

EMPLOYEE HANDBOOK K

theabacágroup

Approved by: CEO

Noted by: ExeCom

Published by:

Published on: Jan 2020

Rev 38

This employee handbook was developed to describe some of the expectations of our employees and to outline the policies, programs, and benefits available to eligible employees. Employees should familiarize themselves with the contents of the Handbook as soon as possible, for it will answer many questions about employment with The Abaca Group.

Welcome!

It is our privilege to welcome you to The Abaca Group. We wish

you every success in your new job, and we hope that you quickly feel at home. This Handbook was developed to describe some of the expectations we have for all of our employees and what you can expect from us. We hope that your experience here will be challenging, enjoyable, and rewarding. Again, welcome!

TABLE OF CONTENTS

Introduction

I. Company Culture

A. History.....	15
B. VMV.....	15
C. Customer Service.....	18
D. Work Environment.....	18
1. Employee Relations.....	18
2. Disability Accommodation.....	18
3. Immigration Law Compliance.....	19
4. Business Ethics and Conduct.....	19
5. Work Schedules.....	20
6. Rest and Meal Periods.....	20
7. Conflict of Interest.....	20
8. Personal Relationships in the Workplace.....	21
9. Equal Employment Opportunity	22
10. Non-Disclosure.....	23
11. Problem Resolution.....	24
12. Suggestions.....	25
13. Progressive Discipline	26
E. Safety & Security	27
1. Safety.....	27
2. Visitors in the Workplace	27
3. Workplace Violence prevention.....	27
4. Security Inspections.....	29
5. Life Threatening Illnesses in the Workplace.....	29
6. Emergency Closings.....	30
7. Solicitation.....	30
8. Computer and E-mail Usage.....	31
9. Internet Usage.....	32
10. Drug-Free and Alcohol-Free Workplace.....	33
11. Sexual and other Unlawful Harassment.....	34

II. Employee

A. Employee Cycle.....	37
------------------------	----

1. Employment Applications.....	38
2. Job Descriptions.....	38
3. Employment Status.....	39
4. Performance Evaluation.....	40
5. Employment Termination.....	40
5.1 Resignation.....	41
5.2 Return of Property.....	42
6. Access to Personnel Files.....	42
B. Compensation.....	43
1. Paydays.....	43
2. Administrative Pay Corrections.....	43
3. Pay Deductions.....	43
1. Statutory Benefits.....	44
1.1 SSS.....	44
1.2 PHIC.....	44
1.3 HDMF.....	44
2. Company Benefits.....	44
2.1 Vacation Leave.....	45
2.2 Sick Leave.....	46
2.3 Holidays.....	47
2.4 Health Insurance.....	48
2.5 Accident Insurance.....	49
2.6 Maternity Leave & Paternity Leave.....	49
2.7 Birthday Leave.....	49
2.8 Anniversary Leave.....	49
C. Employee Conduct.....	50
1. Employee Conduct and Work Rules.....	50
2. Personal Appearance.....	51
3. Attendance and Punctuality.....	51
4. Use of Phone and Mail Systems.....	52
5. Smoking.....	52
6. Social Media Policy.....	52
7. Data Privacy.....	54

III. Code Of Conduct

Foreword.....	57
Use.....	57
About The Code Of Conduct.....	57
Code Of Discipline	58
The Need For Discipline.....	58
Scope.....	58
Types Of Disciplinary Action.....	58
Imposition Of Penalty.....	59

Compliance with Labor Code / Jurisprudence.....	60
Implementation of Disciplinary Action: Due Process.....	60
Definition of Terms.....	62
ARTICLE I: ATTENDANCE AND PUNCTUALITY	66 I.
Tardines	66
II. Absence / s	67
III. Overtime / Undertime	68
ARTICLE II: ACTS OR OMISSIONS AFFECTING THE COMPANY	70 I.
Insubordination	70
II. Conflict of Interest.....	75
III. Negligence / Carelessness of Duty.....	78
IV. Dishonesty.....	80
V. Incompetence / Inefficiency.....	83
ARTICLE III: ACTS OR OMISSIONS CONCERNING HARMONY AND GOOD ORDER, SECURITY, HEALTH & SAFETY, DECENCY AT WORK.....	84
I. Disorderly Conduct / Misbehavior.....	84
II. Security, Health & Safety.....	92
ARTICLE IV ACTS OR OMISSIONS CONCERNING COMPANY FUNDS AND PROPERTY	95 I.
Company Property.....	95 II. Funds and Cashiering.....
	97
ARTICLE V MANAGERIAL / SUPERVISORY RESPONSIBILITIES.....	99 I.
Neglect of duty by Managers / Supervisors.....	99
ARTICLE VI	
Resignation.....	101
Reservation.....	101
Resignation and Termination	102
Preventive Suspension.....	103
Clearance / Final Pay.....	103

Introduction

This Handbook is designed to acquaint you with The Abaca Group and provide you with information about working conditions, employee benefits, and some of the policies affecting your employment. You should read, understand, and comply with all provisions of the Handbook. It describes many of your responsibilities as an employee and outlines the programs developed by The Abaca Group to benefit employees. One of our objectives is to provide a work environment that is conducive to both personal and professional growth.

No Handbook can anticipate every circumstance or question about policy. As The Abaca Group continues to grow, the need may arise and The Abaca Group reserves the right to revise, supplement, or rescind any policies or portions of the Handbook from time to time as it deems appropriate, in its sole and absolute discretion.

This Handbook and the contents herein are not to be construed as a contract of employment between The Abaca Group and any of its employees. The policies set forth in this Handbook, unless expressly amended, will be the basis of disciplinary sanctions, etc. The provisions of the Handbook have been developed at the discretion of management and may be amended or cancelled at any time, at The Abaca Group sole discretion.

These provisions supersede all existing policies and practices and may not be amended or added without the express written approval of the President or person designated by the President of The Abaca Group.



COMPANY CULTURE

A. History

The company started with an exclusive boutique resort located in Punta Engaño Road, Lapu-lapu City on August 16, 2006. With its continuous development, it has expanded and ventured into six fast growing brands with a total of over 20 outlets, and is now widely recognized around Cebu, with future plans to expand through the Philippines.

B. Vision-Mission-Values

VISION

We will grow and develop our brand of hospitality to have far reaching impact by staying true to who we are without compromise.

MISSION

We nourish our people, patrons, and partners through our genuine love for hospitality.

CREDO

Our insatiable curiosity and unwavering drive lead us in the pursuit of excellence. We put trust in our system to deliver products and services that we are proud of.

VALUES

1. Pride
 - High regard for self-worth
2. Fairness
 - Doing the right thing according to the set values of the company
3. Accountability
 - Taking ownership of our actions and their consequences
4. Empowerment
 - Providing an environment where our people may achieve their full potential
5. Innovation
 - Anticipating and challenging our needs and those of the markets we serve
6. Curiosity
 - The strong desire to learn or know something
7. Drive
 - Pushing ourselves to achieve our personal and organizational skills
8. Excellence
 - Consistently doing ordinary things extraordinarily well
9. Trust
 - The firm belief in what the company stands for
10. Teamwork
 - Working together as one by putting the best interest of the organization above all

C. Customer Service

Customers are among our organization's most valuable assets. Every employee represents The Abaca Group to our customers and the public. The way we do our jobs presents an image of our entire organization. Customers judge all of us by how they are treated with each employee contact. Therefore, one of our first business priorities is to assist any customer or potential customer. Nothing is more important than being courteous, friendly, helpful, and prompt in the attention you give to customers.

The Abaca Group will provide customer relations and services training to all employees with extensive customer contact. Our personal contact with the public, our manners on the telephone, and the communications we send to customers are a reflection not only of ourselves, but also of the professionalism of The Abaca Group. Positive customer relations will not only enhance the public's perception or image of The Abaca Group, but also pay off in greater customer loyalty and increased sales and profit.

D. Work Environment

1. Employee Relations

The Abaca Group believes that the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area and in this industry. If employees have concerns about work conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their managers.

Our experience has shown that when employees deal openly and directly with managers, the work environment can be excellent, communications can be clear, and attitudes can be positive. We believe that The Abaca Group amply demonstrates its commitment to employees by responding effectively to employee concerns.

2. Disability Accommodation

The Abaca Group is committed to complying fully with applicable disability laws and ensuring equal opportunity in employment for qualified persons with disabilities.

18 VERSION 38, JAN. 2020

Hiring procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Pre employment inquiries are made regarding only an applicant's ability to perform the duties of the position.

Reasonable accommodation is available to all disabled employees, where their disability affects the performance of job functions to the extent required by the law. All employment decisions are based on the merits of the situation and the needs of the company, not the disability of the individual.

The Abaca Group is also committed to not unlawfully discriminating against any qualified employees or applicants because they are related to or associated with a person with a disability.

This policy is neither exhaustive nor exclusive. The Abaca Group is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable laws.

3. Immigration Law Compliance

The Abaca Group is committed to employing only Filipino citizens and aliens who are authorized to work in the Philippines and does not unlawfully discriminate on the basis of citizenship or national origin.

Employees with questions or seeking more information on immigration law issues are encouraged to contact the Human Resources Department. Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

4. Business Ethics and Conduct

The successful business operation and reputation of The Abaca Group are built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and

excellence requires careful observance of the spirit and the letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of The Abaca Group is dependent upon our customers' trust and we are dedicated to preserving that trust.

