



3 Code of Discipline

Professionalism, high ethical standards, discipline, integrity and honesty are of fundamental importance to the welfare of the Company. These are also critical in order to achieve efficiency and effectiveness necessary to its success. All employees are expected to conduct themselves in a manner befitting their respective positions and are bound at all times to safeguard and promote the interest of the Company. To this end, it is necessary that discipline and order is maintained.

Positive motivation rather than punitive control should characterize the implementation of these rules and regulations. Thus, penalties should be restored only when necessary and only to the extent necessary. Sanctions should be to correct unacceptable conduct or to restore the integrity of order and discipline, never to serve as a mere display of power. To this end, due process must be observed at all times. Actions must be timely, and prudence must accompany every administrative action. The person in charge of investigating the case should be unbiased and open-minded.

Punishment of any employee under this code shall not bar his prosecution in the proper court of justice if the same act constitutes a violation of law.

3.1 Purpose

The purpose of this policy is to ensure efficient and successful conduct of its operations and protection of all concerned. Also, it is deemed to ensure fairness and uniformity in the application of discipline to all employees.

3.2 Scope

All employees, including those who have resigned but have not been issued a clearance by the Company of his/her accountabilities, are expected to familiarize themselves with the rules and regulations set by this Code and to strictly abide by them.



3.3 Categories of Offenses and Disciplinary Actions

For purposes of classification, offenses subject to disciplinary actions are classified under headings Category A, Category B, Category C, Category D and Category E. These classifications were made in accordance with the corresponding disciplinary actions that each specific offenses, merits, as follows:

Category	Level of Offense	Disciplinary Action
Category A	1st Offense	Verbal Reprimand
	2nd Offense	Written Reprimand with Warning
	3rd Offense	One (1) week Suspension
	4th Offense	Two (2) weeks Suspension
	5th Offense	Dismissal
Category B	1st Offense	Written Reprimand with Warning
	2nd Offense	One (1) week Suspension
	3rd Offense	Two (2) weeks Suspension
	4th Offense	Dismissal
Category C	1st Offense	One (1) week Suspension
	2nd Offense	Two (2) weeks Suspension
	3rd Offense	Dismissal
Category D	1st Offense	Dismissal
Category E	-	Management reserves the right to impose a penalty ranging from Reprimand to Separation depending on the severity and circumstances of the case



3.4 List of Offenses and Respective Disciplinary Actions

LIST OF OFFENSES	DEGREE OF OFFENSE				
	First	Second	Third	Fourth	Fifth
A. OFFENSES AGAINST COMPANY INTERESTS AND POLICIES					
<i>A-1. Dishonesty</i>					
Falsification of Company records or any misrepresentation of personal record when applying for employment with the Company. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Bribery or offering or accepting anything of value for personal gain but against the interest of the Company. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Giving false testimony during Company investigation or administrative fact-finding process. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Unauthorized disbursement and/or misappropriation of Company funds or disposal of Company properties. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Unauthorized revelation of confidential information or disclosure of Company trade secret or trade practices or processes or any other restricted / confidential information to outsiders or to those not authorized to process such information, or engaging in any other forms or acts of sabotage or espionage. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Deliberate careless submission of any item of fraudulent expense for the Company account. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Unauthorized altering of time card/daily time record. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Any attempt to falsify or pad travel expense reports, receipts, invoices or any other documents upon which reimbursement is based. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Releasing or taking out from Company premises more than what is authorized in the invoice, delivery receipt or gate pass. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable



