



Anti-Bribery / Anti-Corruption

POLICY

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This document has been security classified using the CICT's information security classification framework as **INTERNAL** and will be managed according to Converge ICT Solutions Inc.'s quality and information security governance and compliance requirements.

1. Purpose

CONVERGE ICT SOLUTIONS INC. ("CICT" or the "Company") has zero tolerance to all crimes and actions that are against the law most specifically those related to bribery and/or corruption. The purpose of this Anti-Bribery/Anti-Corruption Policy ("Policy") is to ensure the Company's compliance with anti-bribery/anti-corruption laws, including but not limited to the following:

- The Foreign Corrupt Practices Act ("FCPA");
 - The Organization for Economic Cooperation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions ("OECD Convention"); and
 - The local laws on anti-bribery and anti-corruption (in any jurisdiction where CICT operates or conducts business in).
- (all collectively, the "Anti-Corruption Laws")

Consistent with international Anti-Corruption Laws, this Policy prohibits bribery of all Government Officials (as defined below). It also prohibits any form of bribery in the private sector.

This Policy aims to confirm CICT's commitment in protecting our Company and employees by ensuring compliance to all existing anti-bribery and anti-corruption laws in all jurisdictions where the Company operates. The Policy will help strengthen the integrity our Company and the stakeholders and ensure that only legal and ethical activities are practiced in the workplace. This Policy shall also be used as a guide to avoid and recognize dangerous situations and circumstances in which escalation to the Legal Department is needed.

2. Scope

This policy applies to the entire CICT community – from the directors, executives, officers and employees, including those of CICT subsidiaries, affiliates and third parties over which CICT has control, including joint ventures, as well as all agents, consultants, business partners and third-party representatives when they act on behalf of CICT, regardless of where the act or transaction have been done or executed by the above-enumerated persons. Where CICT does not have control over a joint venture or partnership, CICT must make a good faith effort to require the entity to implement this Policy or a similar anti-corruption policy to detect and prevent corruption.

CICT's Legal Department shall be responsible for Policy administration, with oversight from CICT's Ethics Committee, which shall include training, revising and reviewing this Policy from time to time, interpretation of this Policy, approving deviations from this Policy and assessing the Company's anti-corruption risks.

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3. Policy Statements

3.1. Preliminary Information

All forms of corruption or bribery are considered as unethical and illegal. CICT's stance on corruption or bribery is to never solicit, accept, offer or give bribes to any individual regardless of whether such individual is a Government Official or not. CICT shall always be compliant with Anti-Corruption Laws, including but not limited to the following:

- 3.1.1. **Presidential Decree No. 46** – Making it punishable for Public Officials and Employees to receive, and for private persons to give, gifts on any occasion, including Christmas;
- 3.1.2. **Presidential Decree No. 807, Civil Service Decree of the Philippines** - Providing for the organization of the Civil Service Commission in accordance with provisions of the Constitution, prescribing its powers and functions and for other purposes;
- 3.1.3. **Republic Act No. 6713, Code of Conduct and Ethical Standards for Public Officials and Employees** – Prohibits any public official or employee from soliciting or accepting, directly or indirectly, any form of gift, favors, gratuity, favors, entertainment, loan or anything of monetary value from any person
- 3.1.4. **Republic Act No. 3019, Anti-Graft and Corrupt Practices Act** – Enumerates certain acts of public officers that constitute corrupt or graft practices
- 3.1.5. **Republic Act No. 9485, Anti-Red Tape Act** – Improves efficiency in the delivery of government service to the public by reducing bureaucratic red tape, preventing graft and corruption, and providing penalties;
- 3.1.6. **Act No. 3815, The Revised Penal Code of the Philippines**
- 3.1.7. **The Foreign Corrupt Practices Act of 1977, as amended** – A United States law that prohibits U.S. firms and individuals from paying bribes to foreign officials in furtherance of a business deal;
- 3.1.8. **The Organization for Economic Cooperation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions**

3.2. Working with Government Officials

This Policy prohibits the payment, offer to pay or authorization to pay anything of value, directly or indirectly, to any Government Official, political party or candidate, or anyone acting on behalf of a public international

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organization, in order to obtain or retain business, direct business to any person, or to gain an improper business advantage. It is not necessary that something of value change hands. A mere offer, scheme or promise to pay or give something of value may constitute a violation. It will only be permissible to provide such Government Officials a gift, meal, entertainment or travel if they have met the criteria that are stated in Section 3.3.