VERSION 38, JAN. 2020 19

Employees owe a duty to The Abaca Group, its customers, and its shareholders to act in a way that will merit the continued trust and confidence of the public.

The Abaca Group will comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgment, based on high ethical principles, will guide you with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with your immediate supervisor and, if necessary, with the Human Resources Department for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of every Abaca employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

5. Work Schedules

Work schedules for employees vary throughout our organization. Supervisors will advise employees of their individual work schedules. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week.

6. Rest and Meal Periods

All employees are provided with one 1-hour meal period each workday. Supervisors will schedule meal periods to accommodate operating requirements. Employees will be relieved of all active responsibilities and restrictions during meal periods and will not be compensated for that time.

7. Conflict of Interest

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest.

20 VERSION 38, JAN. 2020

This policy establishes only the framework within which The Abaca Group wishes the business to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation. Contact the Human Resources Department for more information or questions about conflicts of interest.

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of The Abaca Group's business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if employees have any influence on transactions involving purchases, contracts, or leases, it is imperative that they disclose to an officer of The Abaca Group as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where an employee or relative has a significant ownership in a firm with which The Abaca Group does business, but also when an employee or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving The Abaca Group.

8. Personal Relationships in the Workplace

The employment of relatives or individuals involved in a dating relationship in the same area of an organization may cause serious conflicts and problems with favoritism and employee morale. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried over into day-to-day working relationships.

For purposes of this policy, relatives are any persons who are related to each other by blood or marriage or whose relationship is similar to that of persons who are related by blood or marriage.

VERSION 38, JAN. 2020 21

A dating relationship is defined as a relationship. This policy applies to all employees without regard to the gender or sexual orientation of the individuals involved.

Relatives of current employees may not occupy a position that will be working directly for or supervising their relative except as required by law. Individuals involved in a dating relationship with a current employee may also not occupy a position that will be working directly for or supervising the employee with whom they are involved in a dating relationship. The Abaca Group also reserves the right to take prompt action if an actual or potential conflict of interest arises involving relatives or individuals involved in a dating relationship who occupy positions at any level (higher or lower) in the same line of authority that may affect the review of employment decisions.

If a relative relationship or dating relationship is established after employment between employees who are in a reporting situation described above, it is the responsibility and obligation of the supervisor involved in the relationship to disclose the existence of the relationship to the management.

In other cases where a conflict or the potential for conflict arises because of the relationship between employees, even if there is no line of authority or reporting involved, the employees may be separated by reassignment or terminated from employment. Employees in a close personal relationship should refrain from public workplace displays of affection or excessive personal conversation.

9. Equal Employment Opportunity

In order to provide equal employment and advanced opportunities to all individuals, employment decisions at The Abaca Group will be based on merit, qualifications, and the needs of the company. The Abaca Group does not unlawfully discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age disability, ancestry, medical conditions, family care status, sexual orientation, or any other basis prohibited by law.

The Abaca Group will make reasonable accommodations for qualified individuals with known disabilities unless doing so would

22 VERSION 38, JAN. 2020

result in an undue hardship to the extent required by law. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor or the Human Resources Department. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

10. Non-Disclosure

The protection of confidential business information and trade secrets is vital to the interests and the success of The Abaca Group. Such confidential information includes, but is not limited to, the following examples.

- ③ Acquisitions
- ③ Compensation data
- ③ Computer processes
- ③ Computer programs and codes
- ③ Customer and supplier lists
- ③ Customer preferences
- ③ Financial information
- ③ Investments
- ③ Labor relations strategies
- ③ Marketing strategies
- ③ New materials research
- ③ Official internal and external communications
- ③ Partnerships
- ③ Pending projects and proposals
- ③ Proprietary production processes
- ③ Recipes and instructions
- ③ Research and development strategies
- ③ Scientific data
- ③ Scientific formula
- ③ Scientific prototypes
- ③ Systems/process flows

③ Technological data

③ Technological prototypes

All employees are required to sign a non-disclosure agreement as a condition of employment. Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

11. Problem Resolution

The Abaca Group is committed to providing the best possible working conditions for its employees. Part of this commitment is encouraging an open frank atmosphere in which any problem, complaint, suggestions, or question receives a timely response from The Abaca Group supervisors and management.

The Abaca Group strives to ensure fair and honest treatment of all employees. Supervisors, managers, and employees are expected to treat each other with respect. Employees are encouraged to offer positive and constructive criticism.

If employees disagree with established rules of conduct, policies, or practices, they can express their concern through the problem resolution procedure. No employee will be penalized, formally or informally, for voicing a complaint with The Abaca Group in a reasonable, business-like manner, or for using the problem resolution procedure.

If a situation occurs when employees believe that a condition of employment or a decision affecting them is unjust or inequitable, they are encouraged to make use of the following steps. The employee may discontinue the procedure at any step.

- a. The employee presents the problem to his or her immediate supervisor after the incident occurs. If the supervisor is unavailable or the employee believes it would be inappropriate to contact that person, the employee may present the problem to the Human Resources Department or the CEO.

- b. The supervisor responds to the problem during discussion or after consulting with appropriate management, when necessary. The supervisor documents this discussion.
- c. The employee presents the problem to the Human Resources Department if the problem is unresolved.
- d. The Human Resources Department counsels and advises the employee, assists in putting the problem in writing, and visits with the employee's manager(s).

Not every problem can be resolved to everyone's total satisfaction, but only through understanding and discussing mutual problems can employees and management develop confidence in each other. This confidence is important to the operation of an efficient and harmonious work environment.

12. Suggestions

As employees of The Abaca Group, you have the opportunity to contribute to our future success and growth by submitting suggestions for practical work-improvement or cost-saving ideas.

All regular employees are eligible to participate in the suggestion program.

A suggestion is an idea that will benefit The Abaca Group by solving a problem, reducing costs, improving operations or procedures, enhancing customer service, eliminating waste or spoilage, or making The Abaca Group a better or safer place to work. All suggestions should contain a description of the problem or condition to be improved, a detailed explanation of the solution or improvement, and the reasons why it should be implemented. Statements of problems without accompanying solutions or recommendations concerning co-workers and management are not appropriate suggestions. If you have questions or need advice about your idea, contact your supervisor for help.

Submit suggestions to the Human Resources Department and, after review, they will be forwarded to the Suggestion Committee. As soon as possible, you will be notified of the adoption or rejection of your suggestion. Special recognition and, optionally, a cash

award will be given to employees who submit a suggestion that is implemented.

13. Progressive Discipline

The purpose of this policy is to state The Abaca Group's position on administering equitable and consistent discipline for unsatisfactory conduct in the workplace. The best disciplinary measure is the one that does not have to be enforced and comes from good leadership and fair supervision at all employment levels.

The Abaca Group's own best interest lies in ensuring fair treatment of all employees and in making certain that disciplinary actions are prompt, uniform, and impartial. The major purpose of any disciplinary action is to correct the problem, prevent recurrence, and prepare the employee for satisfactory service in the future.

Although employment with The Abaca Group is based on mutual consent and both the employee and The Abaca Group have the right to terminate employment at will, with or without cause or advance notice, The Abaca Group may use progressive discipline at its discretion.

Disciplinary action may call for any of four steps - verbal warning, written warning, suspension with or without pay, or termination of employment - depending on the severity of the problem and the number of occurrences.

Progressive discipline means that, with respect to many disciplinary problems, these four steps will normally be followed. However, there may be circumstances when one or more steps are bypassed.

The Abaca Group recognizes that there are certain types of employee problems that are serious enough to justify either a suspension or, in extreme situations, termination of employment, without going through the usual progressive discipline steps.

While it is impossible to list every type of behavior that may be deemed a serious offense, the Employee Conduct and Work Rules policy includes examples of problems that may result in immediate suspension or termination of employment. However, the problems listed are not all necessarily serious offenses, but

may be examples of unsatisfactory conduct that will trigger progressive discipline.

By using progressive discipline, we hope that most employee problems can be corrected at an early stage, benefiting both the employee and The Abaca Group.

E. Safety & Security

1. Safety

To assist in providing a safe and healthful work environment for employees, customers, and visitors. The Abaca Group has established a workplace safety program. This program is a top priority for The Abaca Group. The Admin Department has responsibility for implementing, administering, monitoring, and evaluating the safety program. Its success depends on the alertness and personal commitment of all.

2. Visitors in the Workplace

To provide for the safety and security of employees and the facilities at The Abaca Group only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures the security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances. All visitors should enter The Abaca Group at the main entrance. Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors. If an unauthorized individual is observed on The Abaca Group's premises, employees should immediately notify their supervisor or, if necessary, direct the individual to the main entrance.

3. Workplace Violence prevention

The Abaca Group is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, The Abaca Group has adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises.

All employees, including supervisors and temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay", or other conduct that may be dangerous to others. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited from the premises of The Abaca Group without proper authorization.

Conduct that threatens, intimidates, or coerces another employee, a customer, or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, race, age, or any characteristic protected by federal, state, or local law.

All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to your immediate supervisor or any other member of management. This includes threats by employees, as well as threats by customers, vendors, solicitors, or other members of the public. When reporting a threat of violence, you should be as specific and detailed as possible.