LIST OF OFFENSES	DEGREE OF OFFENSE				
	First	Second	Third	Fourth	Fifth
Engaging or conniving in anomalous transactions. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
The commission of any act or offense similar or analogous to any of the foregoing shall be given the corresponding penalty.					
<i>A-2. Negligence of Duty</i>					
Loafing/wasting time or horse playing or prolonging rest or break periods for more than what is authorized, or loitering in other areas that is not his place of assignment while on duty. (Category B)	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal	Not applicable
Leaving the Company premises during working hours without permission from immediate superior. (Category B)	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal	Not applicable
Sleeping or napping while on duty. (Category A)	Verbal Reprimand	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal
Reading of materials which are irrelevant to the work of employee during office or working hours. (Category A)	Verbal Reprimand	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal
Malingering or feigning illness to avoid doing assigned work or malingering to avoid returning to work. (Category B)	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal	Not applicable
Willfully holding back, slowing down, hindering or limiting work output or giving instructions to fellow employees to hold back, slow down, hinder or limit work output. (Category C)	One (1) week Suspension	Two (2) weeks Suspension	Dismissal	Not applicable	Not applicable
Unauthorized or unofficial vending, soliciting, collecting for any purpose or conducting private business during office hours on Company premises. (Category A)	Verbal Reprimand	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal



LIST OF OFFENSES	DEGREE OF OFFENSE				
	First	Second	Third	Fourth	Fifth
Absence from work without permission or failure of the employee to notify immediate superior or Division Head or in the absence, the HRAD regarding sickness or emergency leave of absence on or before 9:30 a.m. of the first day of absence shall be considered absence without official leave (AWOL). In case employee is incapacitated to do so, the immediate family member must notify the Company either through phone call or personally talking with the aforementioned Company officials or through other means of communication.					
a. AWOL for 2 consecutive days or less. (Category A)	Verbal Reprimand	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal
b. AWOL for 3 to 5 consecutive days. (Category B)	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal	Not applicable
c. AWOL for 6 to 9 consecutive days. (Category C)	One (1) week Suspension	Two (2) weeks Suspension	Dismissal	Not applicable	Not applicable
d. AWOL for 10 or more consecutive days. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Frequent or habitual tardiness (which is defined as 3 times and/or with more than 60 minutes late for work in a month). (Category A)	Verbal Reprimand	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal
Failure to carry out reasonable verbal or written job or work transaction issued by the employee's superior. (Category B)	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal	Not applicable



LIST OF OFFENSES	DEGREE OF OFFENSE				
	First	Second	Third	Fourth	Fifth
Damaging Company equipment or property, wilful or through negligence or failure to follow any procedure (SOP) that have been outlined by the Company, resulting to some loss on the part of the Company. (Category E)	Management reserves the right to impose a penalty ranging from Reprimand to Separation depending on the severity and circumstances of the case				
Failure to report for work on emergency overtime whereby employee had been duly advised and he gave commitment, hence, scheduled for such emergency overtime. (Category C)	One (1) week Suspension	Two (2) weeks Suspension	Dismissal	Not applicable	Not applicable
Violation of Company safety regulations or common safety practices involving personal and Company property to some loss on the part of the Company and/or employee. (Category E)	Management reserves the right to impose a penalty ranging from Reprimand to Separation depending on the severity and circumstances of the case				
The commission of any act or offense similar or analogous to any of the foregoing shall be given the corresponding penalty therefore.					
<i>A-3. Insubordination</i>					
Willful refusal to carry out reasonable verbal or written job or work transaction issued by the employee's superior. (Category C)	One (1) week Suspension	Two (2) weeks Suspension	Dismissal	Not applicable	Not applicable
The commission of any act or offense similar or analogous to any of the foregoing shall be given the corresponding penalty therefore.					
<i>A-4. Offenses against Timekeeping</i>					
Failure of employee to file vacation leave of absence at least one (1) working day ahead of schedule. (Category A)	Verbal Reprimand	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal
Failure of employee to properly file incurred sickness or emergency leave of absence on his first day upon returning for work. (Category A)	Verbal Reprimand	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal



