

Hospital Policies and Procedures Manual

CORPORATE GOVERNANCE		Document Code: MMC-HPP-GLD-022	Rev. Code : 00
Government Interaction		Effective Date: September 9, 2021	Page 1 of 11
Issued by: Compliance Department	<input checked="" type="checkbox"/> New	Supersedes	
Approved by: <i>(original document signed)</i> Atty. German Q. Lichauco II Corporate Secretary		Oct/07/2021 Date Signed (MMM/DD/YYYY)	<i>(original document signed)</i> Manuel V. Pangilinan Chair, MDI Board of Directors Oct/11/2021 Date Signed (MMM/DD/YYYY)

Makati Medical Center (MMC) recognizes that government bodies and Government Officials (as defined below) play an important role in society and in nation-building (*i.e.* by establishing and maintaining the necessary conditions and institutions for economic stability, social cohesion, and environmental protection and in providing access to healthcare for its citizens). To positively contribute to government’s worthy endeavor, MMC participates in public private partnerships and thereby invests in infrastructure, provides access to healthcare, and strengthens a sustainable healthcare system development for the country. Thus, MMC adopts this Government Interaction Policy (the “Policy”) to reinforce its commitment to the highest ethical standards and best practices of professional conduct in terms of MMC’s dealings with Government Officials and interacting with government agencies in the course of its business operations.

Objective:

- This Policy articulates the objectives, general behavior, limitations, and compliance requirements in relation to dealings and interactions with government agencies and Government Officials by MMC, its directors, officers, executives, medical staff, trainees, employees, and consultants (hereafter, “Hospital Staff”), to ensure that MMC remains independent of any political affiliation and its actions are characterized with utmost integrity.
- MMC is committed to participate in a constructive, transparent, and responsible dialogue with Government Officials by providing and exchanging relevant, coherent, conclusive, and honest information.
- In all its interactions with Government Officials, MMC is committed to honesty and integrity, adopting a transparent and responsible behavior, respecting all applicable local, national, and international laws as well as the provisions set forth in this Policy. MMC rejects any form of corruption or undue advantage which might influence Government Officials.
- MMC interacts with government for the ultimate benefit of the patients and the Filipino community it serves. To maintain its reputation and credibility, MMC is committed to ethical, bias-free, and compliant interactions with healthcare professionals in all of its business activities.

Hospital Policies and Procedures Manual

CORPORATE GOVERNANCE	Document Code: MMC-HPP-GLD-022	Rev. Code : 00
Government Interaction	Effective Date: September 9, 2021	Page 2 of 11

Scope:

- This Policy applies to all dealings and interaction with government bodies and Government Officials and shall be implemented by all Hospital Staff.
- The scope of this Policy extends across all of MMC's business dealings. Adherence to this Policy will ensure that Hospital Staff are compliant with laws, their actions are governed by the highest ethical standards, which in turn will reduce the risk of MMC incurring criminal liability or suffering reputational damage. It is the responsibility of each Hospital Staff to be aware of and remain compliant with this Policy.

Definition of Terms: For purposes of this policy,

1. BRIBE/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 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.
2. BUSINESS ADVANTAGE - means that the company is placed in a better position financially and economically or in any other beneficial way compared with its competitors or than it would otherwise have been had the Gift (which could constitute bribery or corruption) not given or received.
3. HOSPITAL STAFF - refers to any individual hired by MMC for salaries and/or benefits provided in regular amounts at stated intervals in exchange for services rendered personally for MMC's business on a regular basis and who does not provide such services as part of an independent business. This includes MMC officers, executives, supervisors, rank and file, and, only for purposes of this Policy, other corporate officers under the Medical Doctors Inc.'s (MDI) By-laws, temporary staff, casual employees, or project employees.
4. ENTERTAINMENT - refers to any form of Hospitality such as meals given to or accepted from Third Parties and/or Government Officials by MMC or any Hospital Staff. It also covers spectator and participative activities (i.e., golf, music, sailing, and other similar activities).
5. 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

Hospital Policies and Procedures Manual

CORPORATE GOVERNANCE	Document Code: MMC-HPP-GLD-022	Rev. Code : 00
Government Interaction	Effective Date: September 9, 2021	Page 3 of 11

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 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 nominal gifts given at culturally recognized occasions (e.g., weddings, funerals) or special times of the year (e.g., Christmas, New Year).