All suspicious individuals or activities should also be reported as soon as possible to a supervisor. Do not place yourself in peril. If you see or hear a commotion or disturbance near your workstation, do not try to intercede or see what is happening. The Abaca Group will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical.

Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action, up to and including termination of employment.

The Abaca Group encourages employees to bring their disputes or differences with other employees to the attention of their supervisors or the Human Resources Department before the situation escalates into potential violence. The Abaca Group is easier to assist in the resolution of employee disputes and will not discipline employees for raising such concerns.

4. Security Inspections

The Abaca Group wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, The Abaca Group prohibits the possession, transfer, sale, or use of such materials on its premises. The Abaca Group requires the cooperation of all employees in administering this policy.

Desks, lockers, and other storage devices may be provided for the convenience of employees but remain the sole property of The Abaca Group. Accordingly, they as well as any articles found within them, can be inspected by any agent or representative of The Abaca Group at any time, either with or without prior notice.

5. Life Threatening Illnesses in the Workplace

Employees with life-threatening illnesses, such as cancer, heart disease, and AIDS, often wish to continue their normal pursuits, including work, to the extent allowed by their condition. The Abaca Group supports these endeavors as long as the employees are able to meet acceptable performance standards. As in the case of other disabilities, The Abaca Group will make reasonable accommodations in accordance with all legal requirements, to allow qualified employees with life -threatening illnesses to perform the essential functions of their jobs.

Medical information on individual employees is treated confidentially. The Abaca Group will take reasonable precautions to protect such information from inappropriate disclosure. Managers and other employees have a responsibility to respect and maintain the confidentiality of employee medical information. Anyone inappropriately disclosing such information is subject to disciplinary action, up to and including termination of employment.

Employees with questions or concerns about life-threatening illnesses are encouraged to contact the Human Resources Department for information and referral to appropriate services and resources.

6. Emergency Closings

At times, emergencies such as severe weather, fires, power failures, or earthquakes can disrupt company operations. In extreme cases, these circumstances may require the closing of a work facility.

In cases where an emergency closing is not authorized, employees who fail to report for work will not be paid for the time off. Employees may request available paid leave time such as unused vacation benefits.

7. Solicitation

In an effort to ensure a productive and harmonious work environment, persons not employed by The Abaca Group may not solicit or distribute literature in the workplace at any time for any purpose.

The Abaca Group recognizes that employees may have interests in events and organizations outside the workplace. However, employees may not solicit or distribute literature concerning these activities during working time. (working time does not include lunch periods, work breaks, or any other periods in which employees are not on duty.)

- ③ Examples of impermissible forms of solicitation include: ③
- ③ The collection of money, goods, or gifts for community groups
- ③ The collection of money, goods, or gifts for religious groups
- ③ The collection of money, goods, or gifts for political groups
- ③ The collection of money, goods, or gifts for charitable groups
- ③ The sale of goods, services, or subscriptions outside the scope of official organization business
- ③ The circulation of petitions
- ③ The distribution of literature in working areas at any time
- ③ The solicitation of memberships, fees, or dues

In addition, the posting of written solicitations on company bulletin boards and solicitations by e-mail are restricted. Company bulletin boards display important information; employees should consult them frequently for:

- ③ Affirmative action statement
- ③ Employee announcements
- ③ Workers' compensation insurance information
- ③ State disability insurance/unemployment insurance information

If employees have a message of interest to the workplace, they may submit it to the Human Resources Director for approval. All approved messages will be posted by the Human Resources Director.

8. Computer and E-mail Usage

Computers, computer files, the e-mail system, and software furnished to employees are The Abaca Group property intended for business use. Employees should not use a password, access a file, or retrieve any stored communication without authorization.

The Abaca Group strives to maintain a workplace free of harassment and is sensitive to the diversity of its employees. Therefore, The Abaca Group prohibits the use of computers and the e-mail system in ways that are disruptive, offensive to others, or harmful to morale.

For example, the display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other such misuse includes, but is not limited to, ethnic slurs, racial comments, off color jokes, or anything that may be construed as harassment or showing disrespect for others. Employees should notify their immediate supervisor, the Human Resources Department, or any member of management upon learning of violations of this policy. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

9. Internet Usage

Internet usage is intended for job-related activities, incidental and occasional brief personal use of e-mail and the internet is permitted within reasonable limits.

All internet data that is composed, transmitted, received via our computer communications systems is considered to be part of the official records of The Abaca group and, as such, is subject to disclosure to law enforcement or other third parties. Employees should expect only the level of privacy that is warranted by existing law and no more. Consequently, employees should always ensure that the business information contained in the internet e-mail messages and other transmissions is accurate, appropriate, ethical, and lawful.

The unauthorized use, installation, copying, or distribution of copyrighted, trademarked, or patented material on the internet is expressly prohibited. As a general rule, if an employee did not create material, does not own the rights to it, or has not received authorization for its use, it should not be put on the internet. Employees are also responsible for ensuring that the person sending any material over the internet has the appropriate distribution rights.

Internet users should take the necessary anti-virus precautions before downloading or copying any file from the internet. All downloaded files are to be checked for viruses; all compressed files are to be checked before and after decompression.

Abuse of the internet access provided by The Abaca Group in violation of the law or The Abaca Group policies will result in disciplinary action, up to and including termination of employment. Employees may also be held personally liable for any violations of this policy. The following behaviors are examples of previously stated or additional actions and activities that are prohibited and can result in disciplinary action.

- ③ Sending or posting discriminatory, harassing, or threatening messages or images

- ③ Using the organization's time and resources for personal gain

32 VERSION 38, JAN. 2020

- ③ Stealing, using, or disclosing someone else's code or password without authorization
- ③ Copying, pirating, or downloading software and electronic files without permission
- ③ Sending or posting confidential material, trade secrets, or proprietary information outside of the organization ③ Violating copyright law
- ③ Failing to observe licensing agreements
- ③ Engaging in unauthorized transactions that may incur a cost to the organization or initiate unwanted internet services and transmissions
 - ③ Sending or posting messages or material that could damage the organization's image or reputation
- ③ Participating in the viewing or exchange of pornography or obscene materials
- ③ Sending or posting messages that defame or slander other individuals
- ③ Attempting to break into the computer system of another organization or person
- ③ Refusing to cooperate with a security investigation ③ Sending or posting chain letters, solicitations, or advertisements not related to business purposes or activities
 - ③ Using the internet for political causes or activities, religious activities, or any sort of gambling
- ③ Jeopardizing the security of the organization's electronic communication systems
- ③ Sending or posting messages that disparage another organization's products or services
- ③ Passing off personal views as representing those of the organization
- ③ Sending anonymous e-mail messages
- ③ Engaging in any other illegal activities

10. Drug-Free and Alcohol-Free Workplace

It is The Abaca Group's desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required

to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on The Abaca Group premises and while conducting business-related activities off The Abaca Group premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace.

Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

Employees with questions or concerns about substance dependence or abuse are encouraged to discuss these matters with their supervisor or the Human Resources Department to receive assistance or referrals to appropriate resources in the community.

Employees with problems with alcohol and certain drugs that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take unpaid time off to participate in a rehabilitation or treatment program through The Abaca Group's health insurance benefit coverage. Leave may be granted if the employee agrees to abstain from use of the problem substance and abides by all The Abaca Group policies, rules, and prohibitions relating to conduct in the workplace; and if granting the leave will not cause The Abaca Group any undue hardship.

Employees with questions on this policy or issues related to drug or alcohol use in the workplace should raise their concerns with their supervisor or the Human Resources Department without fear of reprisal.

11. Sexual and other Unlawful Harassment

The Abaca Group is committed to providing a work environment that is free from all forms of discrimination and conduct that can be considered harassing, coercive, or disruptive, including sexual

harassment. Actions, words, jokes, or comments based on an individual's sex, race, color, national origin, age religion, disability, sexual orientation, or any other legally protected characteristic will not be tolerated.

Sexual harassment is defined as unwanted sexual advances, or visual, verbal, or physical conduct of a sexual nature. This definition includes many forms of offensive behavior and includes gender based harassment of a person of the same sex as the harasser. The following is a partial list of sexual harassment examples:

- ③ Unwanted sexual advances
- ③ Offering employment benefits in exchange for sexual favors
- ③ Making or threatening reprisals after a negative response to sexual advances
- ③ Visual conduct that includes leering, making sexual gestures, or displaying of sexually suggestive objects or pictures, cartoons, or posters
- ③ Verbal conduct that includes making or using derogatory comments, epithets, slurs, or jokes
- ③ Verbal sexual advances or propositions
- ③ Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, or suggestive or obscene letters, notes, or invitations
- ③ Physical conduct that includes touching, assaulting, or impeding or blocking movements

Unwelcome sexual advances (either verbal or physical), requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (2) submission to or rejection of the conduct is used as a basis for making employment decisions; or (3) the conduct has the purpose or effect of interfering with work performance or creating an intimidating, hostile, or offensive work environment.

If you experience or witness sexual or other unlawful harassment in the workplace, report it immediately to your supervisor. If the supervisor is unavailable or you believe it would be inappropriate

to contact that person, you should immediately contact the Human Resources Department or any other member of the management. You can raise concerns and make reports without fear of reprisal or retaliation.

