. In all events, however, proper documentation, disclosure, reporting, approval and liquidation procedures, as required under the Company's systems practice and implementing guidelines, shall be followed.

In cases where a relative of Company Personnel solicits and/or accepts Gifts or Hospitality from Third Parties without adhering to the parameters set forth in this Policy, the Company Personnel shall promptly, upon his/her discovery or awareness of such fact, disclose the same in writing to his/her relevant superior.


The superior with respect to the following shall be:

| Position | Superior |
|--|--|
| a. President & CEO and the Executive Committee | a. RMCI Board of Directors through its Chairman and MPHII's Chief Compliance Officer |
| b. Management Committee | b. President and CEO, Executive Committee and Compliance Officer |
| c. Managers, Supervisors, Rank & File, and Consultants | c. Management Committee & Compliance Officer |

Section 8. Consequences of Violations

Any Company Personnel who fail to comply with this Policy shall be, upon notice and hearing, subjected to penalties and sanctions as may be determined by the Human Resource Division Officer, Compliance Officer, and the Company President & CEO. Third Parties found to have defied this Policy shall also be penalized.


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Section 9. Roles and Responsibilities

| ROLE | RESPONSIBILITIES |
|--|--|
| Recipient/Giver of Gifts/ Hospitality | <ul style="list-style-type: none"> Accomplishes and submits a Gift Registry Report Form within three (3) days from receipt of Gift/Hospitality. The report must provide complete information as laid down in Annex "A". |
| Human Resource Division | <ul style="list-style-type: none"> Actively promotes awareness of this Policy Provides a status update to the employee who makes a disclosure within fifteen (15) business days from the disclosure In proper cases, imposes corrective measures in accordance with applicable laws, rules, and regulations after thorough investigation. If the summary of investigation and sanction is appealed or if immediate head recommends for a higher or lower sanction, HR shall conduct further investigation. |
| Compliance Department | <ul style="list-style-type: none"> Approves and endorses for approval of either the Head of the Department, the President and CEO, or the Chairman of the Board (as the case may be) any gift or provision of any hospitality to all Company Personnel. Approves, recommends, revises and amends any changes to the Policy. Approves and reviews all transactions involving provision and acceptance of Gift/ Hospitality. Determines the giver and the recipient as well as |

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| | <p>the amount and kind of Gifts/Hospitality.</p> <ul style="list-style-type: none"> • Authorizes Gifts/Hospitality made by the Company to Third Parties specifically those falling under the applicable threshold set by this Policy • Maintain a record of all Gifts and Hospitality received or given to the Company or Company Personnel. • In the event that there is non-compliance to this Policy, recommend imposition of appropriate penalties and remedial actions. |
| President and CEO | <ul style="list-style-type: none"> • Approves any gift or provision of any hospitality given to a Company Officer that is pre-cleared by the Compliance Officer |
| Chairman of the Board of Directors | <ul style="list-style-type: none"> • Approves any gift or provision of any hospitality given to Company Director that is pre-cleared by the Compliance Officer |

Section 10. Effectivity

This Policy shall take effect immediately. All existing policies, rules, system practices, and related implementing guidelines concerning the same matters covered by this Policy are deemed superseded. In the event of any inconsistency between this Policy and guidelines contained herein and the terms of other existing policies, rules, system practices and related implementing guidelines, the Policy and guidelines contained herein shall prevail.

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This policy, the other Corporate Governance Policies, and the Code of Ethics and Business Conduct have supplemental application to each other.

Section 11. Approval, Amendment or Alteration of this Policy

This Policy has been approved and adopted by the Board of Directors of the Company. The Compliance Department Office and the Company's Board of Directors, Executive Committee, Management Committee, and Middle Managers have the overall responsibility for implementation, monitoring and periodic review of this Policy.

This Policy shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by resolutions of the Board of Directors.

