

PROCUREMENT POLICY AND THIRD PARTY MANAGEMENT

(“Policy”)



I. Objectives

Singlife Philippines (“Singlife”, “we”, “us” or “our”) sees the importance of creating a defined structure and guidelines to be followed by its employees in engaging procurement activities. This is to ensure that:

1. necessary checks and balances are conducted before any purchase or engagement is secured; and
2. goods and services acquired are the result of transparent, objective, time and cost-effective, and documented decision-making.

II. Definitions

- a. Allocated Budget** Pertains to the amount of funding designated for a particular expenditure by the Finance Unit.
- b. Applicable Transactions** All transactions, whether new or renewal, that the Unit needs to further its business objectives and may cover the following:
- Lease;
 - Constructions and major repairs of fixed assets;
 - Advertising, promotions or public relations;
 - Professional and consultancy;
 - Manpower for contractual employees;
 - External Training;
 - Special Distribution;
 - Investment and Trust;
 - Agreements with parent, subsidiaries, partners, and affiliates;
 - Outsourced services:
 - o Janitorial/utility;
 - o Messengerial;
 - o Security;
 - o Courier;
 - o Appraisal;
 - o Surveillance operations and investigation;
 - o Maintenance;
 - o IT Services;
 - o Scope surveys;
 - o Human Resources (HR) recruitment and executive search; and
 - Such other similar activities.

All Applicable Transactions shall follow the Procurement Process as detailed in this Policy.

- c. Contract Amount** Pertains to the TOTAL value of the service or goods to be delivered or provided by the supplier or vendor regardless if amount is paid in several frequencies and/or in several periods or one-time (e.g. a contract covering the performance of IT services with fee payable amounting to PhP50,000 per quarter would generate a Contract Amount of PhP200,000 and NOT PhP50,000)
- d. Endorser** Person within the same Unit as the Requester who: (1) vouches for the recommendation of the Requester to engage or purchase from the vendor or supplier; (2) confirms that the requirements of the Policy have been strictly followed before confirming the choice of the vendor or supplier; (3) recommends to the Signatory and guarantees that the requirements of the Policy and the selection was made considering

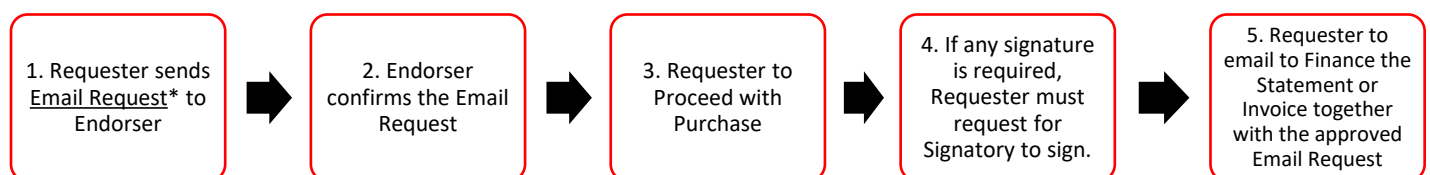
all relevant factors including the objectives of the Unit. The Commitment Authorities (attached as Annex A) shall detail the authority limits of the Endorser.

- e. Excluded Transactions** These transactions would cover one-off contracts with Contract Amount of less than Fifty Thousand Pesos (PhP50,000) and may cover the following transactions, among others:
 - Entertainment expenses;
 - Travel accommodations and airline bookings; and
 - Purchase of office supplies and other materials.

