



CODE OF ETHICS & ITS IMPLEMENTING GUIDELINES

Message from the Chairman

YOU are workers of light and righteousness.

Our goal is to bring broken lives to become like Christ. We are to transform workers of darkness/unrighteousness to become workers of light/righteousness.

*Our starting point is unrighteousness. Generally, employees who come to work are worldly, unrighteous, and will play a cat and mouse game to get away with offenses. Over time, we must become righteous and work to bring about righteousness not only in our lives but in our relationships and strategic business units (SBUs), department, property, family, and community. Every employee must recognize that we are very far and different from God. **Isaiah 55:9**. The desire of every employee is to be reconciled to God's purpose / goals, standards, ways / process / laws / statutes / ordinances.*

Correction is the process of acknowledging our wrong behavior which leads to uprooting our wrong attitudes, values, and outlook in life. Only God can change us. The best for man is to be humble and acknowledge our wrong. God needs to give us the grace to be changed into His likeness.

Therefore, we must lay a foundation in every employee to desire the things of God: To be one with God in His desires, His thoughts, and Spirit. It is everybody's responsibility to become like Christ because this is the purpose of God for everyone.

Success must not be interpreted as making money. We are not a profit organization. We make money by doing good.

*Discipline is defined as the manifestation of possessing the right character to perform the necessary tasks excellently. While **Code of Ethics** is a minimum guide of God's standards for us, we are to aspire to live by His biblical standards. We must not only think what is lawful, but what is morally upright for ourselves.*

*To be disciplined is to possess the following foundation: **Right outlook in life** Biblical perspective of how God sees us, people, situations, things, and events, **Right Values**, **Right Attitude**, **Right Behavior** and **Habits**.*

When an employee manifests bad behavior and conduct, we have to look at ourselves as a failure to bring about the transformation of our employees: our superiors, peers and subordinates.

*Transformation will entail the renewal of every individual's spirit and soul. It will require a change in our: **Outlook, Thinking Process, Values, Attitude**. When we have a problem employee, it is because their behavior is a manifestation of their bad habits, which is a manifestation of bad / negative attitudes, which is a manifestation of wrong values, which is caused by wrong outlook of life.*

Therefore, an employee must go through a life of correction to become like Christ. We can only work with employees who want correction. They are the ones who have a humble heart and want to be right with God, with their family, and others.

Ultimately, we will all be praying for God to expose the works of darkness, destroy the work of darkness, and transform the work of darkness to become the work of light. We will have workers who will not hide wrongdoings but expose it and correct them.

To do this, we must raise up righteous workers who will love and pray for others. They will be agents of Transformation, Restoration, and Healing in their work areas, family, and community. In effect, he is establishing the kingdom of God.

Our Goal is TO BUILD LIVES.



WYDEN KING

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A. POLICY OBJECTIVE

Success in its business undertaking is the primary objective of Armadillo Holdings, Inc. and all of its Strategic Business Units. Success of industry cannot be achieved without employee productivity. There can be no productivity without employee discipline. Discipline should be discerned not as an end in itself but only as an indispensable means to achieve operational productivity, efficiency and effectiveness, necessary for the realization of the companies' profitability and viability. Hence, all officers and employees shall at all times perform their duly assigned duties, tasks and responsibilities to the best of their ability and in accordance with the highest standards set by the company. They shall at all times commit themselves to comply and observe the rules promulgated in this Code of Ethics and promote and maintain order and harmony among the employees as members of our corporate community and family.

The Code of Ethics is promulgated not to oppress employees but to set the standards of discipline, acceptable behavior, efficiency and productivity, to which all employees, irrespective of rank or position, must render habitual obedience and conformity.

Imposition of penalties under the Code of Ethics is intended to correct rather than punish. Hence, there shall be a graduation or acceleration of penalties considering aggravating circumstances to justify the imposition of heavier penalties or considering mitigating circumstances to justify reduction of penalties. On the other hand, the Code of Ethics provides for prescription of penalties imposed on employees if they do not commit a subsequent offense of similar nature after a given period of time.

