	GIFTS, ENTERTAINMENT AND SPONSORED TRAVELS	
	Policy No.: PS-LRA-06-R32015	Effective Date: April 11, 2022 Revision No.: 3


I. PURPOSE AND SCOPE

This policy contains the general guidelines governing Gifts, Entertainment and Sponsored Travels offered by Third Parties with whom the Company, directly or indirectly, does business or proposes to do business.

The giving and receiving of Gifts, Entertainment or Sponsored Travels is a customary practice aimed at enhancing business relationships. However, the Company's Directors, Employees and Consultants must be circumspect in their acceptance of such as it may adversely influence their objectivity in the performance of their duties and responsibilities.

II. DEFINITION OF TERMS

- A. **Bribes** – refers to anything of value offered to an Employee or Consultant to influence that person's objectivity in the performance of his/her duties and responsibilities.
- B. **Company or Maynilad** - refers to Maynilad Water Services, Inc.
- C. **Consultants** – refers to professional consultants, firms, partnerships, counsels, or such other professional entities or individuals rendering professional or specialized expert services to Maynilad and/or any company in the Group, as well as advisors of the Company who may be appointed by the Board of Directors or the President and Chief Executive Officer ("CEO"), or who shall act as representatives of the Company's investors, shareholders, affiliates or partners.
- D. **Directors** - refers to members of the Board of Directors duly elected in accordance with law, any shareholders' agreement and the By-laws of the Corporation.
- E. **Employees** - refers to officers, executives and employee(s) of the Company under a contract of employment, whether for part-time or full-time, to provide personal services to the Company in exchange for compensation, and do not provide such services as part of an independent business. This includes executives, managers, supervisors and rank-and-file.
- F. **Field-based Personnel** - refers to Employees who regularly perform their duties away from the Maynilad head office or business area offices and whose actual hours of work in the field cannot be determined with reasonable certainty. They may include, but is not limited, to Zone Specialists under Customer Experience and Retail Operations, and other field-based personnel under (i) Water Supply Operations; (ii) Wastewater Management Division; (iii) Central NRW Management; (iv) Program Management Division; (v) Supply Chain Management; (vi) Business Development; (vii) Quality, Sustainability and Resiliency; (viii) Corporate Affairs and Communications; (ix) Information Technology Services; and (x) Integrated Asset Management.
- G. **Entertainment** - refers to any form of hospitality such as, but not limited to, food and drink, tickets to spectator events (concerts, sports), and participative activities (e.g., golf, music, sailing, and the like).
- H. **Gifts** – refers to anything of value for which the recipient does not pay fair market value. This may take several forms including, but not limited to, cash, presents, discounts, sponsorships, food, and the like.

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Gifts shall be classified as follows:

1. Expensive – gifts that cost more than the peso equivalent of US\$100.00
2. Tokens – gifts that cost the peso equivalent of US\$100.00 or less

Expensive Gifts and Tokens are further classified as follows:

1. Perishable – refers to any food, beverage or flowers that will expire within a month from receipt, or those requiring refrigeration (i.e., cakes, pastries, fruits, etc.); or
 2. Non-perishable – includes non-food or non-beverage items as well as any food or beverage that does not fall within the scope of perishable gifts (i.e., preserved food, packed biscuits/cookies, canned goods, liquor).
- I. **Group** - refers to Metro Pacific Investments Corporation (MPIC) Group of Companies.
- J. **Sponsored Travel** – refers to any travel, accommodation, and/or attendance/participation in conferences/conventions/seminars/product presentations, international or domestic, whether for personal or business purposes, the costs of which are fully or partially paid for by Third Parties.
- K. **Third-Parties** – refers to individuals, entities, organizations, and/or their representatives that have existing and/or intended business dealings with the Company. This includes existing or prospective lenders, suppliers, contractors, buyers, dealers, and customers.

III. GENERAL POLICY STATEMENT

Directors, Employees and Consultants must avoid situations that may compromise their objectivity, independence, and/or ability to effectively perform their duties and responsibilities towards the Company.

In this regard, Directors, Employees and Consultants must either respectfully refuse to accept Gifts, Entertainment and/or Sponsored Travels from Third-Parties, or accept them on behalf of the Company. The Gifts, Entertainment and/or Sponsored Travels from Third-Parties shall be handled in accordance with the provisions of this policy and of the Manual on Corporate Governance of the Company.

IV. DISTRIBUTION

This policy applies to all Directors, Employees and Consultants. In the case of the Consultants, the policy applies to them to such extent that the Gifts, Entertainment and/or Sponsored Travel are given or offered as a result of their affiliation with the Company.