LIST OF OFFENSES	DEGREE OF OFFENSE				
	First	Second	Third	Fourth	Fifth
Failure of employee to file the necessary official business (OB) form as per policy. (Category A)	Verbal Reprimand	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal
The commission of any act or offense similar or analogous to any of the foregoing shall be given the corresponding penalty there for.					
A-4. Carelessness with Regard to Employee's Health					
Having a serious contagious disease which may endanger the health of other employees and, knowing about it, fails to report and wilfully withholds information thereon to Company authorities. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Failure to report for a medical examination or when instructed by management (Category A)	Verbal Reprimand	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal
The commission of any act or offense similar or analogous to any of the foregoing shall be given the corresponding penalty there for.					
B. OFFENSES AGAINST PERSONS					
Attempting to or inflicting bodily injury to a Company official, employee or guest or client during Company time or premises or within the Company premises during Company-sponsored activity. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Quarreling or creating trouble or fighting on Company time and/or premises. (Category C)	One (1) week Suspension	Two (2) weeks Suspension	Dismissal	Not applicable	Not applicable
The commission of any act or offense similar or analogous to any of the foregoing shall be given the corresponding penalty.					
C. OFFENSES AGAINST PROPERTIES					
Theft, robbery, stealing or attempting to steal from the Company or from the fellow employee or guest or client on company time and/or premises. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable



LIST OF OFFENSES	DEGREE OF OFFENSE				
	First	Second	Third	Fourth	Fifth
Unauthorized use of Company property or using company time, material or equipment to do unauthorized work or to do an activity for personal benefit. (Category B)	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal	Not applicable
Unauthorized use of Company property or using company time, material or equipment for illegal purposes. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Malversation of Company funds. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Obtaining Company supplies or materials on fraudulent orders. (Category D).	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Entering or assisting any person to enter any restricted area without authorization or proper permission. (Category B)	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal	Not applicable
The commission of any act or offense similar or analogous to any of the foregoing shall be given the corresponding penalty.					
D. OFFENSES AGAINST SECURITY AND PUBLIC ORDER					
Possession and carrying of firearms, explosives and other deadly weapon on Company time and/or premises. (Category C)	One (1) week Suspension	Two (2) weeks Suspension	Dismissal	Not applicable	Not applicable
Commission of a crime within Company time and/or premises. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Allowing unauthorized persons within one's work areas loitering and/or having no official business matters to discuss during office hours. (Category A)	Verbal Reprimand	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal
Tampering of Company notices and memoranda. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Smoking in non-smoking areas at any time while inside Company premises. (Company A)	Verbal Reprimand	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal



LIST OF OFFENSES	DEGREE OF OFFENSE				
	First	Second	Third	Fourth	Fifth
Refusal to submit to or failure to meet security requirements of the Company such as but not limited to: wearing of Company-issued ID, inspection by a Company personnel authorized to do such, submit/report to Company authorized personnel in their performance of their duty. (Category A)	Verbal Reprimand	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal
The commission of any act or offense similar or analogous to any of the foregoing shall be given the corresponding penalty.					
E. OFFENSES AGAINST PUBLIC MORAL AND DECENCY					
<i>E-1. Alcoholism and drug addiction</i>					
Being drunk or intoxicated and/or disorderly on Company time, premises and/or during Company sponsored activities. (Category C)	One (1) week Suspension	Two (2) weeks Suspension	Dismissal	Not applicable	Not applicable
Reporting for work to any Company executive while under the influence of intoxicating liquor and/or drugs. (Category C)	One (1) week Suspension	Two (2) weeks Suspension	Dismissal	Not applicable	Not applicable
Bringing in, selling, using and/or possessing prohibited drugs in Company premises. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
The commission of any act or offense similar or analogous to any of the foregoing shall be given the corresponding penalty therefore.					
<i>E-2. Others</i>					
Causing ill-will and/or dissension, forming intrigue among employees (Category A)	Verbal Reprimand	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal
Taking part in or abetting any form of gambling in company time and premises. (Category B)	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal	Not applicable