The Code of Ethics shall be interpreted and applied fairly and uniformly without undue discrimination.

B. SCOPE OF COVERAGE

The Code of Ethics is applicable to all employees of Strategic Business Units (SBUs) under Armadillo Holdings, Inc., regardless of position and status of employment. Likewise, this applies to all locations where the SBUs operate.

C. GENERAL GUIDELINES

1. The Code of Ethics recognizes the right of employees to be secure in their employment and hence, no employee shall be meted a disciplinary action without any just cause therefore and observance of **due process**.
2. The Code of Ethics may be amended to conform to changes in legislation, technology and economic conditions. Before implementation, Management shall consult the employees by posting copies of the amendment on the bulletin boards for at least five days to enable the employees to submit their comments. Thereafter, each employee shall sign an acknowledgment receipt of a copy of the Codal amendments with his/her conformity thereto and undertaking to abide therewith.
3. All employees shall attend orientation / consultation meetings where the management shall explain to them the provisions of the Code of Ethics, as amended. During said meetings, the employees may ask clarificatory questions. At the conclusion of said meetings, the employees shall acknowledge in writing their attendance, receipt of their individual copy of the Code, their clear understanding of all its provisions, and their undertaking to comply with the Code. Thereafter, employees may seek clarification from HRD as to the meaning and application of a particular provision to a "specific case".

4. OFFENSES

Offenses shall pertain to:

All acts and omissions which constitute a just cause for discipline under the law or any company rule on discipline, Code of Ethics; non-observance of policies, systems and procedures adopted by the company to be observed in all transactions and operations; all other acts prejudicial or unfavorable to the company's interest are offenses punishable by penalties ranging from reprimand to dismissal, depending on their severity.

5. CATEGORIES OF OFFENSES

5.1 GRAVE and VERY GRAVE : These are offenses which, by law, constitute just causes for termination of employment.

- a. **Serious misconduct** or **willful disobedience** by the employee of the lawful orders or rules of the Company, his/her immediate superior, Department Head, or company representative in connection with his work;
- b. **Gross** and **habitual neglect** by the employee of his/her duties;
- c. **Fraud** or **willful breach** by the employee of his/her duties of trust reposed in him by the Company or superior or duly authorized company representative;

- d. **Commission of a crime** or offense by the employee against a person, his/her immediate superior, Department Head or duly authorized company representative;
- e. Other causes analogous to the foregoing, such as **gross negligence** and
- f. **Illegal strikes** and **concerted activities** which disturb the peace and/or disrupt company operations.

5.2 SERIOUS and LESS SERIOUS: These are offenses which may also constitute just causes for termination of employment, but because of the presence of certain mitigating circumstances and other considerations, the Company, in its sole judgment and discretion, finds the penalty of suspension adequate, commensurate or proportionate to the infraction committed.

5.3 LIGHT OFFENSES: These are offenses which do not involve moral perversity or evil motivation on the part of the offender but an act done negligently or through oversight and which do not result in any serious injury, prejudice or damage to a co-employee, third party or even dismissal.

Dismissal may only be necessary upon habitual/repeated violation.

6. KINDS OF PENALTIES

7.1 REPRIMAND – is defined as a verbal or written notice calling the attention on the offense committed and warning to the offender against repetition of such violation in the future.

7.2 SALARY DEDUCTION / FINES – penalties for undertime, tardiness, loss or damage to property and the like may be accompanied by a fine or salary deduction. The salary deduction shall be equivalent to the employee's salary for the covered period of undertime or tardiness or the current market value of property lost or destroyed.