V. POLICIES AND STANDARDS

A. Gifts

1. Solicitation of Gifts is strictly prohibited.
2. Notwithstanding any provision in the Policy to the contrary, Field-based Personnel shall not, directly or indirectly (through the office-based personnel) accept or solicit cash, in any

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amount, and for any purpose, from customers. For clarity, acceptance of any amount of money from customers is strictly prohibited.

3. Acceptance of Gifts on behalf of the Company is subject to the following guidelines:

- (a) Except as otherwise provided in the succeeding paragraphs, solicitation of cash, gift certificates, or other cash equivalents of any amount, free membership or subscriptions (e.g., sport or other clubs), and any other gift from Third Parties even if the same is in connection with occasions of rejoicing or celebration (e.g., Company events, birthdays of Employees or officers) is strictly prohibited.
- (b) Tokens, whether Perishable or Non-perishable, may be accepted and kept by the recipient, provided that they are not given during periods of negotiation.
- (c) Employees must use their best judgment in determining the value of Gifts. When in doubt, Gifts should be considered expensive, and must therefore be disclosed and surrendered in accordance with item (d) below.
- (d) Expensive Gifts should be disclosed to the Employees' Division Head, or in the case of Consultants, to the officer/executive to whom they directly report, or in the case of Directors, to the Board of Directors.
 - (i) Perishable Expensive Gifts must be shared with all the members of the committee, division or department where the concerned Directors, Employees or Consultants belong.
 - (ii) Non-perishable Expensive Gifts must be surrendered to the Human Resources Division ("HR") for raffling off to all Employees.

HR must designate a person who should be responsible for raffling off the Non-perishable Expensive Gifts to all Employees.

- (e) Gifts or donations solicited by and/or given to the Company for Company-wide Christmas parties, authorized corporate social responsibility programs or initiatives, including outreach or charitable works of the Company's officially recognized employee organizations (e.g., medicines for medical missions, food and supplies for calamities, materials for community development), regardless of value, are acceptable, and may be received by Directors, Employees or Consultants authorized to receive the same. Provided that, in the event that not all Gifts were consumed or used in the events or the activities for which they were given, they shall be treated as Expensive Non-Perishable Gifts and the responsible Directors, Employees or Consultants will have to turn them over to the Company for distribution in accordance with item (d)(ii) above.
- (f) Raffle tickets (or prizes won from such raffle tickets) and other promotional items given to the Company or to the Directors, Employees and/or Consultants for their attendance in certain events, conferences, or product presentations of Third Parties, may be accepted. Provided that, the other participants are likewise entitled to such raffle tickets and given equal opportunity to win prizes.
- (g) Gifts from Third-Parties offered to or received by Directors, Employees and Consultants in connection with their participation as speaker, facilitator, or reactor


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in conferences or seminars sponsored or organized by Third Parties, regardless of value, may be kept by the recipient-Directors, recipient-Employees or recipient-Consultants, provided that, the other speakers, facilitators and/or reactors are also given similar gifts/tokens of appreciation by the concerned Third Parties.

- (h) Courtesy discounts given by Third Parties to Directors, Employees and Consultants on their purchases of products and services of Third Parties are allowed. Provided that, such discounted purchases are made openly, and the same terms are applicable to all Directors, Employees and Consultants.
- 4. Freebies given by Third Parties as part of any purchase made by the Company, regardless of value, should be declared by the concerned Directors, Employees and Consultants, and surrendered to the Company for distribution in accordance with Section 3(d) above.
- 5. Any form of direct or indirect offer, payment, solicitation, and/or acceptance of bribes is strictly prohibited.

B. Entertainment

- 1. Employees or Consultants must use their best judgment in determining the propriety and frequency of accepting various forms of Entertainment offered by Third Parties. Acceptance of Entertainment must not be:
 - (a) related to the conduct of business unless otherwise allowed in this policy; and
 - (b) violative of Company policies, rules and regulations, and/or any law.
- 2. Meals provided by Third Parties during business meetings are acceptable.
- 3. Business meetings in locations that do not conform to accepted standard of propriety and are not conducive for business purposes (i.e., bars) must be avoided.
- 4. Subject to items (5) and/or (6), acceptance of invitations to theater, concerts or social/sporting events is permissible. Provided that, such invitations are generally available to others in the same community, category, or industry. Due regard to the frequency of acceptance, attendance and benefit to the Company shall be considered at all times.
- 5. Directors, Employees and Consultants must 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. Directors, Employees and Consultants must refrain from requesting for or soliciting and accepting any form of Entertainment from Third Parties including, but not limited to, sponsorships for Company activities, non-Company supported charitable works, and/or personal events such as birthdays, weddings, baptisms, etc.

