

DATE: 27 JANUARY 2013

TO : ALL EMPLOYEES

RE : MEAL ALLOWANCES

The guidelines stated below shall override all previous guidelines and regulation on the provision of meal allowances granted to employees. Implementation will start on February 11, 2013.

Employees shall be classified into categories: non-field, logistics, and field-based employees.

NON-FIELD employees include all employees (regular and non-regular) who are assigned to work within the bounds of the premises of the company. These include office staff, production and maintenance personnel.

LOGISTICS employees are (regular and non-regular) employees whose job functions are performed outside of the company's premises. These include driver and helpers of such drivers

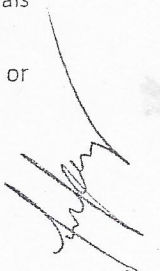
FIELD-BASED employees are (regular and non-regular) employees who are by nature of their job regularly leave the company's premises. These employees are **NOT** covered by per diem meal allowances. These include: field-based sales agents. These employees are **NOT** entitled to per diem meal allowances.

PLANT 1 refers to FILUNITED PLANT. PLANT 2 refers to FUMACO PLANT. ORTIGAS refers to SHOWROOM.

The following are qualifications as to who is qualified to receive the per diem meal allowance. Each qualification of the per diem meal allowance must be met in order to receive the allowance.

1. The Per Diem Allowance for Breakfast P 60.00 is provided to employees who are
  - a. non-field employees or logistics employees
  - b. expected to report for work starting at 3 am in the morning or earlier
2. The Per Diem Allowance for Lunch of P 70.00 is provided to employees who are
  - a. non-field employees
  - b. expected to work through lunch
  - c. are expected to come back at the company's premises at 2 pm onwards
3. The Per Diem Allowance for Dinner of P 70.00 is provided to employees who are
  - a. non-field employees or logistics employees
  - b. expected to work through dinner
  - c. are expected to come back at the company's premises at 8:30 pm onwards
4. The Per Diem Allowance per day of P200.00 is provided to employees who are
  - a. non-field employees or logistics employees
  - b. expected to work beyond 24 hours outside of the company's premises and shall cover all 3 meals per day.
  - c. The allowance shall be based on date and time of leaving the company to the date and time of returning back to the company.
  - d. The company shall not distinguish between the costs of meals for the 24 hour allowance.

Guidelines are posted on the following page to further prevent confusion and clarify existing rules.



The following are extended guidelines to be concurrently implemented with the abovementioned guidelines on per diem meal allowances. Examples are mentioned to prevent further confusion on existing cases.

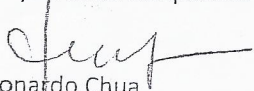
1. **EMPLOYEE TRANSFERS** - Employee transfers to plants/offices and other company facilities with canteens are NOT entitled to per diem meal allowances.
  - a. The company shall fully reimburse transportation allowance should public transport be taken by the employee.
  - b. Example: Employee transferred from plant 1 to plant 2 or vice versa is NOT entitled to meal allowances.
  - c. Example: Employee transferred from plant 1 to Ortigas is entitled to per diem meal allowances
  - d. Example: Employee transferred from Ortigas to plant 1 is NOT entitled to per diem meal allowances
2. **REIMBURSEMENTS** - For employees who are unable to acquire their per diem meal allowance because of unexpected circumstances such as the lack of change or money are entitled to reimburse the amount but are capped based on the memorandum given. This is so long as the same employees are also qualified under the existing rules.
3. **ALTERNATIVE FREE MEALS AND ALLOWANCES** - Employees who are provided meal allowances, or a free meal by managers or through company sponsored events shall NOT be entitled to meal allowances. It should therefore be clearly understood that any alternative allowance and/or meal provided for by the company shall render this provision revoked. The meal allowance is therefore automatically waived for these employees.
  - a. Example: Employees (including drivers/helpers ) who attend events such as bowling who eat at such events are no longer entitled to per diem meal allowances
  - b. Example: Employees (including drivers/helpers) who are given meal allowances by their respective supervisors are not entitled to meal allowances. It is understood that the supervisors may reimburse the qualified amount of meal allowances from the accounting department.
  - c. It is also understood that employees who have received any alternative meal or allowance through the company's events or through the supervisors and etc. must waive such allowance and return whatever monetary provision provided by the company.
  - d. Free meals provided are provided for by the company through its canteen facilities at Plant 1 and Plant 2. These free meals are given to employees who work overtime up to 9 pm onwards.
  - e. Employees who go on overtime in areas where there are canteen facilities such as Plant 1 and Plant 2, are fully paid for by the company, hence receiving meals through these facilities, automatically revokes meal allowance privileges.
4. **24 HOUR OPERATIONS** - Should the company go into 24 hour operations where there are two 12-hour shifts. Employees on both day and night shifts shall not be entitled to meal allowances. The cost of night differentials covers the difference between day and night shifts.

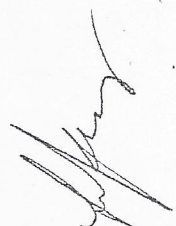




5. **FORMS OF DISCRIMINATION BASED ON DISTANCE TRAVELLED, VEHICLE AND ETC.** - The per diem meal allowances shall not discriminate nor distinguish the amount of per diem allowance given to an employee and whether an employee is qualified for such allowances based on the distance travelled, type of duty or job function to be done, job description, or the type of vehicle driven or used. It shall only distinguish who receives the allowances strictly based qualifications stated on the memorandum.
  - a. Example: Drivers who drive larger trucks shall not be entitled to larger meal allowances and shall follow exactly the same regulations as other drivers.
  - b. Example: Drivers who drive managers, VIPs or other service personnel shall follow exactly the same regulations mentioned and are not entitled to meal allowance based on the servicing of any person.
6. **EXCLUSIONS** - Per Diem meal allowances may be changed on a per-situation basis based on written notices via email or memorandums by top management. This may occur through special arrangements signed by management in times of exhibitions and other special events or business activities that may require changes in per diem meal allowances.
7. **COVERAGE** - This memorandum shall cover all employees of FUMACO, FILUNITED, and PACIFIC LIGHTTECH, and shall override all previous memorandums and notices regarding per diem meal allowances.
8. **RESERVATION FOR CHANGES** - The management of FUMACO, FILUNITED, and PACIFIC LIGHTTECH shall reserve the right to make changes on these policies in the future should the need arise.

For your strict compliance

  
Leonardo Chua  
President



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