All allegations of sexual harassment will be quickly and discreetly investigated. To the extent possible, your confidentiality and that of the witness and the alleged harasser will be protected against unnecessary disclosure. When the investigation is completed, you will be informed of the outcome of the investigation.

Any supervisor or manager who becomes aware of possible sexual or other unlawful harassment must immediately advise the Human Resources Department or the President of the company so it can be investigated in a timely and confidential manner. Anyone engaging in sexual or other unlawful behavior will be subject to disciplinary action, up to and including termination of employment.

II. EMPLOYEE

A. Employee Cycle

1. Employment Applications

The Abaca Group relies upon the accuracy of the information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

In processing employment applications, The Abaca Group may obtain a consumer background check for employment. If The

Abaca Group takes an adverse employment action based in whole or in part on any report caused by the Fair Credit reporting Act, a copy of the report and a summary of your rights under the Fair Credit Reporting Act will be provided as well as any other documents required by law.

2. Job Descriptions

The Abaca Group maintains job descriptions to aid in orienting new employees to their jobs, identifying the requirements of each position, establishing hiring criteria, setting standards for employee reference evaluations, and establishing a basis for making reasonable accommodations for individuals with disabilities.

The Human Resources Department and the hiring manager prepare the job descriptions when new positions are created. Existing job descriptions are also reviewed and revised in order to ensure that they are up to date. Job descriptions may also be rewritten periodically to reflect any changes in position duties and responsibilities. All employees will be expected to help ensure that their job descriptions are accurate and current, reflecting the work being done.

Employees should remember that job descriptions do not necessarily cover every task or duty that might be assigned, and that additional responsibilities may be assigned as necessary.

38 VERSION 38, JAN. 2020

Contact the Human Resources Department if you have any questions or concerns about your job description.

3. Employment Status

It is the intent of The Abaca Group to clarify the definition of employment classifications so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time.

3.1 Probationary

Probationary employees are those whose performance is being evaluated to determine whether further employment in a specific position or with The Abaca Group is appropriate. Employees who satisfactorily complete the probationary period will be notified of their

new employment classification.

Probationary Period

The probationary period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. The Abaca Group uses this period to evaluate employee capabilities, work habits, and overall performance. Either the employee or The Abaca Group may end the employment relationship at will at any time or after the probationary, with or without cause or advance notice.

All new and rehired employees work on an introductory basis for the first 180 calendar days (6 months) after their date of hire. Any significant absence will automatically extend an introductory period by the length of the absence. If The Abaca Group determines that the designated probationary period does not allow sufficient time to thoroughly evaluate the employee's performance, the probationary period may be extended for a specified period.

VERSION 38, JAN. 2020 39

3.2 Regular

Regular full-time employees are those who are regularly scheduled to work in The Abaca Group's full-time schedule. Generally, they are eligible for The Abaca Group's benefit package, subject to the terms, conditions, and limitations of each benefit program.

3.3 Temporary/Contractual

Temporary employees are those who are hired as interim replacements, to temporarily supplement the workforce, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status unless and until notified of a change. While

temporary employees receive all legally mandated benefits (such as workers' compensation insurance and Social Security), they are ineligible for all of The Abaca Group's other benefit programs.

4. Performance Evaluation

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. A formal written performance evaluation will be conducted during an employee's probationary period. Additional formal performance evaluations are conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals.

5. Employment Termination

Termination of employment is an inevitable part of personnel activity within any organization and many of the reasons for termination are routine, below are examples of the most common circumstances under which employment is terminated.

- ③ Resignation - voluntary employment termination initiated by an employee

40 VERSION 38, JAN. 2020

- ③ Discharge - involuntary employment termination initiated by the organization
 - ③ Layoff - involuntary employment termination initiated by the organization because of an organizational change
 - ③ Retirement - voluntary employment termination initiated by the employee meeting age, length of service, and any other criteria for retirement from the organization

The Abaca Group will generally schedule exit interviews at the time of employment termination. The exit interview will afford an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts to The Abaca Group, or return of The Abaca Group company-owned property, suggestions, complaints, and questions can also be voiced.

Nothing in this policy is intended to change the company's at-will employment policy. Since employment with The Abaca Group is

based on mutual consent, both the employee and The Abaca group have the right to terminate employment at will, for cause, at any time. Employees will receive their final pay in accordance with applicable state law.

Employee benefits will be affected by employment termination in the following manner. All accrued, vested benefits that are due and payable at termination will be paid.

5.1 Resignation

Resignation is a voluntary act initiated by the employee to terminate employment with The Abaca group. Although advance notice is not required, The Abaca Group requests a written notice of resignation from employees with the following length of time rendered after submission of the notice.

- ③ 30 days prior for rank and file
- ③ 45 days prior resignation for supervisors
- ③ 90 days prior resignation for managers

VERSION 38, JAN. 2020 41

Prior to an employee's departure, an exit interview will be scheduled to discuss the reasons for resignation and the effect of the resignation on benefits.

5.2 Return of Property

Employees are responsible for all The Abaca Group property, materials, or written information issued to them or in their possession or control. Employees must return all company property immediately upon request or upon termination of employment. Where permitted by applicable law, The Abaca Group may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. The Abaca Group may also take all action deemed appropriate to recover or protect its property.

6. Access to Personnel Files

The Abaca Group maintains a personnel file on each employee. The personnel file includes such information as the employee's

job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records.

Personnel files are the property of The Abaca Group and access to the information they contain is restricted. Generally, only supervisors and management personnel of The Abaca Group who have a legitimate reason to review information in a file are allowed to do so.

Employees who wish to review their own file should contact the Human Resources Department. With reasonable advance notice, employees may review their own personnel files in The Abaca Group's office and in the presence of an individual appointed by The Abaca Group to maintain the files.

Personal Data Changes

It is the responsibility of each employee to promptly notify The Abaca Group of any changes in their personal data. Personal mailing addresses, telephone numbers, number and names of dependents, individuals to be contacted in the event of an emergency, educational

42 VERSION 38, JAN. 2020

accomplishments, and other such status reports should be accurate and current at all times. If any personal data has changed, notify the Human Resources Department.

B. Compensation

1. Paydays

Employees are paid twice a month, every 15th and 30th/31st.

- ③ The 16th to the 30th/31st work will be paid on the 15th. ③ 1st to the 15th work will be paid on the 30th/31st

In the event that a regularly scheduled payday falls on a Sunday or on a holiday, employees will receive pay on the last day of work before the regularly scheduled payday.

2. Administrative Pay Corrections

The Abaca Group takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday.

In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of the Human Resources Department so that corrections can be made as quickly as possible.

3. Pay Deductions

The law requires that The Abaca Group make certain deductions from every employee's compensation. Among these are applicable national and local income taxes. The Abaca Group also must deduct Social Security dues on each employee's earnings up to a specified limit. The Abaca Group matches the amount of Social Security taxes paid by each employee.

The Abaca Group offers programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their paychecks to cover the costs of participation in these programs. Deductions taken by The Abaca Group, usually to help pay off a debt or obligation to The Abaca Group or others. If you have questions concerning why deductions were made from

VERSION 38, JAN. 2020 43

your paycheck or how they were calculated, the Human Resources Department can assist in having your questions answered.

4. Statutory Benefits

1.1 SSS

Social Security System. A government agency that provides retirement and health benefits to all enrolled employees in the Philippines.

1.2 PHIC

Philippine Health Insurance Corporation. It is tax-generated government-owned and government-controlled insurance corporation of the Philippines.

1.3 HDMF

Home Development Mutual Fund. A Philippine government-owned and controlled corporation responsible for the administration of the national savings program and affordable

shelter financing for Filipinos employed by local and foreign-based employers as well as voluntary and self-employed members. It offers its members short-term loans and access to housing programs.

2. Company Benefits

Eligible employees at The Abaca Group are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, accident insurance, life insurance, medical insurance) covers employees in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors, including employee classification. Your supervisor can identify the programs for which you are eligible. Details of many of these programs can be found elsewhere in the Handbook.

The following benefit programs are available to eligible employees:

- ③ Vacation Benefits
- ③ Sick Leave Benefits
- ③ Holidays

44 VERSION 38, JAN. 2020

- ③ 13th month
- ③ Medical insurance (depends on tier/position) ③
- Accident insurance (depends on tier/position) ③
- Life insurance (depends on tier/position)

Some benefit programs require contributions from the employee, but most are fully paid by The Abaca Group. Many benefits are described in separate Summary Plan Descriptions, or Plans, which may change from time to time. The Summary Plan Description will have control over any policy in this Handbook. You will receive a copy of each Summary Plan Description or have any questions.

2.1 Vacation Leave

Vacation time off with pay is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. Employees in the following employment classification(s) are eligible to earn and use vacation time as described in this policy:

Regular Full-Time Employees

The amount of paid vacation time employees receive each year increases with the length of their employment, as shown in the following schedule:

The length of eligible service is calculated on the basis of a "benefit year". This is the 12-month period that begins when the employee starts to earn vacation time. An employee's benefit year may be extended for any significant leave of absence except military leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information)

Once employees enter an eligible employment classification, they begin to earn paid vacation time according to the schedule. They can request use of vacation time after it is earned.

Paid vacation time can be used in minimum increments of one day. To take a vacation, employees should request approval from their supervisors 14 days prior the vacation date. Requests will be reviewed based on a number of factors, including business needs and staffing requirements.