6. 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, or courtesy discounts for which payment is normally required.
7. 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.
8. KICKBACK - is a form of negotiated bribery in which a commission is paid to the bribe-taker for services, advantage or favors rendered.
9. GOVERNMENT OFFICIAL - all officers or employees of a government department, agency, or instrumentality; permitting agencies; customs officials; candidates for political office; 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 associates 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 capacity to make decisions with the potential to affect the business of the Company or any of its subsidiaries.
10. 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

Hospital Policies and Procedures Manual

CORPORATE GOVERNANCE	Document Code: MMC-HPP-GLD-022	Rev. Code : 00
	Effective Date: September 9, 2021	Page 4 of 11

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

Guidelines:

Section 1. General Guidelines

1. Hospital Staff shall not be permitted to pay or receive bribes

Hospital Staff must conduct their activities in full compliance with this Policy, the Company's Anti-Bribery and Anti-Corruption Policy, the Philippine Anti-Graft and Corrupt Practices Act ("RA 3019"), the UK Bribery Act, and the United States Foreign Corrupt Practices Act ("FCPA"), and all other applicable laws relating to bribery or corruption in each jurisdiction in which Hospital Staff do business.

Under this Policy, Hospital Staff are not permitted to give or offer anything of value, directly or indirectly, to any Government Official or any related commercial party for the purpose of improperly obtaining or retaining a Business Advantage. "Anything of value" should be broadly interpreted to include cash, Gifts to family members, forgiveness of debt, loans, personal favors, Business Advantage, Gratuities, Entertainment, meals, travel and other forms of Hospitality, political and charitable contributions, business opportunities and medical care, among other items. Hospital Staff are also prohibited from making facilitation payments, those relatively insubstantial payments made to facilitate or expedite routine governmental action. Simply put, Bribes, Kickbacks or similar payments are never permitted, whether made to a Government Official or to customers, investors, clients, or other private parties. Similarly, Hospital Staff may not solicit or accept such payments. Hospital Staff are required to exercise common sense and judgment in assessing whether any arrangement could be perceived to be corrupt or otherwise inappropriate.

In cases when a government official asks for courtesy discount for any service rendered by MMC to him/her, his/her family, friends or colleagues, he/she is informed of the Hospital's Policy on Interaction with Government Official. If he/she is insistent, approval is required from the President/CEO, Medical Director or Chief Finance Officer. The Compliance Officer is informed of this interaction and gratuity granted to a Government Official. The Compliance Officer logs this interaction.

Hospital Policies and Procedures Manual

CORPORATE GOVERNANCE	Document Code: MMC-HPP-GLD-022	Rev. Code : 00
Government Interaction	Effective Date: September 9, 2021	Page 5 of 11

If confronted with a request or demand for an improper payment or other violation of this Policy, the request or demand must be immediately rejected and reported to MMC's Compliance Officer in writing within three (3) days from receipt/knowledge of the request/demand for improper payment (See relevant form in Appendix "A"). Similarly, if any Hospital Staff or agent knows or believes that an improper payment has been or will be made, the Hospital Staff or agent must also report such payment to the Compliance Officer within three (3) days from knowledge thereof (See relevant form in Annex "A"). The MMC's policy is that no adverse employment action will be taken against any personnel in retaliation for, honestly and in good faith, reporting a violation or suspected violation of anti-corruption laws or this Policy.

