



## **ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

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### **A. PURPOSE**

The Anti-Bribery and Anti-Corruption Policy (“ABACP” or the “Policy”) of Tarlac Electric Inc. (“TEI” or the “Company”) outlines the Company’s zero-tolerance policy against bribery and corruption. Common examples of corruption include the following: extortion, fraud, money laundering, kickbacks, and facilitation payments. All forms of bribery and corruption are unacceptable and will not be tolerated. TEI’s employees must not act corruptly in their dealings with any other person and must ensure that any third party acting on its behalf complies with these standards.

The ABACP shall be read in conjunction with the Company’s Code of Business Conduct and Ethics, Whistleblowing Policy and other related policies.

### **B. SCOPE**

The ABACP applies to all employees, officers, consultants, the Board of Directors of the Company, and others who are authorized to act on its behalf.

### **C. DEFINITION OF TERMS**

**Corruption** is the misuse of public or professional power for personal gain.

**Bribery** refers to the offering, giving, soliciting, or receiving of any item of value as a means of influencing the actions of an individual holding a public or legal duty. This type of action results in matters that should be handled objectively in a manner best suiting the private interests of the decision maker. Bribery constitutes a crime and both the offeror, and the recipient can be criminally charged.

**Facilitation of payment** is a financial payment that is made with the intention of expediting an administrative process. It is a payment made to a public or government official or counterparty that acts as an incentive for such party to complete some action or process expeditiously, to the benefit of the party making the payment. A facilitation payment is akin to a bribe.

#### **D. APPLICATION AND POLICIES**

1. TEI or its employee shall not give or receive, whether directly or indirectly, bribes or other improper advantages such as facilitation payments for business or personal gain. This includes improper payments to or from any individual person, any government official or any organization, corporate or otherwise.
2. TEI or its employees shall not participate in any form of corruption including but not exclusive to extortion, fraud, insider dealing, money laundering, kickbacks, and facilitation payments.
3. TEI's employees shall not directly or indirectly, offer or give, or request or receive any gift or payment which is, or may be construed as being, an attempt to influence decisions related to TEI's business.
4. TEI or its employees shall offer or receive hospitality and gifts only in the normal course of business and should not be seen to generate any actual or perceived conflicts of interest. Any hospitality or gifts should not be excessive or regular.
5. TEI shall conduct sufficient due diligence when entering into arrangements, with third parties such as agents, contractors, consultants or joint venture partners, to ensure that they are not acting corruptly, and to periodically monitor their performance to ensure continuing compliance.
6. TEI shall conduct regular trainings and orientations for first time and fulltime employees to ensure continuous relevance and awareness of this Policy.

Any demand for or offer of a bribe must be rejected immediately and reported to the Corporate Governance committee ([corporategovernance@teiph.com](mailto:corporategovernance@teiph.com)) as described in TEI's Whistleblowing Policy.

#### **E. COMPLIANCE**

1. The Compliance Officer shall take responsibility for ensuring compliance with the implementation of this Policy. He/she is also responsible for keeping the Board informed of any deviations from this Policy.
2. In cases when bribery, facilitation payment or other corruption is deliberately concealed or continues after it is discovered, disciplinary action may be invoked in accordance with TEI's Employee Policy Manual.

#### **F. AMENDMENT OF THIS POLICY**

The Corporate Governance Committee, in coordination with the Compliance Officer and other authorized persons, regularly review, update and improve the ABACP.

#### **G. APPROVAL**

This Policy has been approved and adopted by the Board of TEI. The Corporate Governance Committee has the overall responsibility for implementation, monitoring and periodic review of this Policy.