Government Officials (which also include their family members) are domestic or foreign government employees or employees of organizations that are partially or wholly owned by the government. Government Officials include:

- Elected or appointed officials at any branch or level of the government
- Employees or officers of government, regional and municipal agencies, regardless of decision-making ability or rank;
- Employees of entities that are partially or wholly owned/controlled by the government, regardless of whether the entity acts like a commercial entity
- Any person exercising legislative, administrative, judicial, executive or regulatory functions for the government, whether full-time or part-time
- Political candidates for public office and/or officers, employees or other person acting for or on behalf of a political party or candidate
- Professors and administrators of public universities and government-operated hospitals
- Officers and employees of public international organisations (such as the World Bank and United Nations)
- Persons acting in official capacity for public officials or officers/employees of government-owned and/or controlled corporations

An individual can be considered a Government Official for purposes of the FCPA or other anti-corruption laws even though he or she may not be treated like a Government Official by his or her own government, and even though he or she may expect to be treated like a private business person. If you do not know whether an individual is a Government Official as defined under this Policy, you are required to treat such a person as a Government Official when acting on behalf of CICT until you have confirmed that the individual is not a Government Official. If you have any question in this regard, please consult the Legal Department.

While it is illegal to bribe Government Officials, it is not prohibited to interact with them in connection with CICT's business and/or to conduct business with them. Any employee who may need to interact with Government Officials, or anyone who supervises others who do, must completely understand and abide with this policy and all applicable laws. As a general rule, those covered by this Policy shall refrain from activities that may place CICT's name in a partisan political position.

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CICT prohibits corporate political contributions to any Government Officials, political aspirants, parties, or committee on behalf of the CICT and its clients in order to avoid any appearance of impropriety and prevent any conflict of interest that may arise. This includes both monetary and in-kind donations, as well as intangible assets such as time, use of company's equipment or technology, (e.g. laptop, CICT email, etc.) and the like.

3.3. Business Amenities

Under Anti-Corruption Laws, it is illegal and prohibited to offer to pay or authorize to pay using any other valuable thing, directly or indirectly, to any Government Official, candidate, political party in order to gain improper financial or business advantage or to influence someone to misuse his/her position for the company's benefit.

Examples of "other valuable thing" may include but is not limited to the following:

- Cash and cash equivalents;
- Stocks / options / warrants / gifts / gift vouchers / gift baskets;
- Meals or drinks which are excessive and/or not directly related to a legitimate business purpose;
- Entertainment such as theater, sports tickets, vacations or other hospitality services;
- Discounts and rebates on products and services not readily available to the public;
- Payment or reimbursement of travel expenses;
- Political contributions;
- Third-party payments;
- Intangibles such as valuable personal favors, loans, assumption or forgiveness of debts, or offers and/or preferential treatment in connection with employment and internships;
- Discount on products or services not readily available to the common public;
- Any financial or other advantage

For purposes of this Policy, "other valuable thing" has no minimum monetary value.

Before offering or even accepting any business amenity such as gifts, meal, promotional item, service, entertainment, travel, favor or anything of value related to the promotion of CICT products or services, the following guidelines must be observed:

- The business amenity should comply with all applicable Anti-Corruption Laws and company policies;
- It should be permitted by the recipient's policies and / or by any agreement between CICT and the recipient's employer;
- It should have a proper purpose that is not intended to secure an improper advantage or inappropriately influence the recipient;

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- It must be reasonable in value and culturally appropriate under the circumstances;
- To such extent possible, company-branded items are preferred;
- It must be consistent with local customs;
- Expense must be properly recorded and tracked in CICT's books and records and substantiated with proper receipts;
- It will not cause any embarrassment to CICT or damage its reputation.

Prior to the above, the employee should seek pre-approval from the Legal Department.

The above guidelines apply to business amenities given to representatives of current or potential customers, suppliers or other business partners, as well as their families and others with whom they may have close personal relationships.

There are several companies and government offices that have policies relating to what their employees can accept. There are also times when contracts with clients or other parties specifically limit or forbid CICT employees or Third Parties from providing such gifts to their employees. With this, CICT shall always properly review the recipient's policies and contracts with the company before offering, and shall give written consent to proceed.

