

SHOWA DENKO HD SINGAPORE PTE LTD

HUMAN RESOURCES POLICIES AND PROCEDURES MANUAL

SECTION 4 : Miscellaneous
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POLICY 4.7 : GIFTS HANDLING

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1. Background

To enhance “Fair Business” practice such that SHDS stakeholders and SHDS staff can easily work together in a harmonious and professional manner.

2. Scope

This policy is applicable to all gifts offered by non Showa Denko group staff to SHDS staff.

3. Definition of GIFTS

A GIFT is an irrevocable & voluntary transfer of something of value to the company or staff by a stakeholder who has no expectations for compensation for the offer.

4. Procedure

4.1 GIFT HANDLING GUIDELINES

The attached table spells out the required actions for staff and managers when a gift has been offered.

	Types of GIFT	Handling requirement	Exceptions
1	Cash or Monetary tools <i>(eg cheques, vouchers, etc)</i>	REJECT	NIL
2	Kind		
	a) Entertainment <i>(eg meals, etc)</i>	DECLARE **1	NIL
	b) Items	REJECT	Effective 16 th December 2011, employees, managers and representatives of SHDS shall not directly or indirectly give or accept any form of festive gifts, sweets, souvenirs, monetary and non-monetary in kind gifts.
	c) Benefits (Staff) <i>(eg tickets for travel, Membership, etc)</i>	REJECT	
	d) Benefits (Company)	SMC Review ** 3	

**** Special Note :** The examples mentioned in the table are inserted for indicative purposes. It is not exhaustive. Any items that are deem of the same nature shall be considered accordingly.

4.2 DECLARE steps (1)**

- a) The Department Manager shall maintain a Department “Gift Declaration Log” (Form HR46R01 Gifts/ Entertainment Declaration Log).
- b) When a gift/ entertainment is received/ offered and it falls into the “DECLARE” category, the SHDS staff will enter a record into the Department Declaration Log. Updating of the log can be done before or after the event.
- c) The Department Manager shall review the Log on a monthly basis, endorse the form and submit to the Division Manager.
- d) The Division Manager shall review and endorse the Log accordingly. The completed Log shall then be submitted to the HR department for filing (recording) purposes.

4.3 EFFECTIVE 16TH DECEMBER 2011, ALL GIFTS OFFERED BY NON SHOWA DENKO GROUP STAFF TO SHDS STAFF ARE TO BE REJECTED

- a) Employees, managers and representatives of SHDS shall not directly or indirectly give or accept any form of festive gifts, sweets, souvenirs, monetary and non-monetary in kind gifts. This Policy needs to be clearly and accessible easily on the company website and employees handbook.
- b) A circular memo on SHDS Business Ethics and No Improper Advantage will be signed by the Plant Manager.
- c) Purchasing Department Manager is requested to inform related Purchasing staff to email the circular memo to all vendors, suppliers and contractors by the 16th December 2011 and thereafter to email the circular memo when there is assignment of commercial contract with new vendors.
- d) Respective Department Manager is requested to inform their Department Person-in-charge to email the circular memo to their vendors (PRC Labour Contractors, Commercial Banks and other commercial vendors with no Purchasing Order document processed by Purchasing Department staff) by the 16th December 2011 and thereafter to email the circular memo when there is assignment of commercial contract with new vendors.

4.4 BENEFITS (for Company) (3)**

- a) Benefits : gifts other than cash, entertainment, items.
- b) If benefits are offered to the company, the SHDS staff must inform the Department Manager BUT not accept the offer pending written instructions from the Department Manager.
- c) The Department Manager shall inform the Senior Management Committee (SMC) accordingly.
- d) The SMC shall deliberate on the matter and decide on the next course of action and inform the Department Manager accordingly.
- e) If the Benefit (for company) is accepted, it must be reported to the Board of Directors (BOD) accordingly.

4.5 Discipline Level Classification

In order to maintain a good working relationship with our stakeholders, gifts must be handled in the most exemplary and transparent manner. As such, acts that deviate from this policy shall be classified as misconduct and may attract disciplinary actions as deemed appropriate by the Management.

End of Document.