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C. Sponsored Travels

1. Sponsorships for the Company or its Directors, Employees and Consultants in the form of free travel, accommodation, and/or registration expenses in conferences, conventions, exhibits, product presentations and plant visits (collectively, "**Third-Party Events**") may be allowed, provided that, the requirements in item 2 below are complied with.
2. Attendance at Third Party Events may be allowed only if the following requirements are satisfied:
 - (a) The invitation to the Third-Party Event is addressed to the Head, Supply Chain Management, copy furnished the Office of the President and CEO.
 - (b) The Third-Party Event is beneficial to the Company.

The President and CEO or the Head, Supply Chain Management shall have the discretion to (i) accept or decline the invitation from the Third Party, depending on its benefit to the Company, and/or (ii) determine the Employee/Consultant most suitable to attend the Third-Party Event.
3. Complimentary travel and accommodation for training or due diligence from Third Parties may be permitted if these are part of a Company-approved engagement or an existing contract with the Third Parties, and will benefit the Company.
4. Directors, Employees and/or Consultants should refuse any form of Entertainment from Third Party-sponsors, except for courtesy meals served, during and immediately following the activity covered by the Sponsored Travels.
5. Side trips made outside the period/days of the approved Sponsored Travels may be allowed, provided that the same shall be for the sole account of, and charged against the leave credits of the Employees and, in the case of the Consultants, the same shall not be considered for the purpose of computing their billable time or man hours.

D. Giving of Gifts


As a gesture of appreciation and goodwill, there will be occasions when the Company may find it appropriate to give gifts to Third Parties with something other than the corporate giveaways. Such gesture should be exercised with care so as not to unnecessarily compromise the Company's values of integrity and honesty in its dealings.

In line with this, any gift to be given to Third Parties should be (i) approved by the concerned Division Head, and (i) limited to the peso equivalent of US\$100.00 in value per recipient (the "**Limit**"). Any gift in excess of the Limit shall require the written approval of the President and CEO prior to disbursement.

In all cases, the official receipt of the gifts must be attached to the division's expense report.

E. Implementing Guidelines

Appropriate implementation guidelines and monitoring and measuring systems shall be developed by the HR Division. The President and CEO may, from time to time, reassess the

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cap for the Tokens and baseline price of the Expensive Gifts. If exigencies so warrant, a written directive from the President and CEO shall be issued to adjust the cap and/or the baseline price, provided that such adjustment shall not be made more often than once a year.

F. Miscellaneous

1. It is the duty of a Director, Employee or Consultant who is offered or receives a Gift, Entertainment and/or Sponsored Travel to immediately report the offer or receipt thereof to his/her respective superior.
2. It is the duty of the Directors, Employees and Consultants to immediately report to their supervisor any attempt by Third Parties to undermine the former's transparency, integrity, fairness and objectivity in performing their functions by offering Gifts, Entertainment and Sponsored Travels.
3. For the avoidance of doubt, the list of immediate supervisors is as follows:

Position	Immediate Supervisor
Director	Board of Directors through its Chairman
President	Board of Directors through its Chairman
Division Heads (Corporate)	President and CEO
Division Heads (Operations)	Chief Operating Officer
Department Heads	Division Head
Section Heads	Department Head
Unit Heads	Section Head
Staff	Department/Section/Unit Head (to whom they directly report, whichever is applicable)
Consultants	Division/Department/Section/Unit Head (to whom they directly report, whichever is applicable)

4. The Company's Board of Directors and/or the executives must ensure that the Directors, Employees or Consultants who report a suspected violation of this policy by fellow Employees or Consultants are protected from any form of retaliation.
5. Acceptance of any other form of Gifts, Entertainment and Sponsored Travels not covered by or contemplated in this policy should always be disclosed to the immediate supervisor.


The immediate supervisor shall be responsible for coordinating with the Internal Audit Department and/or the HR on how to handle these gifts.

VI. VIOLATIONS OF THIS POLICY

Any violation of this policy will merit the imposition of appropriate disciplinary action and legal action, as may be necessary.

In the event that an Employee violates this policy, appropriate disciplinary sanctions in accordance with the Maynilad Employee Handbook and Standards of Discipline, which may include termination of employment and forfeiture of all benefits, shall be imposed on the Employee.

Everyone is encouraged to report incidents of violation of this policy to the Internal Audit Department and/or to the HR.

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VII. MONITORING AND REVIEW

The Corporate Governance Office and the Enterprise Risk Management and Internal Audit Division shall periodically review compliance with and/or effectiveness of this policy, and recommend the necessary or appropriate changes thereto.