3.3.1. Gifts, Meals and Entertainment

When giving gifts, meals and entertainment, it must be considered whether the timing, as well as frequency of giving, may create an appearance of unnecessary influence. If the act of giving of gifts, meals and entertainment will create an appearance of impropriety or undue influence, we may choose not to provide any business amenity. An Entertainment, Gifts & Travel Checklist (refer to Annex 1) and supporting documentation must be submitted for approval in accordance with the Gift Policy, with a copy to the Legal Department.

3.3.2. Travel Expenses

In the event the Company shoulders the travel related expenses of a Government Official, the following guidelines must be followed:

- CICT shall not pay for non-business travel expenses of Government Officials;
- CICT shall not pay for any travel expense for the family members of Government Officials;
- CICT can only pay reasonable and bona fide business-related travel expenses of a Government Official that are directly related to the promotion, demonstration, execution, or performance of a contract. For example, it is acceptable to shoulder travel expenses of Government Officials to travel to meet company personnel for business, or to inspect company facilities, or to execute a contract.
- Meal expenses must be reasonable and properly recorded;

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- Lodging expenses must cover only accommodation costs of Government Officials and only those actually incurred for the duration of the business-related travel;
- It is preferable that payments of these expenses be directly made to or settled with the vendors (ex: airlines, car rental companies, hotels etc.). If direct payments of these expenses are not possible, the company personnel must first seek the pre-approval of the Legal Department and follow established procedures for any re-imbursements (including obtaining supporting receipts for such expenses).
- Expenses must be accurately reflected in CICT's books and records and must be properly documented.

To minimize possible problems, travel expenses associated with the business-related activity must be permitted under Anti-Corruption Laws and other applicable laws and should not be linked to any personal-related activity such as trips to tourist attractions or for visiting family members. Prior to incurring travel-related expenses for Government Officials, CICT employees must submit the Entertainment, Gifts & Travel Checklist (refer to Annex 1) and supporting documents to Legal Department for approval.

3.4. "Grease" or "Facilitation" Payments

Facilitation payments are small payments given to low-level Government Officials in order to 'expedite' routine, nondiscretionary government processes.

Some examples of routine governmental processes are the following:

- Scheduling inspections;
- Processing governmental papers such as work permits and visas;
- Expedite the movement of equipment, goods or persons to clear customs; or
- Issuance of licenses, permits or other needed documents to do business.

Routine governmental actions DO NOT include the following decisions by a Government Official:

- Awarding business or continuing existing business
- Influencing or encouraging others to award a business or continue with existing business
- Expediting the movement of equipment, goods or persons to clear customs

Any CICT employee or Third Party should not make facilitation payments to any Government Official.

3.5. Books and Records

To discourage any fraudulent accounting practices and prevent anyone from concealing bribes or facilitating payments, it is prohibited to falsify any books and records and requires the following:

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- All transactions must be consistent with the FCPA's Books and Records Provisions at the same time comply with Philippine Financial Reporting Standards (PFRS) and use generally accepted accounting principles (GAAP) issued by the Accounting Standards Council (ASC) when preparing financial statements;
- CICT should conduct periodic evaluation of recorded assets versus existing assets to identify discrepancies and address them; and
- CICT should maintain books, records and accounts that should accurately illustrate the transactions and dispositions of Company resources.

3.6. Third Parties

CICT can be held liable for activities of its subsidiaries, affiliates and third-party over which CICT has control, including activities of its agents, consultants, business partners and other third-party representatives acting on behalf of CICT, regardless of where the activities are performed or consummated.

When engaging such Third Parties, CICT must ensure that it only enters into business relationships with reputable, qualified and ethical Third Parties. To minimize the risk of working with Third Parties with questionable reputations, due diligence must be conducted to properly select appropriate candidates. The due diligence must include (where appropriate) examination of publicly available records, interview with the Third Party, ocular inspection of physical sites, review of Third Party's Code of Conduct or Anti-Bribery and Corruption policies, and other measures to reasonably assess the possible corruption risks.

It is the responsibility of the process owner to conduct initial due diligence on the transaction/project/activity, representative or personnel. Once engaged, the process owner shall continue this responsibility throughout the duration of the activity or engagement.