VERSION 38, JAN. 2020 45

Vacation time off is paid at the employee's base pay rate at the time of vacation. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.

As stated above, employees are encouraged to use available paid vacation time for rest, relaxation, and personal pursuits. In the event that available vacation is not used by the end of the benefit year, employees may carry unused time forward to the next benefit year.

Upon termination of employment, employees will be paid for unused vacation time that has been earned through the last day of work.

2.2 Sick Leave

The Abaca Group provides paid sick leave benefits to all eligible employees for periods of temporary absence due to illnesses or injuries. Eligible employee classification:

Regular full-time employees

Sick leave benefits are calculated on the basis of a benefit year, the 12month period that begins when the employee starts to earn sick leave benefits. Each eligible employee is given 7 sick leave days the moment he/she turns 1 year. In the event that available sick leave is not used by the end of the benefit year, employees cannot carry over unused SL to the next benefit year.

Paid sick leave can be used in minimum increments of one day. An eligible employee may use sick leave benefits for an absence due to his or her own illness or injury.

Sick leave benefits are intended solely to provide income protection in the event of illness or injury, and may not be used for any other absence. Unused sick leave benefits will not be paid to employees while they are employed or upon termination of employment.

Bereavement

Employees who wish to take time off due to the death of an immediate family member should notify their supervisor

46 VERSION 38, JAN. 2020

immediately. Only upon the ExeCom's approval can the bereavement be deducted from the sick leave days.

Immediate family member is defined as the employee's spouse, parent, child, or sibling.

2.3 Holidays

The Abaca Group recognizes the holidays mandated by the government based on released presidential proclamation.

The Abaca Group will grant paid holiday time off to all eligible employees immediately upon assignment to an eligible employment classification.

Regular Holiday

If the employee did not work, he/she shall be paid 100 percent of his/her salary for days indicated ((Basic wage + COLA) x 100 percent); while for work done during the regular holiday, the employee shall be paid 200 percent of his/her regular salary for the first eight hours ((Basic wage + COLA) x 200 percent).

For overtime work (work done in excess of 8 hours), he/she shall

be paid an additional 30 percent of his/her hourly rate (hourly rate of the basic wage x 200 percent x 130 percent x number of hours worked).

If an employee works on a regular holiday that also falls on his/her rest day, he/she shall be paid an additional 30 percent of his/her basic wage of 200 percent [(Basic wage + COLA) x 200 percent] + [30 percent (Basic wage x 200 percent)].

For overtime work on a regular holiday that also falls on his/her rest day, he/she shall be paid an additional 30 percent of his/her hourly rate on the said day (hourly rate of the basic wage x 200 percent x 130 percent x 130 percent x number of hours worked).

Special Non-working Holiday

If the employee did not work, the "no work, no pay" policy shall apply unless there is another company policy, practice, or collective bargaining agreement (CBA) granting payment on special days.

VERSION 38, JAN. 2020 47

For work done during the special non-working holiday, he/she shall be paid an additional 30% of his/her daily rate on the first eight hours of work [(basic wage x 130%) + COLA].

For work done in excess of eight hours (overtime work), he/she shall be paid an additional 30% of his/her hourly rate on the said day [hourly rate of the basic wage x 130% x 130% x number of hours worked].

Special Holiday

If an employee works on a special holiday that also falls on his/her rest day, he/she shall be paid an additional 50% of his/her daily rate on the first eight hours of work [(basic wage x 150%) + COLA].

For overtime work on a special holiday that also falls on his/her rest day, he/she shall be paid an additional 30% of his/her hourly rate on the said day [Hourly rate of the basic wage x 150% x 130% x number of hours worked].

2.4 Health Insurance

The company, as part of its benefit plan, shall provide HMO coverage through an accredited HMO provider at no cost to

qualified employees of certain status. Depending on the company's offer, some are with plus one (1) qualified enrollees, others are not. Any exemption such as provision of the benefit should have prior approval from the Shared Services head and the CEO.

The employee may have the option to enroll their qualified dependents for HMO coverage, full premium cost for which shall be shouldered by the employee through salary deduction and subject to existing rules and guidelines of the HMO provider.

The Maximum Benefit Limit would vary as per HMO approved package for different job levels.

The HMO health benefit is only valid while the employee is employed with the company and coverage shall automatically be cancelled upon employee's resignation or termination.

48 VERSION 38, JAN. 2020

2.5 Accident Insurance

The Abaca Group provides a comprehensive worker's compensation insurance program at no cost to employees, pursuant to law. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to applicable legal requirements, workers' compensation insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately.

Employees who sustain work-related injuries or illnesses should inform their supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for coverage as quickly as possible.

2.6 Maternity Leave & Paternity Leave

Maternity leave is granted to female employees giving birth or who had a miscarriage.

As soon as the employee becomes aware of her pregnancy, she must immediately notify the Human Resources Department of such pregnancy and the probable date of her childbirth at least

60 days from the date of conception by accomplishing the SSS Maternity Notification Form and by submitting proof of pregnancy.

She has to have completed at least three months of SSS contributions in the twelve-month period immediately preceding the semester of her childbirth or miscarriage.

Pregnant employee is given 105 days of maternity leave to recuperate and take care of her newborn child.

2.7 Birthday Leave

Birthday leave is granted to a regular employee who is celebrating his/her birthday. This is a leave which does not come under other types of leave. This leave is approved in advance by the immediate head.

2.8 Anniversary Leave

Anniversary leave is granted to a regular employee who is celebrating his/her work anniversary based on the employee's

VERSION 38, JAN. 2020 49

start date of the company. This is a leave which does not come under other types of leave. This leave is approved in advance by the immediate head.

C. Employee Conduct

1. Employee Conduct and Work Rules

To ensure orderly operations and provide the best possible work environment, The Abaca Group expects employees to follow rules of conduct that will protect the interests and safety of all employees and the organization.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of rules of conduct that may result in disciplinary action, up to and including termination of employment:

- ③ Theft or inappropriate removal or possession of property
- ③ Falsification of timekeeping records
- ③ Working under the influence of alcohol or illegal drugs
- ③ Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty or while operating employer-owned vehicles or equipment
- ③

- Fighting or threatening violence in the workplace ③
- Boisterous or disruptive activity in the workplace ③
- Negligence or improper conduct leading to damage of employer-owned or customer-owned property
- ③ Insubordination or other disrespectful conduct ③
- Violation of safety or health rules
- ③ Smoking in the workplace
- ③ Sexual or other unlawful or unwelcome harassment ③
- Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace
- ③ Excessive absenteeism or any absence without notice ③
- Unauthorized disclosure of business "secrets" or confidential information
- ③ Violation of personnel policies
- ③ Unsatisfactory performance or conduct

50 VERSION 38, JAN. 2020

Nothing in this policy is intended to change the company's at-will employment policy. Employment with The Abaca Group is at the mutual consent of The Abaca Group and the employee, and either party may terminate that relationship at any time, with or without cause, and with or without advance notice.

2. Personal Appearance

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image that The Abaca Group presents to the community.

During business hours or when representing The Abaca Group, you are expected to present a clean, neat, and tasteful appearance. You should dress and groom yourself according to the requirements of your position and accepted social standards.

Your supervisor or department head is responsible for establishing a reasonable dress code appropriate to the job you perform. If your supervisor feels that your personal appearance is inappropriate, you may be asked to leave the workplace until you are properly dressed or groomed. Under such circumstances, you will not be compensated for the time away from work. Consult your supervisor if you have questions as to what constitutes appropriate appearance. Where necessary,

reasonable accommodations may be made to a person with a disability.

3. Attendance and Punctuality

To maintain a safe and productive work environment, The Abaca Group expects employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on The Abaca Group. In the rare instances when employees cannot avoid being late to work or are unable to work as scheduled, they should notify their supervisor or the Human Resources Department as soon as possible in advance of the anticipated tardiness or absence.

Poor attendance and excessive tardiness are disruptive. Either may lead to disciplinary action, up to and including termination of employment.

VERSION 38, JAN. 2020 51

4. Use of Phone and Mail Systems

Personal use of the telephone is not permitted. To ensure effective telephone communications, employees should always use the approved greeting ("Good morning! Thank you for calling The Abaca Group, this is (name of receiver) how may I help you?") and speak in a courteous and professional manner. Please confirm information received from the caller and hang up only after the caller has done so.

The mail system is reserved for business purposes only. Employees should refrain from sending or receiving personal mail at the workplace. The e-mail system is the property of The Abaca Group. The Abaca Group has the right to check emails and drive contents for safety and security purposes.

5. Smoking

Smoking is prohibited throughout the workplace. This policy applies equally to all employees, customers, and visitors. Smoking is only allowed outside the buildings in a designated smoking area. Please be courteous at all times and dispose your trash properly.

6. Social Media Policy

All The Abaca Group employees must adhere to the company's guidelines on the use of social media, which include any form of blogs, message boards, chat rooms, electronic newsletters, online forums, social networking sites, and other sites and services that permit users to share information with others.

The following principles must be followed when communicating through social media in both a personal and professional level, but most especially when referring to The Abaca Group and/or its companies, brands, members, subsidiaries, products, properties and partners.

- ③ Each employee should be aware of the effect of his/her actions may have on theirs, as well as the company's image. Understanding that the information posted or published may be public information for a long time.