7.3 RESTITUTION – This penalty may be imposed along with any or the other penalties to cases of theft, robbery, shortages, fraud, destruction and/or damage to the property of the company, or of its employees, clients or other parties doing business with the organization. The company, in its sole discretion, shall recover the amount involved through salary deduction or installment or through other means. Recovery or restitution shall not in any way mitigate the principal penalties pertaining to the infraction.

7.4 SUSPENSION – is defined as the physical detachment from service for a designated period of time without salary and benefits for the period of suspension. If exonerated from all charges, he/she shall be restored to his/her original position with full pay from the date of his suspension and without any adverse effect on his/her tenure of employment.

7.5 OPTIONAL RESIGNATION – In its sole discretion, the company may offer an employee to resign in lieu of dismissal after having committed an offense/s which

do not involve moral turpitude such as dishonesty, immorality and violence. The offender who resigns shall forfeit his rights to benefits which normally accrue to employees under applicable Company Policy. He shall be given clearance for purposes of getting employed elsewhere provided that he/she satisfies all requirements of a clearance.

7.6 DISMISSAL – is the penalty imposed for grave or very grave offenses. Dismissal automatically results in forfeiture of retirement or separation benefits.

8. PRESCRIPTIVE PERIOD OF OFFENSE

For purposes of applying more severe penalties for a subsequent or repeated violation of work rules and regulations, penalties imposed on prior:

8.1 Light & Less serious offenses of the same nature shall prescribe in **twelve (12) months** from the date the penalty for the prior offense of the same nature was served.

Example:

Employee A Violations:

1ST Offense - Habitual Tardiness February 2012 – Penalty Verbal Warning

2ND Offense – Habitual Tardiness March 2012 – Penalty Written Warning

3rd Offense – Habitual Tardiness April 2012 – Penalty Six (6) Days Suspension

If next similar offense is committed:

- a. May 2013 – penalty will resume from verbal warning since there is already a one (1) year gap;*
- b. Between May 2012 to April 2013 – penalty is Twelve (12) days suspension, progressing penalty from the last offense/violation.*

8.2 Serious & Grave offenses of the same nature shall prescribe in **eighteen (18) months** from the date the penalty for the prior offense of the same nature was served. Prescribed penalties shall not be applied as aggravating circumstance.

9. FOLLOW-THROUGH

Department/SBU Head shall also ensure that employees punished with suspension or lesser penalties are counseled / ministered by their respective Itinerant Minister.

10. RESPONSIBILITY CENTERS

Immediate Superior

1. The ***Immediate Superior*** has the authority and duty to maintain discipline and foster efficiency among his subordinates so that the goal of his/her shift is achieved. He shall

therefore, be responsible for his subordinate employees' misconduct and/or violations of the provisions of this Code of Ethics.

2. In line with his basic responsibilities, he must ensure that the policies, rules and regulations are followed. He must see to it that employees under them are aware of the offenses defined in the Code of Ethics and the corresponding penalty for each infraction. In case any employee needs enlightenment on a particular provision, he is duty-bound to explain it clearly and completely.
3. When there is a violation or "alleged violation" by any of his subordinates of any provision of the Code of Ethics, he shall observe due process, submit recommendations to the Next Level Superior based on the merits of the case within the prescribed period.
4. Should questions arise from the disciplinary action taken, the immediate superior shall thoroughly explain the matter to his subordinate.

Next Level Superior

1. The ***Next Level Superior*** shall see to it that officers under him are aware of their responsibility in maintaining discipline in their respective units/shift. He must ensure that they know and understand all relevant policies, systems and procedures, plus the rules and regulations.
2. The Next Level Superior shall support his Officers in the discharge of their responsibilities in maintaining discipline in their respective units.
3. The Next Level Superior shall review, approve or disapprove recommended disciplinary actions based on objectivity, fairness and consideration of mitigating and aggravating circumstances of the employees involved. The Next Level Superior shall forthwith issue the Memorandum of Disciplinary Action.
4. The Next Level Superior shall resolve and decide all requests for clarification, reconsideration or appeal from the employee aggrieved by the disciplinary action.
5. Next Level Superior shall ensure that Scope of Authorities (of respective SBU) with regards to Disciplinary Actions are adhered to at all times.
 - 5.1 Condonation/commutation/waiver of penalties shall not be effective unless approved in writing by the SBU Head, COO and the CEO or President.
6. Next Level Superior ensures that offenses / violations of the Code of Ethics are documented and served to concerned employee and that HRD is always furnished copy of Disciplinary Action (for filing in 201 file).