Whenever CICT employees establish a relationship with Third Parties, the following must be done:

- In a written contract, formally define the scope of relationship between CICT and the Third Party, the compensation terms, an undertaking that they will be compliant with this Policy and to all applicable laws stated in this Policy, and establish CICT's right to audit their books and records;
- Document, compile and preserve all information collected during the process of accreditation;
- Request that the Third Party declare any relationship between such Third Party or their family and a Government Official or political party;
- Verify the information submitted to CICT by the Third Party through available public documents and inquiries (where possible);
- Maintain and update the due diligence file with any new information obtained during the periodic reviews of the business relationship;

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- An undertaking by the Third Party to report and communicate any and all actual or suspicious violations of this Policy when dealing with other parties on behalf of CICT;
- The contract with Third Party must contain anti-bribery clauses that provide for, at the minimum: (i) a representation and warranty that the Third Party has not engaged in bribery or corrupt practices (where applicable) at least in the past five years, and (ii) a continuing covenant that it will observe Anti-Bribery and Corruption Laws during the execution of the contract.

The nature, type and extent of due diligence undertaken will depend on various factors such as the ability of CICT to obtain sufficient information, the cost and the extent of the possible risk posed by the Third Party relationship.

When dealing with approved or accredited Third Parties, CICT employees must be alert for any red flags or suspicious occurrences. The following are some samples of red flags:

- Specifically involves, or is recommended by, a Government Official;
- Refuses to abide by CICT's Policy or to Anti-Bribery and Corruption Laws;
- Provides inaccurate or missing information in required disclosures;
- Requests for reimbursement with questionable expenses or with poor documentation;
- The commercial terms of the contract are not consistent with market or industry standards;
- Any political contributions;
- Requests for CICT to provide employment or other kinds of advantage for a relative or friend;
- Requests for an oddly huge commission in relation to the service provided, compared to market or industry standard;
- Requires that payment be made to the representative upfront (directly, and not to the Third Party), in another country or indirectly through another party;
- Insists on using side letters and refuses to sign a contract for agreed terms;
- Has a family or business ties to a relevant Government Official or represents its ability to influence certain Government Official/s.

When CICT is considering a merger, acquisition or joint venture that could involve a Government Official or counterparty that likely engaged in business activity in a foreign country or with a Government Official, reasonable due diligence should be conducted prior to entering into the relationship, that agreements governing such relationships contain appropriate anti-corruption warranties and representations, and that acquired entities and joint venture partners implement this Policy. If such merger, acquisition or joint venture involves a transaction where a Government Official may have shares or interest in the potential joint venture or acquisition target, further due diligence must be conducted (including the ownership structure of the joint venture entity or the acquisition target, and assessment of any potential corruption risk).

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Due diligence should be conducted at both the engagement stage prior to entering any merger, acquisition or joint venture involving a Government Official counterparty, and on a continuing basis after the completion of the transaction (in particular to ensure adequate monitoring and supervision of the Third Parties' performance during the execution of the contract). Ongoing diligence should include audits of the Third Parties' books and records (where possible), policy/procedures on such Third Parties' reimbursement and expenses policies, training (where necessary and appropriate), channels for Third Parties to report any potential violations and consequences when breaches of policies by such Third Parties are identified.

Where CICT does not control such an entity, CICT shall make a good faith effort to require the entity to implement this Policy or a similar anti-corruption compliance policy reasonably designed to detect and prevent corruption.

The Legal Department with the aid of the department who initiated the relationship with the Third Party, shall be responsible for monitoring and approving the activities of the agreements and/or contracts with Third Parties and compliance thereof with this Policy.

3.7. Report of Escalation of Red Flags

Every CICT employee must be vigilant and alert against suspicious activities, red flags when doing business with Third Parties, and/or actual or threatened violations of this Policy or the Anti-Corruption Laws . In case a red flag has been identified that could possibly violate Anti-Corruption Laws or this Policy, he/she must do the following:

- Escalate the noticed red flag to the Legal Department by sending an email to compliance@convergeict.com. Even if unsure that the identified activity is indeed a red flag, he/she must still raise the concern for further investigation.
- For cases where the identified red flag is part of an approval process or part of a transaction the employee normally performs, the approval process or transaction must be temporarily put on hold and must be escalated as soon as possible.
- If already aware that there's a bribing incident, avoid "tipping off" or notifying the party involved as this could hinder the investigation process.