52 VERSION 38, JAN. 2020

- ③ Unless with the express permission of Management, all employees are prohibited from using their personal social media accounts while on duty.
- ③ Each employee must adhere to the company's Code of Conduct and other pertaining policies when referencing or presenting The Abaca Group or any of it's companies, brands, members, subsidiaries and partners in social media.
- ③ The Abaca Group may monitor the content and/or information made available by the employees in social media. Employees should use their best judgment in posting material that is neither inappropriate nor harmful to The Abaca Group, its companies, brands, employees, or customers.
- ③ Employees are not to publish, post or release any information that is considered confidential or not public. If there are questions about what is considered confidential, employees should check with the Management prior to posting.
- ③ Although not an exclusive list, some specific examples of prohibited social media conduct include posting commentary, content, or images that are either defamatory, pornographic, proprietary, harassing,

and/or libelous, and/or that can create a hostile work environment.

- ③ Social media networks, blogs and other types of online content sometimes generate press and media attention or legal questions. Employees should refer to these inquiries to the Management or authorized representatives from the company.
- ③ If employees encounter a situation while using social media that may result into a hostile or antagonistic exchange, employees should disengage from the dialogue in a polite manner and seek the advice of a superior.
- ③ Employees should get appropriate permission from the Management before referring to or posting images of current or former employees, members, vendors, customers, suppliers, products or company property.

VERSION 38, JAN. 2020 53

- ③ Subject to applicable law, after work hours, online activity that violates [the Company's Code of Conduct] or any other company policy may subject an employee to disciplinary action or termination.

7. Data Privacy

The Data Privacy Act of 2012 is a comprehensive and strict privacy legislation to protect the fundamental human right of privacy, of communication while ensuring free flow of information to promote innovation and growth.

The Abaca Group is responsible to make sure all personnel information are well preserved, or if not needed anymore, are disposed of accordingly. Control measures shall be established so that information, whether electronic or physical, are secured.

54 VERSION 38, JAN. 2020

III. CODE OF CONDUCT

Foreword

This Code of Conduct is not meant to be comprehensive and all inclusive as there are other rules and policies that supplement and augment the same. As part of your employment responsibilities and duties, you are required to study and familiarize yourself with this. Every employee has an important and indispensable role to play in ensuring compliance with these policies. Employees

holding management and supervisory positions, being role models, are obliged to exude a higher and special degree of professionalism, integrity, responsibility, dependability, and compliance with these policies as well as to demonstrate high ethical standards and to foster an environment within the company supportive of these policies.

Use

This manual is intended for the sole use of The Abaca Group, Inc. and its sister companies and affiliates.

The content of this manual may not be reproduced or reprinted, in whole or in part, without the express written permission of The Abaca Group, Inc.

About the Code of Conduct

The contents of this manual shall apply to all employees of The Abaca Group (the company). This includes **Abaca Boutique Resort • Restaurant** (Cebu Dream Realized, Inc.), **Abaca Baking Concepts, Inc., Tavalata, Inc., Phat Pho, Inc., Maya Restaurant** (Cebu Maya Koncepts, Inc.), **Red Lizard, Luncheonette restaurants, Baseline**

(TAG Concessions) and their companies. From time to time, and in order to keep abreast with changes and important development, the management may revise, and modify, or alter any provision of this manual without prior notice to its employees. However, updates, revisions, modifications or alterations to its original version, shall be communicated to all employees through written and/or verbal directives.

It shall be understood that the information herein contained does not constitute a contract, express or implied between the management and its employees. All company employees, however, are duty bound and enjoined to comply with this manual at all times.

VERSION 38, JAN. 2020 57

Code of Discipline

The Need For Discipline

In a business organization, disciplined coordination is necessary for effective performance. Discipline required personal self control and self-direction, knowing what must collectively be achieved. If

there is discipline in a business enterprise, the management is able to effectively direct and control the operation of the enterprise so that objectives are attained for the benefit of all concerned, including employees. Employees, in turn, are able to give out their best towards their jobs, with least hindrance of discord, and hereby gain the tangible and intangible rewards of excellent performance. If, on the other hand there is no discipline, everybody suffers. There is then the need for discipline, and this is the rationale for preparing this manual

Scope

This Code of Discipline is applicable to all company employees: while they are inside company premises whether on duty or off duty; while they are outside company premises on duty or while attending company organized or work related activities; while they are outside company premises off-duty, provided that the incident is work-related, or even if not work-related and the same results to damage or prejudice to the company.

Types Of Disciplinary Action

Depending on the history, nature, circumstances and gravity of the offense/situation, progressive disciplinary action may be applied through the following forms/types of disciplinary action:

Verbal Warning (VW). This refers to the formal discussion by the supervisor with the employee concerned. The discussion would focus on getting the facts of the violation and the cause of the violation and the cause of the violation. Proper counseling, which is done in private thereafter, takes place after all the facts and issues are discussed openly. The discussion and counselling should be documented properly. The employee may be required to submit his/her written commitment and action plan to improve his/her performance or reform himself.

58 VERSION 38, JAN. 2020

Written Warning (WW). A written warning is given when corrective counselling fails. This will warn the employee in writing that repetition of the same offense or commission of any other offense may result in a severe or heavier penalty such as suspension or dismissal. Supporting documents or reports of the violator must be attached to the disciplinary action form as documentations of the discussion of violation.

Suspension (S). this is compulsory and temporary absence from work on a no-pay status. Implementing suspension as a disciplinary action should be done after evaluation of the full merits of the case. A suspension may last for one (1) day or several days, depending on the nature and gravity of the offense. In order not to unduly disrupt or hamper the company's operations, management shall exclusively fix and schedule the periods or date/s the employee shall serve his/her suspension. The employee should be directed to sign the notice which should likewise clearly specify the date he/she is slated to return to work without further notice.

Dismissal (D). this is no longer a form of disciplinary action because it is imposed when employee discipline fails. Dismissal or discharge is the highest penalty that can be imposed by the company on the erring employee as a matter of self-defense or self-protection. Generally, this becomes necessary when all attempt to correct or reform the employee have failed. However, there are cases where dismissal is resorted to specifically, as per Code of Conduct. Dismissal must be resorted only after management has complied with the two-notice and hearing rule under the law.

Progressive discipline, however, does not apply to grave or serious offenses for which the employee may be discharged immediately. As a further action, the company may institute the appropriate civil and/or criminal case against the erring employee.

Imposition Of Penalty

The company reserves the right to impose the greater or lesser penalty depending on the extent of the damage and the nature and gravity of the violation, among other factors. Provided however, that the imposition of a lesser penalty shall not be deemed a waiver of the authority from the company to impose the proper

VERSION 38, JAN. 2020 59

higher penalty, if the employee commits the same or similar or identical offense.

If an act constitutes or results to more than one (1) violation, the corresponding offenses shall be charged to the employee and the offense with the heaviest penalty will be imposed. Any act or omission not particularly defined and categorized as an offense in

the Code of Conduct shall be dealt with in a manner most analogous to those so defined or categorized, or in the manner allowed by the Labor Code, or existing jurisprudence for similar acts of offenses, whether or not they have potential damage or prejudice to the company or its employees.

Compliance With Labor Code/Jurisprudence

All actions especially those concerning suspension and dismissal shall comply with the pertinent provisions of the Labor Code. offenses not included or defined in this Code shall be treated on a case-to-case basis, conformably with existing labor laws and jurisprudence.

Implementation Of Disciplinary Action: Due Process

The following guidelines shall be observed by the company in the implementation of disciplinary action or the dismissal of employee under this code:

1. A written (show cause) notice shall be served by the company on the employee concerned. Said notice shall specify the specific provisions/s of the code violated, the date, time and manner of violation, if readily ascertained, and shall require the employee to explain and/or show cause why no disciplinary action shall be taken against him/her.
2. The employee shall be given five (5) days to submit his/her written explanation to the first written notice. Upon receipt of the written explanation, the company shall determine whether or not the explanation is satisfactory. The failure of the employee to submit his/her written explanation within the prescribed period shall be considered a waiver of his/her right to answer the charges against him/her. Provided that where the penalty for the subject

60 VERSION 38, JAN. 2020

offense is dismissal, the company shall conduct the requisite hearing.

3. If the written explanation is not satisfactory, the company shall make its decision in writing, making a brief finding therein and shall serve a copy thereof on the employee.

4. Provided that where the imposable penalty for the offense charged is termination/dismissal, the company shall conduct a

formal investigation by serving a written notice of investigation on the employee specifying the date, place and time of the formal investigation or hearing, and shall further require his presence thereat, with the assistance of his representative or counsel, at his/her option or if he/she so desires. The failure of the employee to attend this formal investigation without justifiable excuse shall be considered a waiver of his/her right to adduce evidence in his/her defense.

5. The company shall conduct the formal investigation and shall give the employee ample opportunity to be heard and adduce his/her defense, if any, to the charges leveled against him/her. The company shall have the sole discretion to terminate the formal investigation.

6. After the termination of the formal investigation, the company shall assess and evaluate the evidence and determine whether or not the employee is guilty thereof, and to impose therein the appropriate penalty/penalties. The decision of the company shall be in writing and shall be served on the employee concerned.