All Excluded Transactions would follow the Simple Procurement Process outlined in this Policy.
- f. Incorporation and Finance Documents** (1) Certificate of Registration with SEC/DTI; (2) General Information Sheet; (3) Articles of Incorporation; and (4) other documents as may be requested by the requesting Unit, Compliance, or Finance to validate the capacity and legality of the potential vendor/supplier.
- g. Management** Persons who are the ultimate heads of each Unit and directly reports to the President & Chief Executive Officer.
- h. Requester** Person who initiates the need for an engagement or purchase from a supplier or vendor, and shall be in charge of monitoring the progress of the procurement request from beginning to end to ensure that the requirements detailed in the Policy are strictly followed.
- i. Signatory** Person who: (1) binds Singlife to the vendor or supplier, and is the person duly authorized by the President & Chief Executive Officer or the Board, as applicable, and within the specified limits, to act for and on behalf of Singlife; (2) shall be ultimately responsible to the vendor or supplier and shall make sure that Singlife is able to deliver as per agreement; (3) manages the allotted budget of the Unit and ensure that the purchase is within the allotted budget. The Commitment Authorities shall detail the delegated limits for the Signatory.
- j. Unit** A specific element or segment of Singlife representing a specific business function (e.g. finance, legal and compliance, information technology, etc.) and not the area within the business function (e.g. accounting, data privacy, infrastructure, etc.)

III. Simple Purchase Approval Process

This process would cover Excluded Transactions. Splitting of Contract Amount to make a transaction fall under Excluded Transactions is *strictly* prohibited. Should a transaction involve matters on Related Party and/or Data Privacy, requirements as stated in Clauses VI (B) and (C) should be complied by the Requester.

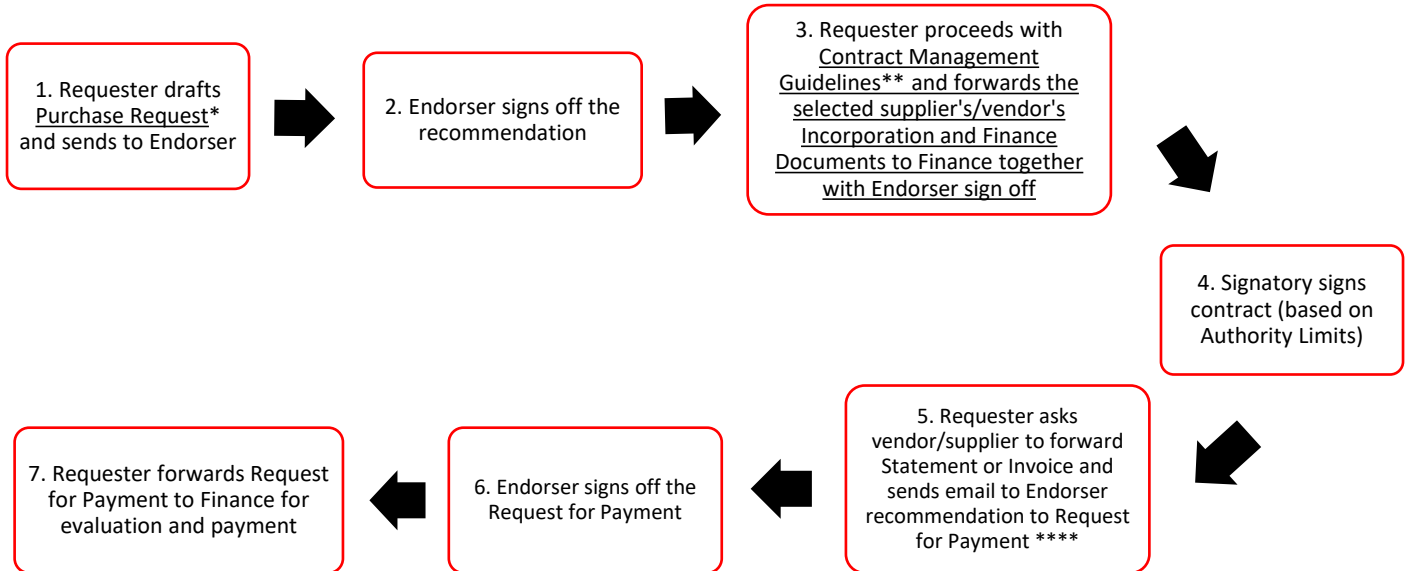


* Must contain:

