

# NOTIFICATION

EH-B-22-01-091

TO: Section Managers and Above  
FROM: Human Resources Section  
RE: Liquidated Damages for Failure to Comply 30-Day Notice Rule  
DATE: March 15, 2022

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## I. BACKGROUND

In 2010, HR issued Notification EH-B-10-01-113 to remind employees on the procedure for resignation and employment clearance that is based on Art. 300 renumbered of the Labor Code. It was again reiterated in the notice with issue code EH-B-19-01-302 to include the Liquidated Damages provision in the event of failure to render the 30-day prior notice of separation from the company.

With this notice, we aim reiterate and emphasize this provision for the guidance and understanding of all employees who are resigning.

## II. PROCEDURE

1. Upon submission of the RESIGNATION LETTER by the employee to his/her respective superior, Superior will require employee to accomplish the **Letter of Understanding/Authority to Deduct: Liquidated Damages** (see attachment)
2. Superior will attach the Accomplished **Letter of Understanding** to the employee's resignation letter.
3. Department Managers will ensure that said attachment is intact prior to submission to Human Resources.
4. Human Resources will only accept resignation with attached letter of understanding to officially record.

III. **ATTACHMENT:** Letter of Understanding/Authority to Deduct (proforma letter)

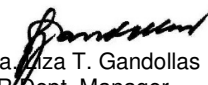
## IV. EFFECTIVITY

Application will take effect immediately upon the release of this notice.  
Please disseminate to all.

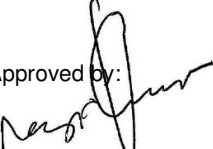
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**LETTER OF UNDERSTANDING/ AUTHORITY TO DEDUCT:  
LIQUIDATED DAMAGES**

**DATE:** \_\_\_\_\_  
**ID NO.:** \_\_\_\_\_  
**NAME:** \_\_\_\_\_  
**SECTION:** \_\_\_\_\_  
**RESIGNATION EFFECTIVITY DATE:** \_\_\_\_\_  
**RESIGNATION SUBMISSION DATE:** \_\_\_\_\_

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*To: Human Resources Department*

This is to confirm that I understand the provision on **LIQUIDATED DAMAGES** stated in our Company Rules and Regulations under Section **H. TERMINATION OF EMPLOYMENT / RESIGNATIONS**, Item 3 stating: "Failure to observe the 30-day prior notice (*15-day prior notice for temporary or probationary employees*) shall render the employee liable for liquidated damages in the amount equivalent to at least one-month salary." I understand that the liquidated damages shall cover the actual damages to be incurred by the company for additional work/manpower due to vacancy in my position or production lost brought by my sudden resignation.

I understand that such notice commences from the receipt of my resignation letter up to the last day of work stated, giving the company reasonable time to look for replacement as a result of my separation. This also means that I will be present during my scheduled working days in this period to properly endorse all items for turn-over and respect this provision of the Company Rules and Regulations. For any violation, as deemed evaluated by Human Resources, this letter will also serve as authority to deduct from my Final Pay/Retirement Pay (if applicable) the one-month salary equivalent amount as Liquidated Damages Payment.

Sincerely,

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Signature Over Printed Name