7. The written notices/decisions shall be served to the employee personally, if present, or if not possible, by serving the same at the last known address of the employee as indicated in the latter's employment records. The employees are therefore required to inform the company of any change in their given addresses within 72 hours from any change thereof.

8. In the actual imposition of penalty/penalties, the company shall consider such factors as may be reasonable and appropriate, such as track record, performance, previous infraction/s, first offense, length of service, etc.

9. An employee may be placed under preventive suspension for 30 days when the continued employment of the employee poses

a

VERSION 38, JAN. 2020 61

serious and imminent threat to the life or property of the company or of his/her co-employees. The company shall thereafter reinstate the employee to his/her former or in a substantially equivalent position. Provided however, that the company may extend the period of suspension, where appropriate. Provided further, that during the period of extension that exceeds 30 days, the company pays the wages and other benefits due the employee. The employee shall not be bound to reimburse the

amount paid to him/her during the extension if the company decides after completion of the investigation, to dismiss the employee. Preventive suspension shall not be deemed a penalty for the offense/s charged against the employee, but a measure of self-protection and precaution.

10. If the termination of employment is brought about by the failure of a probationary employee to meet the standards for regularization set by the company upon evaluation conducted by the company, it shall be sufficient that a written notice or reminder of such expiration of contract or termination of services is served on the employee before the last day of his/her probationary employment.

Definition OF Terms

Subject to the definitions prescribed by law, as used in this Code, the following terms are understood to mean as follows:

Abandonment of work means deliberate, unjustifiable refusal of an employee to resume his/her employment; failure to report for work or absence without valid or justifiable reason; and clear intention to sever the employer-employee relationship.

Absence Without Official Leave (AWOL) means unauthorized or unexcused absences. It includes (a) failure of employee to report for work on any working day without prior approval of his/her immediate superior or manager and full compliance with the procedure prescribed by the company; (b) failure to return to work after expiration of authorized leave of absence; (c) failure to submit the prescribed application form on absence/emergency sick leave to the manager; (d) misrepresentation of the reason for the absence; (e) where the manager has determined that the reason for the leave is insufficient or baseless; and (f) other

62 VERSION 38, JAN. 2020

analogous cases. It is understood that unauthorized or unexcused absences cannot be applied against any unused leave credit and is automatically deducted from the employee's pay for the corresponding payroll period. This deduction is apart from the imposition of disciplinary action on the employee.

Conflict of Interest means using one's power, authority, or position in any contract or transaction whether official or not, which is prejudicial or damaging to the business interest of the company, whether or not actual prejudice, damages or losses is

suffered or incurred by the company. It includes, but is not limited to, a situation where: (a) an employee, while still employed, is engaged in any other business whose nature of industry is the same as the company; (b) working for a competitor without the prior written approval of management; © performing outside work unrelated to the company or active business relationship, other than employment, with a customer, suppliers, or another person without the prior written approval of the company, whether or not adversely affecting his/her work; (d) financial interests in other companies with the same or similar business as the company such as failure to disclose any such investment.

Falsification refers to counterfeiting or imitating any handwriting, or signature; making untruthful statements in a narration of facts; altering true dates; intercalating an instrument; making any alteration or intercalation in a genuine document which changes its meaning; causing it to appear that persons have participated in any acts or proceeding when they did not in fact ; to participate, or attributing to persons who have participated in an act or proceeding statements other than those in fact made by them.

False Testimony refers to knowingly making untruthful statements, or making any falsehoods.

Gross means grave or flagrant.

Gross negligence implies a want or absence of or failure to exercise slight care or diligence, or the entire absence of care. It evinces a thoughtless disregard of consequences without exerting any effort to avoid them.

Habitual refers to repetition of similar acts.

VERSION 38, JAN. 2020 63

Immorality refers to any illicit amorous relationship between two married individuals; public performance of adulterous, scandalous or lascivious acts; grossly indecent or immoral act or behavior between the same or opposite sexes.

Misappropriation means to embezzle; appropriate wrongly or misapply in use; appropriate dishonest for one's use; includes failure to immediately account or remit company funds or collections; it also connotes an act of using or disposing of another's property as if were one's own.

Misrepresentation means representations by words or other

means that are under the existing circumstances, amounts to an assertion not in accordance with the facts.

Mulcting refers to extraction especially of money. It includes accepting bribe, commission, gifts etc. from any person in whatever form, whether or not in connection with the employees job, work or assignment; pocketing money as "kickback" for himself or for another person; directly or indirectly requesting, or receiving any consideration; share, percentage or commission for himself/herself or for another person in connection with the performance of his/her duties using one's employment to ask personal favors from vendors, suppliers, customers, or any other person; offering or accepting anything in exchange for a job, work, assignment, work location or favorable condition of employment; and using one's rank or position to ask personal favors from fellow employees.

Neglect of duty means failing to attend sufficiently or properly to one's duty; carelessly omitting doing something that should be done either altogether or almost altogether; leaving something undone or unattended to, through carelessness or inattention.

Negligence consists in the omission of that diligence which is required by the nature of the obligation and corresponds with the circumstances of the persons, of the time and of the place. Negligence is the absence of due care required by the nature of the obligation.

Sabotage means any willful act that causes or tends to cause (a) damage to company property/ies (b) injury or serious

64 VERSION 38, JAN. 2020

inconvenience to person or gc) prejudice to production or business interruption.

Simple negligence means the lack of precaution/s displayed in those cases in which impending damage to be caused is not immediate nor the danger clearly manifest.

Tardiness occurs when an employee reports for work or punches in one minute after the beginning of his/her scheduled working time, on any working day.

Unreasonable behavior/unpleasant deportment means any behavior or conduct of an officer or employee that is unreasonable or unpleasant committed against any fellow officer or employee,

by and through whatever means committed, which adversely affects the normal and harmonious relationship of employees in the workplace.

Usurpation of authority means using or employing the authority of another person, discharging the duty of another person without authority.

Willful breach of trust is when the breach is done intentionally, knowingly and purposely, without justifiable excuse. Ordinary breach of trust is when the breach is not willful but done carelessly, thoughtlessly, heedlessly or inadvertently.

Willfulness is one that is characterized by an intentional wrongful and perverse mental attitude.

ARTICLE I ATTENDANCE AND PUNCTUALITY						
NATURE AND DESCRIPTION OF OFFENSE		CORRECTIVE / DISCIPLINARY ACTIONS				
I. TARDINESS		1st	2nd	3rd	4th	5th
1.1	Tardiness of three (3) times within a period of one (1) month to include overbreaks on break	WW	3S	6S	D	

	hours and lunch.					
1.2	Tardiness of six (6) times within a period of one (1) month to include overbreaks on break hours and lunch.	3S	6S	D		
1.3	An accumulated of one (1) hour tardiness within a period of one (1) month to include overbreaks on break hours and lunch breaks.	WW	3S	6S	D	
1.4	An accumulated of three (3) hours within a period of one (1) month to include overbreaks, on break hours and lunch breaks.	3S	7S	D		
1.5	Once a month for any six (6) consecutive months.	3S	6S	D		
1.6	Ten (10) times in any 12-month period.	6S	D			
Excessive Tardiness						
1.7	Tardiness of six (6) times or more in three (3) consecutive months.	WW	5S	7S	D	

1.8	Each accumulation of three (3) WW which have not led to suspension. <i>Note: if</i>	5S	7S	D		
-----	---	----	----	---	--	--

	<i>WW is of the same offense</i>					
--	----------------------------------	--	--	--	--	--

II. ABSENCE/S		1st	2nd	3rd	4th	5th
2.1	Unauthorized or unexcused absence from work for one (1) day with no justifiable reason/s and failure to inform the company (via department head or HR only) on reason of absence one (1) hour before work or shift (no call / no show).	WW	3S	6S	D	
2.2	Unauthorized or unexcused absence from work for two (2) days or more with no justifiable reason without any proof such as Medical certificate, doctor's prescription, or lab results.	3S	6S	10S	D	
2.3	Absence without approval of the immediate head/ approval of leave (unauthorized and unexcused) for 5 days or more.	D				

2.4	Failure to notify immediate head or HR Department on absence due to illness within 2 hours before his/ her duty.	VW	WW	3S	7S	D
-----	--	----	----	----	----	---

VERSION 38, JAN. 2020 67

2.5	Extending one's previously authorized leave of absence for 1 day or more, without immediate heads' approval and without justifiable reasons.	3S	6S	D		
2.6	Failure to punch-in/out of bundy clock.	VW	WW	3S	6S	15S
2.7	Failure to return to work on appointed time following completion or service of a disciplinary suspension.	3S	6S	D		
2.8	Malingering - absent claiming to be sick but found fit to work.	3S	6S	D		
2.9	Failure to attend an important meeting with immediate head or management meeting despite a prior notice or pre-arranged and	WW	3S	6S	10S	D

	agreed schedule with no justifiable reasons.					
2.1 0	Failure to attend mandated seminar or training without justifiable reason.	W/W	3S	7S	10S	D

III. OVERTIME/UNDERTIME		1st	2nd	3rd	4th	5th
3.1	Unauthorized or unexcused undertime or abandonment of post or quitting work without prior approval from immediate head and HR department.	W/W	3S	6S	D	