HRD

1. HRD assists and advises all officers / managers in administering appropriate disciplinary actions, helping ensure that the discipline system is consistently and properly implemented corporate-wide. HRD may also recommend further review of

recommendations (in coordination with respective immediate superior / next level superior / SBU Head) especially when due process is concerned.

2. HRD should be knowledgeable of applicable legal provisions and court decisions affecting disciplinary action and for this purpose, should not hesitate (in coordination with concerned immediate superior or next level superior) to consult company legal counsel especially in cases of doubt.
3. HRD is bound to call the attention of officers / managers, as well as inform respective SBU Heads, of exceptions to the guidelines embodied in this policy.
4. Management, through HRD, shall undertake training programs for officers on techniques of handling disciplinary problems and of building morale in their respective areas of operations.

All Employees

All employees should discipline one another by reminding each other of the rules to be followed in order to achieve organization's goals and objectives.

MANAGEMENT COMMITTEE (MANCOM or OPCOM)

1. The Management Committee is not directly responsible for the proper implementation of the Code of Ethics. However, it shall oversee and monitor its implementation. It shall bring to the attention of the Next Level Superior concerned cases or situations which the latter may not be aware of. It shall also remind the Next Level Superior of disciplinary cases not yet finally acted upon by them, if any.
2. The Management Committee may also guide and resolve on how the guidelines should be implemented. The Management Committee shall ensure that the meaning and applicability of specific cases are thoroughly explained. In appropriate cases, the Management Committee may provide assistance in handling actual disciplinary cases elevated by the Next Level Superior.
3. The Management Committee shall be consulted by the Next Level Superior before implementing the final decision to dismiss or preventively suspend an employee. The Management Committee's advice shall deal primarily with the legal and procedural aspects of the case.
4. Periodically or as the need arises, the Management Committee shall review the policies and guidelines contained in this policy in close consultation with HRD and other Officers. On the basis of these, it shall recommend amendments for approval.

IMPLEMENTING GUIDELINES:

1. *Administrative Fact-Finding Investigation:*

All violations and/or breach of the company's Code of Ethics shall be reported in writing immediately after commission or discovery.

1.1 Upon discovery or receipt of report of such commission/s, the immediate superior shall conduct the initial interview of the concerned employee, investigate, conduct an ocular inspection, and ascertain the facts. He shall immediately issue a "Memo to Explain" directing all parties involved (security guards, witnesses, involved party, etc.) to submit to him their written explanation within 48 hours, stating in detail the facts of their own knowledge of and/or their involvement, if any, in said infraction.

1.2 Refusal or failure to submit such written explanation within the prescribed period without any justifiable reason shall constitute willful insubordination.

1.3 Upon receipt, the immediate superior shall assess and evaluate the written explanations to ascertain the facts established by them.

1.4 If on the basis of the facts established by the written explanations and the evidence, the immediate superior is convinced that a violation of the Code of Ethics has been committed, he shall draft, sign and submit to the Next Level Superior a Memorandum of Disciplinary Action (MDA) for the latter's review and approval. (copy furnished to HRD)

2. *Memorandum Of Disciplinary Action:*

The Next Level Superior shall review, approve or disapprove the immediate superior's Report and Recommendation. He shall determine and impose the appropriate penalty based on the established mitigating and aggravating circumstances attending the infraction.

