

Gifts and Entertainment Policy

September 2016

POLICY STATEMENT

Giving and receiving **Gifts** and **Entertainment** is a customary way to strengthen business relationships and, with some restrictions, it is a legitimate business practice. However, any conflict or the appearance of conflict between the interest of any **Employee** and his or her responsibility to Allianz PNB Life, its **Clients** or **Business Partners** must be managed appropriately.

Allianz PNB Life Insurance gives highest priority to the interests of Clients, and Employees must never abuse their position for personal or private gain for themselves, their families or other persons.

Therefore, it is generally prohibited for **Employees** to offer, give, promise, or authorize any **Gift** or **Entertainment** to **Clients** or **Business Partners** or to receive the same from them, unless all of the following conditions are met:

- It is consistent with customary practice resulting from business relationships.
- It is not lavish, excessive in value, so frequent or without business purpose as to raise issues of impropriety.
- It cannot be construed as an improper inducement, **Bribe** or payoff no matter how small.
- It does not and is not intended to influence improperly an **Employee's** or **Client's** or **Business Partner's** professional judgment.
- It does not conflict with an **Employee's** duty to Allianz PNB Life and/or its Clients.

- It does not - directly or indirectly (e.g., via **Relevant Persons**) - violate the Allianz PNB Life Code of Conduct, the Anti-Corruption Policy, this Policy or any local law or regulation.

In all cases of involvement of Government Officials, the involvement of the local Compliance department is required as outlined below. For the purpose of this Policy, Financial Analysts/representatives of Rating Agencies and Media Representatives/Journalists must be treated equally to Government Officials. Union officials and work council members do not classify as Government Officials - however, certain gifts and entertainment (see 6.2) will also need pre-clearance with Compliance.

The **Employee** also needs to check the applicable Anti-Corruption provisions.

2. OBJECTIVE, SCOPE AND RESPONSIBILITIES

This Policy sets out Allianz PNB Life's minimum standards on **Gifts** and **Entertainment**. It is supplementary to the Allianz PNB Life Code of Conduct for Business Ethics and Compliance ("Code of Conduct") and the Anti-Corruption Policy.

It applies to all **Employees**, branches and departments. It is the responsibility of each **Employee** to comply with the requirements outlined in this Policy.



The Compliance Glossary can be found on Group Compliance's intranet site and gives details on definitions. Relevant definitions are attached to this Policy. Questions regarding definitions must be referred to the respective Compliance department or Regional Compliance.

4. PROHIBITIONS AND RESTRICTIONS

4.1 Prohibitions

Employees are prohibited from:

- giving or receiving cash gifts or **Cash equivalents**;
- soliciting or offering gifts or entertainment for their own benefit in return for business, service or information that is proprietary or confidential to Allianz PNB Life or its **Clients**;
- offering or accepting any kind of favour such as "adult entertainment" that respectively might create an offence to the moral, religious or ethical standards of **Clients** or **Business Partners** or otherwise violates Allianz PNB Life's commitment to diversity and mutual respect.

4.2 Travel and accommodation

The cost of travel or accommodation should generally not be borne by the inviting party. For exceptional cases the relevant Compliance department must be consulted. Allianz should not pay travel and accommodation expenses for guests of Clients or Business Partners or for Relevant Persons without prior consultation of the responsible Compliance department. Any travel and/or accommodation being provided to Government Officials should be treated as Entertainment requiring prior permission from the Compliance department. International travel (other than in cases where the Government Official is speaking at an Allianz PNB Life Insurance conference or event) will generally not be approved.

5. RULES FOR GIFTS AND ENTERTAINMENT

5.1 Valuation of Gifts and Entertainment

To determine the value of a Gift or an invitation to Entertainment, the following requirements apply:

- Employees must make reasonable efforts to determine the value;
- Valuation must be at the higher of cost or market value excluding applicable taxes and delivery charges;
- For tickets, the value is the higher of the market value or nominal value of the ticket.

5.2 Tax implications

There may be tax implications (e.g., on personal income tax) regarding the proper treatment of Gifts and Entertainment. The local tax department should be consulted to ensure that applicable tax laws and regulations are complied with.

5.3 Presence of company representatives

An event qualifies as Entertainment only if the representative of the inviting party is present (e.g., Allianz PNB Life staff). Where this is not the case the gift rules and applicable restrictions (e.g., local gift cap) apply. Any Gift provided to or received from Clients and Business Partners at an Entertainment event retains its status as a Gift and is subject to the restrictions applicable to Gifts.

6. APPROVAL REQUIREMENTS

6.1 General

The Employee's line manager (or appropriate delegate) must pre-approve Gifts and Entertainment provided to or received from clients or Business Partners.