LIST OF OFFENSES	DEGREE OF OFFENSE				
	First	Second	Third	Fourth	Fifth
Any direct, confrontational use of abusive, foul, profane or indecent language or any related discourteous or disrespectful acts against one's superior or any Company official at any time on Company premises. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Any conduct on Company time or property which violates common decency or morality. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
The commission of any act or offense similar or analogous to any of the foregoing shall be given the corresponding penalty.					
F. OTHERS					
Refusal to answer questions in any investigation authorized or conducted by the Company, unless such interrogation would violate his constitutional rights. (Category B)	Written Reprimand with Warning	One (1) week Suspension	Two (2) weeks Suspension	Dismissal	Not applicable
Commission of any 5 offenses subject to disciplinary action within a fiscal year in which the penalty involved is at least the minimum of Category A and B. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
Commission of any 3 offenses subject to disciplinary action within a fiscal year in which the penalty involved is at least the minimum of Category C. (Category D)	Dismissal	Not applicable	Not applicable	Not applicable	Not applicable
The imposition of the above penalties shall be without prejudice to the institution of the appropriate criminal action when and if the same is warranted by the nature of the offense.					



3.5 Disciplinary Actions

3.5.1 Methods of Disciplinary Actions

3.5.1.1 VERBAL REPRIMAND

A verbal notice calling the attention of the person committing an offense and warning him from further committing the same. The person shall also be counseled.

3.5.1.2 WRITTEN REPRIMAND WITH WARNING

A written notice calling the attention of the employee who committed an offense, and warning the person committing the same against repetition of such infraction in the future which will subject him or her to a higher penalty.

3.5.1.3 ONE (1) WEEK SUSPENSION

A physical detachment from service for five (5) working days without salary and benefits, depending on the gravity of the offense or violation.

3.5.1.4 TWO (2) WEEKS SUSPENSION

A physical detachment from service for ten (10) working days without salary and benefits, depending on the gravity of the offense or violation.

3.5.1.5 DISMISSAL

A termination of an employee's services for a cause. A dismissed employee automatically forfeits all benefits which would normally accrue to him on retirement or separation for reasons other than for a cause.



3.5.2 Proceeding and Administration of Disciplinary Actions

3.5.2.1 In case where the respondent occupies the rank of staff with Categories A, B and C offenses, the following proceeding and administration shall apply:

3.5.2.1.1 The disciplinary actions for erring staff members shall be administered by:

Disciplinary Action	Administrator
Verbal Reprimand	Immediate Superior
Written Reprimand with Warning	Immediate Superior in consultation with HR & Administration Head
One (1) week Suspension	Division Head in consultation with HR & Administration Head
Two (2) weeks Suspension	Division Head in consultation with HR & Administration Head
Dismissal	President in consultation with Division Head and HR & Administration Head

3.5.2.1.2 The immediate superior of the offender or, any employee who is aware of the commission of an offense, shall be responsible for reporting the commission of an offense to the Division Head. The report shall be in writing.

3.5.2.1.3 Within five (5) days upon receipt of a written report of an offense, the Division Head, in consultation with HR & Administration Head, shall conduct an initial investigation. The Division Head shall furnish the employee concerned with a written notice or memo to explain reported offense stating particular acts or omissions constituting the grounds for imposition of the corresponding disciplinary action. The employee concerned shall be given five (5) days from receipt of the written notice or memo, to respond.

3.5.2.1.4 The employee concerned shall, within the given time limit, provide his explanation in writing. Failure to file an answer shall be deemed a waiver of the right of the accused to explain and imposition of appropriate disciplinary action shall proceed.



3.5.2.1.5 The HR & Administration Head shall accomplish the disciplinary action memo describing comprehensively the specific circumstances of the offense and stating his recommendation on the disciplinary action to be taken. The following pertinent facts, among others, shall be included in the disciplinary action memo:

- a. Name of the concerned employee
- b. Description of the offense and details such as its nature, rules violated, time and place, name of witnesses, if any and level of offense
- c. Recommended disciplinary action
- d. Incident report, if any

3.5.2.1.6 The Administrator shall advise the employee concerned of the disciplinary action to be imposed by serving a written notice personally with proof of his receipt or by registered mail with return card.