2.1 The **Memorandum of Disciplinary Action (MDA)** shall contain:

- The specific grounds for termination / suspension against the employee
- Detailed narration of the facts and circumstances that will serve as basis for the charge against the employee. A general description of the charge shall be avoided.
- The specific rules of the Code of Ethics, if any, which may have been violated and/or the just causes for termination under Article 282 of the Labor Code which apply to the charge/s against the employee.
- The maximum imposable penalty if the charges are established.
- Photo-copies of the written explanations, statements of witnesses and relevant records or documents;

- The scheduled date, time and place of hearing.
- A warning that his refusal or failure to attend the hearing shall be considered a waiver on his right to attend said hearing or his right to be heard.
- Preventive suspension, if applicable.

2.2 Upon receipt of the MDA, the Next Level Superior shall review, approve or disapprove the immediate superior's recommended disciplinary actions. The Next Level Superior shall forthwith sign and issue the Memorandum of Disciplinary Action.

2.3 The MDA shall be served to the employee concerned who shall acknowledge receipt thereof. If the employee refuses to receive or acknowledge receipt of the MDA, the server shall state such fact on the MDA and attested by witnesses. The MDA shall be served by registered mail.

3. Preventive Suspension

3.1 An employee may be placed under preventive suspension:

- 3.1.1 Where the employee's continued presence pending investigation poses a serious threat to the life or property of the employer or of his co-workers or
- 3.1.2 Where his continued presence poses danger that will cause a meaningful and/or real disruption in the productive operations of the employer or
- 3.1.3 Not necessarily a threat but his/her presence could influence the investigation.

3.2 The **Immediate Superior / Next Level Superior** shall immediately act on and resolve cases where an employee is placed under preventive suspension.

3.3 An employee placed under preventive suspension shall not be paid his salary and benefits for the period of suspension. However, when exonerated from the charges, he shall be restored back to his original position with full back pay of salaries and benefits withheld during the period of suspension.

3.4 In case no decision or recommendation is finalized within thirty days, company shall recall the employee for work or extend his preventive suspension but during the extended period, the employee shall be compensated.

4. Administrative Hearing

During the hearing, the employee shall be given the opportunity to:

- 4.1 Explain and clarify his/her defenses to the charge against him/her
- 4.2 Present evidence in support of his/her defenses; and
- 4.3 Rebut the evidence presented against him/her by the management.

4.4 Defend himself/herself personally or with the assistance of a representative or counsel, if he so desires.

Two (2) *disinterested** persons shall be invited as observers during the hearing.

**A disinterested party is a person/s without prejudice or bias to the case or the employees involved. He may not necessarily be connected with the company.*

The hearing shall be summary in nature and need not be a trial-type one. **The minutes of the hearing shall be taken to record the persons present, everything that transpired, the arguments for or against, the evidence for and against the employee.** Right after the hearing, the minutes shall be signed by the minutes taker, the employee concerned and all persons present.

[During] the hearing [, the following] shall determine [the following]:

Whether an offense/infraction has in fact been committed

If an offense has been committed, whether the employee committed it;

The date, time, place and manner of its commission;

The witnesses to said commission

The damage caused to the Company

5. ***Report & Recommendation***

The immediate superior shall submit to the Next Level Superior for review and further action, his Report on the investigation and his recommended Disciplinary Actions referring to the Code of Ethics, and/or Labor Code. His Report shall state the factual findings established during the investigation and his conclusions drawn there from.

6. ***Period to Commence Investigation and Issue Memorandum Disciplinary Action:***

Reported infractions shall be investigated, resolved and Memorandum of Disciplinary Action issued within the following period.