6.2 Additional Approval Requirements

Pre-approval from the line manager and the consultation with the responsible Compliance department is required if the Gift or Entertainment involves:



- an amount valued at Php 2,000.00 or more
- a Government Official;
- a union official or works council member is being privileged as a result of his function;
- gifts (other than Promotional Items or business meals) or entertainment from outside vendors doing business or seeking future business with Allianz PNB Life.

7. EXCEPTIONS

- 7.1 Promotional items of a modest value, e.g., below the threshold amount of Php 2,000.00, are not subject to this Policy.
- 7.2 Personal gifts between employees
- 7.3 Entertainment including meals received at industry meetings if the Company already paid for such entertainment.
- 7.4 Monetary gifts/newborn/funerals within acceptable and customary levels

7.2 Gifts and Entertainment of purely personal nature

Gifts and Entertainment of purely personal nature such as wedding or newborn gifts are not subject to this Policy. For a Gift or Entertainment to be deemed purely personal, the following should be considered by the Employee:

- Is Allianz PNB Life paying for the gift or entertainment, or is the employee seeking reimbursement? If Allianz PNB Life is paying for the gift or entertainment or if the Employee gets reimbursed, then a presumption exists that the gift or entertainment is business related and not purely personal.
- Does a personal relationship exist between the employee and the recipient? If not, then the gift or entertainment is business related and not purely personal.
- Does the value of the gift or entertainment clearly exceed the norm for such an occasion? If so, the gift or entertainment is likely to be deemed not purely personal.

7.3 Business meals

Business meals (including, but not limited to breakfasts, lunches, dinners) are not subject to this Policy provided that they comply with the general principles, i.e., are not lavish, excessive in value, so frequent or without business purpose as to raise issues of impropriety. This exception does not apply to Government Officials.

7.4 Local festive traditions

Gifts and Entertainment related to local festive traditions must be in line with the principles laid down in the Policy statement. The Compliance department must be consulted in case of questions.

8. Reporting of Gifts and Entertainment

All gift and entertainment falling under item 6.2 shall be reported and declared within three (3) working days from receipt/offering.

9. RECORD RETENTION

It is the responsibility of each Employee providing or receiving the Gift or Entertainment to ensure transparent and proper recording. Any applicable logging and approval requirements must be followed and evidenced.



10. OTHER RELEVANT ALLIANZ PNB LIFE INSURANCE STANDARDS

Allianz PNB Life Code of Conduct for Business Ethics and Compliance ("Code of Conduct")
Allianz PNB Life Anti-Corruption Policy.



Relevant definitions from Compliance Glossary

Bribes: a form of corruption that includes payments, offers or promises to pay, or authorizations to pay or provide anything of value, made by or on behalf of Allianz PNB Life, directly or indirectly, to obtain an improper personal or business advantage.

Note: There is no minimum amount or threshold exception for bribes and it is irrelevant what this payment is called. Business Partners: include all agents, representatives, consultants, distributors, counsels, brokers, vendors, Joint Venture Partners or Outsourcing Partners or other third party seeking future business with Allianz PNB Life Insurance. The threshold amount quantifying the maximum amount for Gifts and/or Entertainment shall determine the level, under which a Gift or an invitation to Entertainment usually is seen as appropriate and not lavish.

Cash equivalents: includes all means of payment (e.g., gold coins, stamps).

Clients: includes clients with whom Allianz PNB Life has a current business relationship or is seeking a future business relationship with.

Employee: includes all employees, directors and officers at all levels of the Allianz PNB Life.

Entertainment: all forms of entertainment, whether offered by or on behalf of Allianz PNB Life or received by an employee of Allianz PNB Life, to or from a person or entity with which Allianz PNB Life has a current or potential business relationship which includes but is not limited to any social event, hospitality event, cultural event, concert, charitable event, leisure activity, conference, seminar, marketing event, sporting event or an event of like nature.

Gift: means any tangible item(s) provided by or to a person or entity with which Allianz PNB Life has a current or potential business relationship. For the avoidance of doubt, any event where the host is not present will be classified as a gift.

Government Official: includes anyone working in an official capacity for or on behalf of government-owned or controlled entities or agencies, political parties, party officials, and political candidates, or for a public international organization with government members (for example, World Bank).

This may include consultants who hold government positions, employees of companies owned or controlled by governments, political party officials and others, or employees retained by and immediate family members (parent, spouse, child, in-law, sibling), and anyone else to whom the Government Official provides material support.

OE: includes all operating entities of Allianz Group and Allianz SE.

Promotional items: include items of modest value (e.g., pens, etc.) that display the Allianz PNB Life or another companies branding.

Relevant persons: includes any person closely associated with an Allianz PNB Life employee, including but not limited to parents, spouse, child, in-law, sibling or anyone else to whom the employee provides material support as well as important shareholders.