2. Political Contributions and Charitable Donations

Hospital Staff may not make political or charitable donations, whether in their own name or in the name of the Company, to obtain or retain business or to gain an improper Business Advantage. Any political or charitable contributions made by MMC must be permitted under the law, permissible pursuant to the terms of this Policy, made to a *bona fide* charitable organization, and in the case of political contributions or charitable contributions connected to any Government Official or government entity, prior approval of Compliance Officer and the President/CEO is required. In certain instances where there is heightened risk of corruption, the Compliance Officer or President & CEO may require due diligence to be conducted. The Compliance Officer and the President & CEO must be notified if a Government Official solicits a political or charitable contribution in connection with any government action related to the Company (See relevant form in Annex "B"). Individual Hospital Staff or agents may not make political contributions on behalf of the Company or its affiliates.

Hospital Staff may, of course, exercise their personal right to make charitable donations from their own resources, providing this does not give rise to any actual or apparent conflict of interest or appearance of impropriety for the Company.

3. Commercial Contracts with Government Agencies

Doing business and interacting with Government agencies and Government Officials are regulated and typically follow stricter rules than those in the commercial marketplace.

If the Company has any business or contracts with Government Officials or a Government-owned (or partially owned) company/entity, it has a special duty to know and comply with all

Hospital Policies and Procedures Manual

CORPORATE GOVERNANCE	Document Code: MMC-HPP-GLD-022	Rev. Code : 00
Government Interaction	Effective Date: September 9, 2021	Page 6 of 11

applicable laws and regulations, adhere to the highest standards of integrity and avoid even the appearance of impropriety.

Commercial contracts with government agencies require the approval of Legal Counsel, Compliance Officer and CFO or President/CEO. (Refer to Policy on Third Party Management). Such approval may be provided after considering and intensive evaluation of risks, if any, from Antibribery and anticorruption (ABAC) perspective. Items to be considered include:

- Does the government agency that the hospital is entering into contract with have regulatory control over the hospital's operation?
- What is the nature of contract? Is this aligned with hospital operations?
- Are the special terms, agreements or discounts included in the contract?
- What are the mitigating controls in place?

Overall assessment should include its ABAC implication.

Discounts or rebates for any business transactions with Government bodies must reflect a business need. They must comply with the Hospital's policy on "Granting of discounts to patients other than employees, doctors and their dependents" (MMC-GOP-FIN-011) and Corporate Governance Policy on Gifts and Hospitality, Solicitation and Sponsorship, as applicable, and pre-approved in writing by the Compliance Officer.

4. Transactions with Government Agencies:

Any payment to government agencies should be made through normal payment method (online/bank transfers or manual checks). If for reason of practicality, payment will use petty cash, this should be approved by the Division head, any one of the following: President/CEO, Medical Director, Chief Finance Officer or Compliance Officer.

5. Summary of good practices when interacting with Government Officials ("Dos and Don'ts" Guidelines)

5.1 In all its interactions with Government Officials, MMC is committed to honesty and integrity, adopting a transparent and responsible behavior, respecting all applicable local, national, and international laws as well as all relevant company policies, including, but not limited to the MMC's Anti-Bribery and Anti-Corruption Policy (ABAC Policy), other applicable MMC policies, and the provisions set forth in this Policy. MMC rejects any form of corruption or undue advantage which might influence Government Officials.

Hospital Policies and Procedures Manual

CORPORATE GOVERNANCE	Document Code: MMC-HPP-GLD-022	Rev. Code : 00
Government Interaction	Effective Date: September 9, 2021	Page 7 of 11

5.2 The following principles underpin responsible and transparent interactions by Employees with Government Officials:

- 5.2.1 Interact ethically and with integrity.
- 5.2.2 Employees are expected to act ethically, honestly and with professionalism always when engaging with Government Officials.
- 5.2.3 Employees are expected to apply professional judgement in circumstances that are not covered by laws, regulations, MMC programs, policies or procedures.
- 5.2.4 Gifts of cash or cash equivalent (e.g. cash vouchers, prepaid coupons or gift cards), regardless of value, must never be offered to Government Officials (or their related parties).
- 5.2.5 Payments for legitimate government related expenses (e.g. permits, licenses) should be made directly to the Government agency. Official receipts from the relevant Government agency must be retained.