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DR. PABLO O. TORRE
MEMORIAL HOSPITAL


B.S. Aquino Drive,
Bacolod City,
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6100

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| Effective Date: | 08-15-2021 |
| Document Type: | CORPORATE GOVERNANCE POLICY |
| Page Number: | 17 of 21 |
| Department/Section: | COMPLIANCE DEPARTMENT |
| Document Title: | GIFT AND HOSPITALITY POLICY |

APPROVAL:

| | Name/Title | Signature | Date |
|------------------------|---|-----------|-----------|
| Prepared by: | JHAZEL V. JAVIER, CPA Compliance Officer – Developmental Assignment | | 8/03/2021 |
| Verified: | NANCY B. HIZON, MS Psych, FPCHA Human Resources Division Officer | | 8/5/2021 |
| | CHARMAIN G. ILEJAY Sales & Marketing Division Officer – Developmental Assignment | | 8/6/21 |
| | RICKY G. SALIDO Logistics Division Officer – Developmental Assignment | | 8/05/2021 |
| | JULIE ANNE CHRISTINE J. KO, CPA, MBA, FPCHA Chief Finance Officer – Developmental Assignment | | 8/4/2021 |
| | ENGR. NOEL P. GARBO, MBA, FPCHA Engineering & General Services Division Officer | | 8/23 |
| | ROSARIO D. ABARING, RN, MAN, PhD, FPCHA Ancillary Division Officer | | 8-20-2021 |
| | PRINCESS M. ABELLON, MBA Pharmacy Division Officer – Developmental Assignment | | 8-23-21 |
| | MARIA LIZA C. PERAREN, RN, MN Nursing Division Officer – Developmental Assignment | | 8-24-2021 |
| | HENRY F. ALAVAREN, MD, FPSMID, FPSQua Total Quality Division Officer | | 8/25/2021 |
| Recommending Approval: | MA. ANTONIA GENSOLI, MD, FPPS, FPCHA Vice President- Chief Medical Officer and Medical Director | | 8/26/2021 |
| | SOCORRO VICTORIA L. DE LEON, CPA, MBA, PhD, FPCHA Vice President- Chief Operating Officer | | 08/07/21 |
| Approval: | GENESIS GOLDI D. GOLINGAN President and CEO | | 9/11/2021 |

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DISSEMINATION:

Communicator's Bulletin

Weekly Management Meeting


Annual Reorientation of Employees

Pre-board and On-board Orientation

REFERENCE:

This Policy has been adopted with modifications from the Metro Pacific Hospital Holdings, Inc. (MPHHI) – Corporate Governance Policy: Gift Hospitality Policy.

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ANNEX A: GIFT REGISTRY REPORT FORM

| GIFT REGISTRY REPORT | | | | |
|--|---------------------------|-------------------------------|---|-----------------------------------|
| <p>Note: Recipient and/or Giver of Gift and/or Hospitality must provide all relevant information. This must be accomplished and submitted to the Compliance Office within three (3) days from receipt of Gift/Hospitality.</p> | | | | |
| PERSONAL INFORMATION (Regarding Recipient or Giver of Gift or Hospitality) | | | | |
| Name | | | Please check in which capacity you are reporting: _____ Recipient _____ Giver | |
| Signature: | | | Email Address: | Date of Report: |
| Office/ Department: | | Designation: | | |
| Phone No: | | Email Address: | | |
| INFORMATION CONCERNING THE GIFT / HOSPITALITY | | | | |
| Type of Gift/Hospitality | Date Received or Given | Name of Recipient or Giver | Amount | Remarks from Compliance Office |
| | | | | |
| | | | | |
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| FURTHER APPROVAL | | |
|----------------------|--------------------|--------------------|
| Approving Authority: | | Final Disposition: |
| Remarks: | | |
| SIGNATORIES | | |
| Received by: | Reviewed by: | Approved by: |
| Name: _____ | Name: _____ | Name: _____ |
| Designation: _____ | Designation: _____ | Designation: _____ |
| Date: _____ | Date: _____ | Date: _____ |

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REVISION HISTORY

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