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National Power Corporation

EXCERPTS FROM THE MINUTES OF THE REGULAR MEETING OF THE NATIONAL POWER BOARD, HELD ON FEBRUARY 4, 2014.

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RESOLUTION NO. 2014-02

"WHEREAS, Section 29 of the Code of Corporate Governance for GOCCs (GCG Memorandum Circular No. 2012-07), states that:

V. DUTIES AND OBLIGATIONS OF DIRECTORS AND OFFICERS

SEC. 29. *No Gift Policy*: - x x x x x
x x x x x x x x x

Every Governing Board shall formally adopt a 'No Gift Policy' within the GOCC and ensure its full advertisement to the community and its strict implementation by particular set of rules.

x x x x x x x x x'

WHEREAS, on 16 January 2014, the Board Review Committee, based on the recommendation of Management, endorsed, for approval of the NP Board, the Adoption of the NPC Circular on NO GIFT POLICY;

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, That, the Adoption of the NATIONAL POWER CORPORATION'S "NO GIFT POLICY" (Annex "A"), be and is hereby approved;

RESOLVED, FURTHER, That the President, National Power Corporation, or her duly designated representative, be and is hereby authorized to issue the appropriate guidelines related thereto and to sign all documents necessary to implement the policy, for and in behalf of the Corporation."

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**APPROVED AND CONFIRMED,
FEBRUARY 4, 2014.**

CERTIFIED TRUE AND CORRECT:


VICTOR GAUDENCIO C. GARCIA
Corporate Secretary



National Power Corporation

January 13, 2014

CIRCULAR NO. 2014-010

SUBJECT: NO GIFT POLICY

BACKGROUND

1.0 CONSTITUTIONAL POLICY GOVERNING PUBLIC OFFICERS

Section 1, Article XI of the 1987 Constitution delineates the accountability of public officers, thus:

Article XI

Accountability of Public Officers

Section 1. PUBLIC OFFICE IS A PUBLIC TRUST. PUBLIC OFFICERS AND EMPLOYEES MUST, AT ALL TIMES, BE ACCOUNTABLE TO THE PEOPLE; SERVE THEM WITH UTMOST RESPONSIBILITY, INTEGRITY, LOYALTY, AND, EFFICIENCY; ACT WITH PATRIOTISM AND LEAD MODEST LIVES.

The principle is reiterated in Section 1 of the Code of Conduct and Ethical Standards for Public Officials and Employees¹ thus;

SEC.2. Declaration of Policies. It is the policy of the State to promote a high standard of ethics in public service. Public officials and employees shall at all times be accountable to the people and shall discharge their duties with utmost responsibility, integrity, competence, and, loyalty, act with patriotism and justice, lead modest lives, and uphold public interest over personal interest.

2.0 STATUTORY POLICIES AND RULES AGAINST ACCEPTANCE OF GIFTS BY PUBLIC OFFICERS AND EMPLOYEES.

- 2.1 It is policy of the Philippine Government, in line with the principle that public office is a public trust, to repress certain acts of public officers and private persons alike ***which constitute graft or corrupt practices or which may lead thereto***.²

¹ RA No. 6713

² Sec. 1, RA 3109, Anti-Graft and Corrupt Practices Act



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2.2 Section 3 of the Anti-Graft and Corrupt Practices Act provides that, among other acts or omissions, the following shall constitute corrupt practices of any public officer and thereby declared to be unlawful.

“(b) “Directly or indirectly requesting or receiving any gift, present, share, percentage, or benefit, for himself or for any other person, in connection with any contract or transaction between the Government and any other party, wherein the public officer in his official capacity has to intervene under the law”.

“(c) “Directly or indirectly requesting or receiving any gift, present, or other pecuniary or material benefit, for himself or for another, from any person for whom the public officer, in any manner or capacity, has secured or obtained, or will secure or obtain, any Government permit or license, in consideration for help given or to be given.”

2.3 Section 7 (d) of the Code of Conduct and Ethical Standards for Public officials and Employees, provides that public officials and employees shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value from any person in the course of their official duties or in connection with any operation being regulated by, or any transaction which may be affected by the functions of their office”.