68 VERSION 38, JAN. 2020

3.2	Loafing or loitering or leaving work within company working hours.	VW	W/W	6S	10S	D
3.3	Failure to file undertime or half-day absence within the current payroll cut-off.	W/W	3S	6S	D	
3.4	Unauthorized overtime work or unauthorized day-off/holiday work or file overtime two (2) days prior to the said date of duty.	W/W	3S	7S	D	

3.5	Failure to notify or rendering overtime without approval from immediate head.	WW	3S	7S	D	
3.6	Receiving visitors for personal reasons during working hours.	VW	WW	3S	5S	7S
3.7	Receiving and making phone call/s (except in emergency cases).	VW	WW	3S	5S	7S
3.8	Remaining in the company premises after the end of working hours to loaf, loiter, chat with other employees, or pass the time away.	WW	3S	5S	10S	
3.9	Loitering in comfort rooms, other company premises after having been sent home as sick by the company nurse or physician or any member of the management team.	WW	3S	5S	10S	D

VERSION 38, JAN. 2020 69

3.10	Leaving place of work while still on duty and going outside of the company premises during working hours without prior authorization.	3S	7S	10S	D	
------	---	----	----	-----	---	--

3.1 1	Feigning illness to avoid assigned work	WW	5S	10S	D	
3.1 2	And other acts that hamper normal flow of work.	WW	5S	10S	D	

<p style="text-align: center;">ARTICLE II ACTS OR OMISSIONS AFFECTING THE COMPANY (INSUBORDINATION, CONFLICT OF INTEREST, NEGLIGENCE OF DUTY, DISHONESTY, AND INCOMPETENCE/INEFFICIENCY)</p>						
NATURE AND DESCRIPTION OF OFFENSE		CORRECTIVE / DISCIPLINARY ACTIONS				
I. INSUBORDINATION		1st	2nd	3rd	4th	5th
1.1	Gross disrespect, rudeness, arrogance or any other unbecoming behavior towards a superior.	D				
1.2	Insubordination or willful disobedience to lawful and reasonable orders of the company or its representative/s in connection with his/ her work.	6S	D			
1.3	Disrespect to or insult of any supervisor, manager, or officer (other than willful disobedience that are punishable).	WW	15S	D		

1.4	Stubborn behavior and uncooperative attitude towards a supervisor or manager resulting to delay, loss, or damage in operations and company property.	1S	15S	D		
1.5	Uttering words, doing acts, or making gestures to a superior, which are manifestly insulting or grossly disrespectful to the latter.	1S	10S	D		
1.6	Refusing or failing to do assigned tasks or to obey official orders/ instructions, or to follow established procedures.	1S	10S	D		
1.7	Failure to execute within the set deadline or delaying of execution of orders/instructions of his/her immediate superior without justifiable reason/s.	WW	3S	6S	D	
1.8	Refusal to render overtime after signing willingly and being authorized to do so without justifiable reasons.	1S	3S	6S	D	

1.9	Refusal to render overtime during holiday/ rest day without justifiable reasons where overtime is required.	1S	3S	7S	D	
-----	---	----	----	----	---	--

VERSION 38, JAN. 2020 71

1.10	Changing work schedules or swapping with co-employees without specific approval of immediate head or top management.	WW	3S	6S	D	
1.11	Refusal to accept official order of transfer or rotation to another outlet/job without justifiable reasons.	1S	3S	6S	D	
1.12	Refusal to acknowledge any form of Disciplinary Actions from the immediate head of HR department resulting in waiving an opportunity to defend themselves.	3S	6S	15S		
1.13	Failure to submit Incident Report (from stores to Rule Number One) in a period of 24 hours.	WW	1S	3S	7S	D

1.1 4	Participation in any form of strikes against the company during working hours or within company premises.	D				
1.1 5	Initiating or leading any unduly recognized group during working hours or within company premises.	D				

72 VERSION 38, JAN. 2020

1.1 6	Making false or spreading vicious and malicious statements concerning any employee or manager on matters connected with the work or the company and its products; rumor-mongering that can blemish the reputation of the company; spreading a false or malicious rumors that does not speak well of any employee of the company or its employees.	30S to D				
----------	---	-------------	--	--	--	--

1.1 7	<p>Holding of unauthorized meetings inside the company premises and or during company working hours whether or not such results in the disruption or interruption of work.</p> <p><i>An unauthorized meeting, for purposes of these rules, shall be understood to mean a gathering of two or more employees within company premises or on company time, for purposes or reasons which are unrelated to the normal operations or activities of the company, without the express content of the management.</i></p>	D				
----------	---	---	--	--	--	--

VERSION 38, JAN. 2020 73

1.1 8	Deliberately slowing down, holding back, hindering, or limiting of production, or intimidating, coercing, or inducing other employees to do so.	D				
1.1 9	Coaxing or influencing fellow workers to commit any of the	D				

	acts of insubordination mentioned herein.					
1.2 0	Not following Standard Operating Procedures (SOP), which results in, reject or prolonging working time, and or requiring network.	7S	10S	D		
1.2 1	Refusal to follow verbal or written orders/ instructions of a superior after two (2) or more successive reminders or warnings.	15S	D			
1.2 2	Refusal to follow verbal or written reasonable orders or instructions of a superior in connection with one's work.	15S	D			

74 VERSION 38, JAN. 2020

II. CONFLICT OF INTEREST	1st	2nd	3rd	4th	5th
---------------------------------	-----	-----	-----	-----	-----

2.1	<p>Engaging, participation or involving oneself, directly or indirectly, in any transaction, undertaking or business enterprise where such engagement participation or involvement is in conflict with or is improper or undesirable to the interest of the company. If the offender is a rank and file employee. Is the offender is a supervisor, confidential or managerial employee or company officer.</p>	<p>15S</p> <p>D</p>	D			
2.2	<p>Soliciting or accepting any favor, money, gift, gratuity, or anything of value, directly or indirectly from anyone to perform an act prejudicial to the company as a condition for the performance of one's duty, or if such favor, money, gift or gratuity might influence the employees judgment or impartiality.</p>	D				

2.3	Giving or receiving bribes to the detriment of the company, soliciting from suppliers or purchasers of gifts or donations in cash or in kind; accepting, directly or indirectly, any sum of money or equivalent as unauthorized commission or in return for preferential treatment given to suppliers of materials and services.	D				
2.4	Bribing or offering money, gift or anything of value to any employee, directly or indirectly to seek or qualify preference, benefit or favorable condition of employment.	D				
2.5	Engaging in fictitious transactions, fake involving, invoice padding and other sales malpractices.	D				
2.6	Borrowing money from customers or suppliers.	D				
2.7	Extorting or unauthorized solicitation of money in company premises for personal ends.	3S	5S	10S	D	

2. 8	Participation or involvement in any business transaction involving any person or business with which the company has some commercial relationship.	D				
---------	--	---	--	--	--	--

76 VERSION 38, JAN. 2020

2. 9	Engaging in money lending at usurious rate of interest, selling of tickets of whatever kind, buying or selling goods, making or collecting payments for such as goods within company premises or during official working hours.	10S	D			
3. 0	Engaging of part-time jobs (moonlighting) having income generating functions outside the company. If during working hours the employee is enervated to work efficiently If the job violates the integrity and reputation of the company If the company is a direct competitor	D D D				

III. NEGLIGENCE/ CARELESSNESS OF DUTY		1st	2nd	3rd	4th	5th
3.1	When an employee fails to exercise the amount of diligence or care necessary in the performance of his/	W/W	3S	5S	7S	D
	her job or any operation, machinery or vehicle in order to protect property or life, to prevent wastages, spoilage and/ or damage to company property, or to prevent wasting time and effort	W/W	3S	5S	7S	D
	(Where appropriate, the erring employee shall pay or indemnify the or any party for the loss of damage caused, including but not limited to hospitalization costs.). (Simple). Commission of two (2) simple negligences that is slight or when resulting in spoilage/ damage to company property or waste of materials or delay in operation for a period of one (1) month.	D				

	<p>(Simple). Commission of three (3) simple negligences that is slight or when resulting in spoilage/damage to company property or waste of materials or delay in operation for a period of three (3) consecutive months.</p> <p>(Major). When negligence is gross or when the resulting spoilage/damage or waste of materials or delay in operation is greater than 1,000 pesos.</p>					
3.2	Causing slight injury to another. Slight if the injury does not require surgery or hospitalization.	15S	D			
3.3	Causing serious injury, disability or death. Serious, if the injury requires surgery or hospitalization.	D				
3.4	When no injury, loss or damage to property occurs but causes delay in operation, causes loss of	3S	7S	15S		

	accountable forms and records.					
--	--------------------------------	--	--	--	--	--

VERSION 38, JAN. 2020 79

35	Gross and habitual neglect of duties, general job disinterest.	D				
----	--	---	--	--	--	--

IV. DISHONESTY		1st	2nd	3rd	4th	5th
4.1	Permitting or assisting any person to enter or have access to restricted areas such as, but not limited to, Accounting, Human Resources, Cold Storage, etc. unless permitted by top management.	15S	D			
4.2	Engaging in economic sabotage, subversion, espionage, and other acts inimical to the security and interest of the company.	D				
4.3	Deliberate use of falsified or fabricated documents.	D				

4. 4	Substituting or attempting to substitute company materials/ equipment/property with another, with intent to gain or defraud the company.	D				
4. 5	Unauthorized alteration or falsification of any company records including furnishing of false or misleading information about the company.	D				