CICT strictly prohibits retaliation against any individual who reports in good faith an actual or suspected non-compliance to this Policy or to any applicable Anti-Corruption Laws. Retaliation would be a ground for disciplinary actions which may include employment termination.

CICT will keep confidential the identity of anyone reporting in good faith a possible violation to the extent reasonably possible. No one shall be demoted, suspended, terminated, harassed or discriminated against by reporting a possible violation of this policy or any applicable law relating to Anti-Bribery/Anti-Corruption in good faith. While individuals cannot protect themselves from disciplinary actions by reporting their own

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violations, self-reporting may, in suitable situations, be considered as a mitigating factor in any disciplinary action.

3.9. Hiring

No Government Official (nor any person a Government Official requests CICT to hire) may be offered any position, hired or retained by the Company without the prior written approval of the Legal Department.

3.10 Training and Certification

The Legal Department shall provide annual anti-corruption training to all employees, with particular attention paid to employees who interact or are likely to interact, deal with, or otherwise negotiate with Government Officials or entities in the private sectors related to the operations of the Company. The Legal Department will also perform monitoring of the trainings and assignments for employees impacted by this Policy. The employees will need to secure certification, on a periodic basis, as to the completion of the relevant training and a continuous undertaking to comply with the Policy.

3.11 Compliance Program Monitoring and Auditing

The Legal Department will ensure that CICT's operations are periodically audited for compliance with this Policy by qualified internal or external auditors. On a periodic basis, the Legal Department will also ensure that the Company conducts an assessment of its anti-corruption risks and will regularly provide reports and recommendations as may be deemed necessary.

3.12 Consequences for Non-compliance

Consequences for any violation of the applicable laws relating to Anti-bribery / Anti-corruption that may cause significant harm to CICT include financial penalties, denial of government contracting and export privileges, damage to reputation and business relationships and/or imprisonment for criminal misconduct for those who have direct/indirect involvement.

CICT's employees and third parties who violate this Policy and the relevant Anti-bribery/Anti-corruption Laws may also be subject to severe criminal and civil penalties, including imprisonment and substantial fines. The employee found to have violated this Policy may be subject to disciplinary action and, ultimately, to termination.

4. Related document references

- Code of Business Ethics
- Anti-Money Laundering Policy
- Gift Policy

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5. Annex

5.1. Entertainment, Gifts & Travel Checklist (Annex “1”)



Entertainment, Gifts
& Travel Checklist .do

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ENTERTAINMENT, GIFTS & TRAVEL CHECKLIST

Submit by Email

Print Form

Personal Information

Name:		Title:	
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Business Unit:		Location:	
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Describe the Entertainment, Gift or Travel to be received or provided

Indicate the name and title of provider or recipient of the Entertainment, Gift or Travel.
(Also include the company of each individual represents and whether any of the individuals are spouses/relatives/guests of either the provider or recipient)

Does CICT have ongoing business with the company/companies specified above?	() YES () NO
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Who selected the recipient?	() CICT () The recipient's employer () Other <i>If Other, please specify:</i>
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What is the purpose of the Entertainment, Gift or Travel?

Is the Entertainment, Gift or Travel related to a specific transaction/activity/contract?	() YES () NO <i>If Yes, please specify:</i>
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What is the estimated Entertainment, Gift or Travel cost per person (in Philippine Peso)?



ENTERTAINMENT, GIFTS & TRAVEL CHECKLIST

Submit by Email

Print Form

Who will bear the costs for the Entertainment, Gift or Travel?	
If CICT is bearing the costs, (a) Is CICT paying the vendors/suppliers directly? (b) Is CICT providing any payment to individual participants? (c) Is CICT reimbursing participants for costs incurred?	() YES () NO () YES () NO <i>If Yes, please specify the amount:</i>
Will the Entertainment, Gift and/or Travel cause embarrassment to CICT if it is described by the media, even if it is legal and permissible under CICT's policies?	() YES () NO
Has approval from designated approver been obtained? <i>(If Yes, please include the approval from designated approver)</i>	() YES () NO
~ To be filled out by Compliance Team ~	
Approved?	() YES () NO <i>If No, please provide reason:</i> :
Approved By:	_____ Name and Date