- o Purpose
- o One-time/ Recurring
- o Contract Amount

- Vendor Name and Representative
- Indicate in the email subject line:**
- Email Request To Purchase: <Name of Vendor> for <Services/Good Short Description>

IV. Procurement Process



* Purchase Request must contain at least: (1) the items or services to be procured; (2) the Allocated Budget vs. the Contract Amounts; (3) 2 or more vendors for comparison; (4) factors to consider in choosing the vendor or supplier; (5) reason for choosing a particular vendor or supplier; and (6) confirmation that the 2 or more vendors have submitted their Incorporation and Finance Documents to the Requester. The Purchase Request must be sent via email to the Endorser for vouching. Email's subject line should read "Purchase Request: <Services/Goods Short Description>."

** Clause V of this Policy

*** Clause VI of this Policy

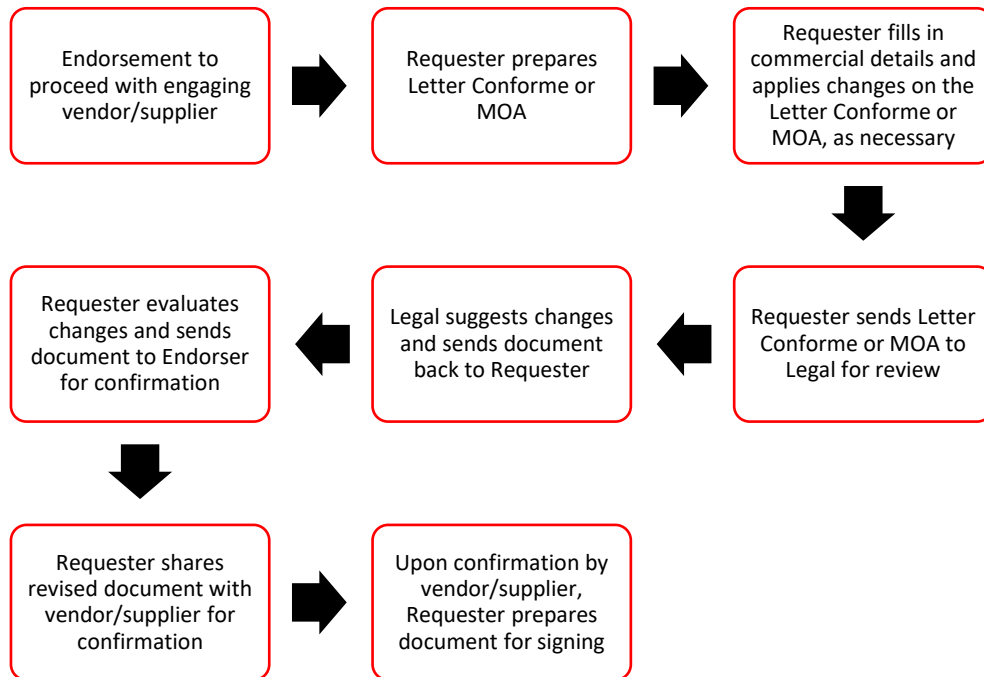
**** Request for Payment must be sent via email with subject line "Request for Payment: <Name of Vendor> and <Service/Goods Short Description> and contain the following details: (1) name of vendor; (2) detailed description of the services/goods; (3) amount and terms of payment; (4) when Invoice or Statement was received; (5) date when the service/goods was/were fulfilled or delivered with details; and (6) attached actual Invoice or Statement.

V. Contract Management Guidelines

This Guidelines shall apply only to Applicable Transactions. For Applicable Transactions with Contract Amounts less than Two Hundred Thousand Pesos (PhP200,000), a Letter Conforme (attached as Annex B) is sufficient to document the engagement. For amounts exceeding PhP200,000, a Memorandum of Agreement ("MOA") (attached as Annex C) is necessary.