5.3 Any relationship with Government Officials must be in strict compliance with the rules and regulations they are subject to and any benefit conveyed to a Government Official must be fully transparent, properly documented, and accounted for.

5.4 **DOs:** The following are good practices in relation to interaction with Government Officials:

- 5.4.1 Interactions with Government Officials should occur during business working hours (except in cases where patient care services or health of the community is involved) and in the Government Official's or at MMC's office, whenever practicable.
- 5.4.2 Interactions with Government Officials should be attended by at least two employees and individual one-on-one meetings with Government Officials outside of office hours need prior approval, which must be documented by an official email or text message from the Immediate Superior of the Hospital Staff concerned or of the Company's President.
- 5.4.3 Provision of Hospitality is to be kept modest and limited to only food and non-alcoholic drinks, to avoid the appearance of impropriety.

5.5 **DON'Ts:** The following are practices to be avoided in relation to interaction with Government Officials:

Hospital Policies and Procedures Manual

CORPORATE GOVERNANCE	Document Code: MMC-HPP-GLD-022	Rev. Code : 00
Government Interaction	Effective Date: September 9, 2021	Page 8 of 11

- 5.5.1 Never offer, promise or give (either directly or indirectly) anything of value to induce or influence a Government Official.
- 5.5.2 Do not pay for a Government Official’s travel, accommodation, or other expenses pertaining to any MMC interaction, unless it relates to business operation needs such as site visits/ audits in the Company premises and is explicitly allowed under local regulations.
- 5.5.3 Do not allow or agree with Government Officials to invite guests (family or friends) to Company interaction/ functions. Under no circumstances will MMC cover any costs associated with a guest’s involvement.
- 5.5.4 As a general rule, Third Parties should not be used for interactions with Government Officials. Should it be necessary to engage the services of a Third Party to interact with Government Officials, such Third Party must accomplish and submit a Third Party due diligence questionnaire and the engagement must be pre-cleared with the Compliance Officer.
- 5.5.5 Avoid situations, interactions and actions by employees that could give rise and result in the appearance of conflict of interest.
- 5.5.6 Never use MMC assets and resources for personal use of Government Officials.

Section 2. Government Interaction

Transfers of value (modest meals, Hospitality, Gifts) should be logged in a Government Interaction Log maintained by each department of MMC. Such documentation should clearly indicate business purpose and decisions taken, if any, during such interactions.

It is the responsibility of each Head of Department that such a log be maintained and updated for each such transfer of value (*See relevant form in Annex “C”*). This Government Interaction Log must be submitted by all relevant departments (Finance, Hospital License and Accreditation, Facilities Management and Engineering Department), **as applicable**, on a monthly basis and by other departments with rare government interaction on as needed basis, not later than the fifth (5th) day of each succeeding month to the Compliance Officer.

Section 3. Consequences of Violations

Any Hospital Staff who fail to comply with this Policy shall be, upon notice and hearing, subjected to penalties and sanctions as may be determined by the Compliance Department in collaboration with

Hospital Policies and Procedures Manual

CORPORATE GOVERNANCE	Document Code: MMC-HPP-GLD-022	Rev. Code : 00
Government Interaction	Effective Date: September 9, 2021	Page 9 of 11

VP of HRMDD and the President & CEO. Third Parties found to have defied this Policy shall also be penalized.

Section 4. 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.

Approval, Amendment or Alteration of Policy

This Policy has been approved and adopted by the Medical Doctor’s Inc. (MDI) Board of Directors. The Compliance Department, Leadership and the MDI Board of Directors has the overall responsibility to provide oversight on implementation, monitoring and periodic review (at least every 3 years) 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.