3.0 **MANDATE OF GOCCs TO FORMALLY ADOPT A “NO-GIFT POLICY”**

3.1 Whereas, under Section 29 of the Code of Corporate Governance for GOCCs³ it is mandated that “Every Governing Board shall formally adopt a ‘*NO GIFT POLICY*’ within the GOCC and ensure its full advertisement to the community and its strict implementation by particular set of rules”.

THE NPC “NO GIFT POLICY”

4.0 **Declaration of Policy-** NPC is committed to sustain the highest degree of *Excellence, Professionalism* and *Integrity* in the conduct of its business and operations. All NPC personnel are expected to imbibe and live up to these values.

³ GCG Memorandum Circular No. 2012-07



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Being constituted public servants who adhere to the principle that public office is a public trust, NPC is committed to the highest standards of ethics and conduct. The Corporation requires that all of its officers and employees practice and demonstrate equal treatment, unbiased professionalism, and non-discriminatory actions in the performance of their duties and functions, without expectation of any undue favor or reward. To avoid any conflict of interest, the appearance of a conflict of interest or the need for NPC's officers and employees to examine the ethics of acceptance, NPC adopts this **“NO GIFT POLICY”**.

5.0 **NO GIFT POLICY.** NPC, its officers and employees, shall NOT SOLICIT OR ACCEPT, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or use, anything of monetary value from a person, groups, associations, or juridical entities, whether from the public or the private sectors, at any time, on or off the work premises, in the course of their official duties or in connection with any operation being regulated by, or any transaction which may be affected by the functions of their office. The prohibition shall include but not be limited to:

5.1 Honoraria given as speaker or resource person in seminars or where the NPC officer or employee is participating by reason of his/her office with the Corporation.

5.2 Sponsorship in any form of any of the internal programs, activities, and affairs of the Corporation, such as Christmas parties, anniversary commemorations, etc.

5.3 Advertisement in the publications of the Corporation.

5.4 Discounts, rebates, waivers, and other forms of monetary incentives or benefits given to the Corporation, its officers and employees, in availing of the services and/or facilities of persons or entities under the jurisdiction of the Corporation.

6.0 **EXCEPTIONS.** Exempted from this **“NO GIFT POLICY”** are the following:

6.1 The acceptance and retention of certificates, plaques, cards, thank you notes, or other written forms of souvenir or mark of courtesy;⁴

6.2 The acceptance of seminar bags and contents, and partaking of moderately priced meals and beverages that officers and employees

⁴ Adopted from Section 6(i) of the Code of Conduct and Ethical Standards for Public Officials and Employees



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obtain at events ,such as conferences and seminars, and which are offered equally to all members of the public attending the event;

- 6.2 Acceptance of books, pamphlets, publications, and data and other information or reading materials that are directly useful to the Corporation in the performance of its mandates, objectives and, which books and other materials are given by individuals or organizations that have no pending business with NPC as to create an actual or potential conflict of interest;
 - 6.3 The acceptance by NPC officers and employees of a scholarship or fellowship grant, travel grant or expense for travel taking place within or outside of the Philippines (such as allowances, transportations, food and lodging) or more than nominal value, if such acceptance is appropriate and consistent with the interests of the Government and mandate of NPC, and permitted by the Secretary of Department of Energy.
 - 6.4 The acceptance or availment by the Corporation of grants from HAPUA, JICA, JEPIC-ICC, ADB, World Bank, USAID, and other similar institutions, in the pursuit of the mandate, projects and activities, provided that the availment thereof shall be strictly in compliance with applicable laws, rules and regulations.
7. **Requirement to Inform.** NPC officers and employees are required to professionally inform any individual or organization with any actual or potential business with the Corporation of this “**NO GIFT POLICY**”, the reasons the Corporation has adopted this policy, and request that such individual or organization respect such policy. Notices informing walk-in clients and visitors of the Policy shall likewise be posted in conspicuous areas within NPC premises.
8. **Effectivity.** This Circular takes effect immediately.

(Original Signed)
MA. GLADYS CRUZ-STA. RITA
President and CEO