3.5.2.1.7 Copies of the disciplinary action memo shall be distributed as follows:

Copy	Person/Division
Original copy	Employee concerned
One (1) copy	HR & Administration Head (for 201 filing)
One (1) copy	Immediate Superior
One (1) copy	Division Head
One (1) copy	President



- 3.5.2.2 In case where the respondent occupies the rank of Division Head or higher or rank of staff with Categories D and E offenses, the following proceeding and administration shall apply:
- 3.5.2.2.1 The disciplinary actions shall be administered by the Discipline, Ethics and Values Committee.
 - 3.5.2.2.2 The immediate superior of the respondent or any employee who has knowledge of the commission by another employee of an offense under the exclusive jurisdiction of the Discipline, Ethics and Values Committee shall, upon discovery thereof, shall report the same in writing to the HR & Administration Head. The superior or employee concerned who, despite the knowledge of the commission by another employee of an offense, fails to report the same shall likewise be charged administratively and imposed appropriate disciplinary actions.
 - 3.5.2.2.3 Within five (5) days from receipt of the report, Internal Audit shall begin investigation of the case. Within 30 days there from, Internal Audit shall decide on whether to elevate or not to the Discipline, Ethics and Values Committee. It may, at any time, have to preventively suspend or re-assign the employee suspected of committing an offense if his/her presence in the workplace would pose a risk to the life or properties of his co-employees or to the properties and records of the Company.
 - 3.5.2.2.4 Within (5) days from receipt of the report from Internal Audit recommending the institution of a disciplinary proceeding, the Discipline, Ethics and Values Committee shall furnish the respondent with a written notice or memo to explain reported offense stating particular acts or omissions constituting the grounds for imposition of the corresponding disciplinary action inclusive of a request to answer within five (5) days from receipt of written notice or memo to explain.
 - 3.5.2.2.5 The employee concerned shall, within the given time limit, provide his explanation in writing. Failure to file an answer shall be deemed a waiver of the right of the accused to explain and imposition of appropriate disciplinary action shall proceed.
 - 3.5.2.2.6 If the respondent admits his culpability to an offense, the Discipline, Ethics and Values Committee shall prepare a report of such admission. The report shall be submitted to



the President, who shall be responsible for imposing the disciplinary action prescribed by this Code and for ordering restitution of a thing lost, damaged or destroyed in warranted cases, in consultation with the Legal & Compliance Head.

- 3.5.2.2.7 If the respondent does not admit culpability, the Discipline, Ethics and Values Committee shall conduct a formal hearing. The respondent shall be given the opportunity to be heard in person or through counsel after due notice to him served personally or by registered mail/courier at his address listed in the personal records. After the hearing, the Discipline, Ethics and Values Committee's findings and recommendations shall be forwarded to the President who shall take the necessary and appropriate actions thereon.
- 3.5.2.2.8 In case the respondent fails to appear at the formal hearing despite due notice, such failure shall constitute a waiver on the part of the respondent to be present thereon, and the Discipline, Ethics and Values Committee shall proceed with the hearing in his/her absence.
- 3.5.2.2.9 The Discipline, Ethics and Values Committee shall endeavor to complete the formal hearing and to render its decision within a period of 60 days from the date of receipt of report from Internal Audit. A copy of the Discipline, Ethics and Values Committee's decision shall be served on the respondent. The President shall be notified of the decision prior to its implementation.
- 3.5.2.2.10 The respondent may file a written request for a review or reconsideration of the Discipline, Ethics and Values Committee's decision within five (5) working days from receipt of such decision. Otherwise, the same shall be deemed final and executory. The decision on the respondent's written request for review or reconsideration shall be final.
- 3.5.2.2.11 Any modification of the Discipline, Ethics and Values Committee's decision shall be properly documented.
- 3.5.2.2.12 The President may, upon appeal and acknowledgement of guilt by respondent, exercise his power to grant clemency by modifying, amending or mitigating the disciplinary action imposed upon the respondent by the Discipline, Ethics and Values Committee. Such clemency shall not be considered as overturning, reversing or nullifying the decision of the Discipline, Ethics and Values Committee.