Training

Upon initial roll-out of the Policy, all current personnel, trainees and medical staff should be trained and complete attached form and deliver the completed forms to Human Resources / Medical Services / Medical Education and Research in an envelope labeled “Employee Policy Training Certification.”

New personnel, trainees and Medical staff should be trained immediately upon hiring and complete this form and kept in their respective 201 file in Human Resources, Medical Services or Medical Education.

Responsibilities:

Compliance Department regularly reviews, and modify as necessary, this policy at least every 3 years and recommend to Leadership and MDI Board of Directors any modification.

Hospital Policies and Procedures Manual

CORPORATE GOVERNANCE	Document Code: MMC-HPP-GLD-022	Rev. Code : 00
Government Interaction	Effective Date: September 9, 2021	Page 10 of 11

Human Resources - Learning and Development Department / Department Manager or Quality, Safety and Compliance Officer of concerned department in coordination with Compliance Department provides regular training and annual refresher course to hospital personnel and third party services within their area of responsibility.

Managers and supervisors are responsible in ensuring that all their staff are aware and implement this policy consistently. In the review of any violation of this policy, managers and supervisors may be held liable for failure to instruct adequately their subordinates or for failure to detect noncompliance with applicable policies and legal requirements, where reasonable diligence would have led to the discovery of any violations or problems and prevent loss for the company.

Required Education: All MMC personnel will be trained through policy distribution, or video recording and subsequent Q&A on implementation of this policy.

Attachments:

- ANNEX A: Improper Payment Disclosure Form
- ANNEX B: Notification Form for Political Contribution, Charitable Donation, and/or Discount
- ANNEX C: Government Interaction Log

Review: This policy will be reviewed every three (3) years or earlier by the Compliance Officer or as recommended by the Division Heads or President & CEO or MDI Board of Directors.

Reference/s: MPHHI Government Interaction policy

Signatories:

(original document signed)

Author (s) **Mary Milagros D. Uy, MD**
Compliance Officer

Reviewers **Saturnino P. Javier, MD** - Medical Director

Hospital Policies and Procedures Manual

CORPORATE GOVERNANCE	Document Code: MMC-HPP-GLD-022	Rev. Code : 00
Government Interaction	Effective Date: September 9, 2021	Page 11 of 11

- | | |
|---|--|
| Artemio C. Salvador, MD | - Head, Quality Management Division |
| John Vincent G. Pastores, MD | - Director, Medical Services |
| Bitá Sigari Avendaño | - Head, Human Resources Management & Development Division |
| Arnold C. Ocampo | - CFO & Division Head, Finance |
| Marielle M. Rubio | - Head, Service Operations Division |
| Jose Paulo P. Lorenzo, M.D. | - Director, Medical Education and Research |
| Eda Bernadette P. Bodegon, RN, MAN | - Chief Nursing Officer, Nursing and Patient Care Services |
| Arlyn L. Songco | - Head, Creative, Communications, and Sales Services (CCSS) Division |
| Ma. Fleurdeliz C. Atienza | - Manager, Procurement Department |
| Isidoro M. Perfecto | - OIC, Information & Communications Technology Division |
| Engr. Gerry E. Cunanan | - Head, Facilities Management and Engineering Department Division |

Reviewed and Recommended for Approval,

(original document signed)

Atty. Pilar Nenuca P. Almira
President & CEO

Disclaimer: Hardcopies of this document are considered uncontrolled. Please refer to WHaM for the latest version. It is your responsibility to check the correct and latest version of document before use.

Proprietary Statement: This document contains proprietary information of Makati Medical Center. This document and any attached materials are not to be used, reproduced, republished, uploaded, disseminated, and distributed, in whole or in part, for any purpose, without the express written consent of Makati Medical Center. Any unauthorized use may violate copyright laws and other civil and criminal statutes of the Philippines and may be considered as a violation of MMC confidentiality policy. All other rights are reserved.