Note that a Proposal or any document that details only the commercial terms of the engagement is the sole responsibility of the Requester and the Endorser. Both must ensure the Proposal or any similar document specifically describes the engagement with clear details of what are expected from the vendor/supplier.

Steps as follows:



VI. Compliance Requirements

Before establishing any business relationship with the vendor/supplier, the Requester must first assess whether any of the below compliance matters are present. If so, Requester is required to go through the applicable validation requirements stated below before engaging the vendor/supplier.

A. Conflict of Interest

A conflict of interest may arise when an employee, director, or contractor of Singlife has an apparent or perceived private or personal interest over the engagement which may influence or appear to influence his/her independence and objective judgment in making the engagement.

An **apparent or actual conflict of interest** occurs when an employee, director, or contractor making the financial decision holds a position where he/she could be influenced. For example, when a potential vendor is owned by a relative by consanguinity or affinity up to second (2nd) degree of the Requester.

A **perceived conflict of interest** occurs when an employee, director, or contractor holds a position where he can appear to influence or be influenced. For example, although the Endorser is not the one who scouted for the vendor/supplier and proposed for its engagement, the Endorser's position may be perceived to have influence over which vendor/supplier to contract by Singlife.

The relevant employee, director, or contractor who has apparent or perceived conflict of interest must declare the following details and include such declaration in routing the Email Request or Purchase Request for consideration:

1. Name of vendor/supplier;
2. Nature of business;
3. Name of the family member connected with vendor/supplier and relationship to the employee, director, or contractor (if applicable);
4. Position held in the vendor/supplier (if applicable);
5. Details such as:

- a. Affiliation:
 - i. Any shareholding or interests of more than five percent (5%) held by the employee, director or contractor or by a member of his/her family up to second (2nd) degree of consanguinity or affinity in the vendor/supplier business; or
 - ii. Any existing or proposed position held by the employee, director, or contractor or by a member of his/her family up to second (2nd) degree of consanguinity or affinity in the vendor/supplier or engaged in any employment or commercial duties with the vendor/supplier.
- b. Position, job description, time involved, existing or proposed affiliation, compensation received or to be received, and other relevant details.

The Signatory, after consulting the Head of Legal and Compliance, shall then be the ultimate person to sign off the engagement after considering all the details shared, and shall communicate Conflict of Interest situation to the Human Resources Business Partner. Should the Signatory have a conflict of interest on the transaction, the next higher signatory shall act as the Signatory, approve the engagement, and sign the MOA or Letter Conforme.

B. Related Party Transactions

Requester must also check whether the engagement with vendor/supplier may result to a related party transaction. He/she may refer to the Related Party Transaction Policy for more details.

Requester must then present to the Endorser, the Finance Department, and the Compliance Department the following details regarding the vendor/supplier:

1. Name of Related Party (based on Singlife's shareholder structure);
2. Relationship with Singlife;
3. Transaction Date;
4. Type of Transaction;
5. Amount Involved;
6. Terms of the Engagement;
7. Rationale for entering into the Transaction; and
8. Whether Transaction is Material.

C. Data Privacy

Requester is also responsible in identifying whether the engagement would require sharing or processing of personal information and what is the role of the vendor/supplier. Requester may refer to Singlife's privacy policies for more details.

For vendors/suppliers who are **data processors** (process personal information upon instructions of Singlife), Requester must arrange for the filling up and signing of the Privacy Impact Assessment and the Data Processing Agreement.

For vendors/suppliers who are **data controllers** (free to determine how to use the personal information received from Singlife), Requester must arrange for the filling up and signing of the Privacy Impact Assessment and the Data Sharing Agreement.

After receiving the complete documents, the Requester shall upload both documents in the Data Privacy Folder and fill up the Data Processing Systems Register reflecting the details of the engagement. Requester shall then secure the sign-off of the Data Privacy Officer to proceed with the engagement. Afterwards, Requester shall attach the confirmation and present such to the Endorser for his/her reference.