6.1 For **LIGHT OFFENSES** and **LESS SERIOUS OFFENSES** :

Within **ONE (1) WEEK** but **not to exceed Seven (7) Working Days**

6.2 For **SERIOUS OFFENSES** :

Within **TWO (2) WEEKS** but **not to exceed Fifteen (15) Working Days**

6.3 For **GRAVE** and **VERY GRAVE OFFENSES** :

Within **ONE (1) MONTH** but **not to exceed more than THIRTY (30) Working Days**

7. *Schedule of Serving of Suspension*

As far as practicable, within the prescribed schedule after the issuance of disciplinary action imposing the penalty of suspension:

- 7.1 Six (6) days suspension – within fifteen (15) days
- 7.2 Twelve (12) days suspension – within thirty (30) days
- 7.3 Thirty (30) days suspension – within forty five (45) days

8. Managers and Department Heads shall consult HRD and/or current Company Labor Lawyer especially on recommendations leading to termination.

- 8.1 All documents pertinent to the case must be complete when forwarded to the Company's Labor Lawyer and HRD.

INFRACTIONS & CORRECTIVE MEASURES

| FREQUENCY OF COMMISSION & CORRECTIVE MEASURES | | | | | | |
|---|------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Types of Infractions | CODE | 1 st | 2 nd | 3 rd | 4 th | 5 th |
| LIGHT | A | OR | WR | S-6 | S-12 | D |
| LESS SERIOUS | B | WR | S-6 | S-12 | D | |
| SERIOUS | C | S-6 | S-12 | D | | |
| GRAVE | D | S-12 | D | | | |
| VERY GRAVE | E | D | | | | |

GUIDE

| | | |
|--------|---|-------------------------------|
| OR | - | Oral Warning / Verbal Warning |
| WR | - | Written Warning / Official |
| S | - | Suspension |
| Number | - | Working Days |
| D | - | Dismissal |

CODE OF ETHICS

LIST OF OFFENSES/INFRACTIONS

i. ACTS OF OMISSIONS CONCERNING COMPANY FUNDS OR PROPERTY

| OFFENSES | 1st Offense | 2nd Offense | 3rd Offense | 4th Offense | 5th Offense |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| 1.01 Stealing, misappropriating or embezzling of company funds or property (E) | Dismissal | | | | |
| 1.02 Fraudulent or illegitimate withdrawal/acquisition or release to other person of company funds or property (E) | Dismissal | | | | |
| 1.03 Acts of sabotage (E) | Dismissal | | | | |
| 1.04 Deliberate acts resulting in loss or damage to Company property (E) | Dismissal | | | | |
| 1.05 Gross Negligence or failure to follow specific instruction(s) resulting in the loss or damage (C,D, or E depending on the amount thereof) | Dismissal | | | | |
| 1.06 acts of dishonesty of a serious nature (E) | Dismissal | | | | |
| 1.07 Removing from Company premises, concealing or deliberately misplacing Company property without justifiable purpose or authority. (D) | Suspension 12 Days | Dismissal | | | |
| 1.08 Unauthorized possession or use of Company property, unauthorized substitution of the company materials, supplies, tool, or company equipment with another. (D or E) depending on the gravity of the offense | Suspension 12 Days | Dismissal | | | |
| 1.09 Willful withholding of information or causing others to withhold information resulting in the loss or damage to Company property (D) | Suspension 12 Days | Dismissal | | | |
| 1.10 Defacing any part of the Company property like building, structures, open areas, etc (unauthorized painting, marking, carving, etching, attaching, setting-up, or removal of things. (C,D or E) depending on the gravity of the offense | Suspension 6 Days | Suspension 12 Days | Dismissal | | |

| OFFENSES | 1 st Offense | 2 nd Offense | 3 rd Offense | 4 th Offense | 5 th Offense |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 1.11 Allowing unauthorized persons to use Company supplies, materials, facilities, tools or equipment (C, D or E) depending on the gravity of the offense | Suspension 6 Days | Suspension 12 Days | Dismissal | | |
| 1.12 Operating, using, meddling with or impeding the proper use of machines, tools, equipment, vehicles, facilities or premises to which the employees had not been assigned or not allowed to use. (C,D or E) depending on the gravity of the offense | Suspension 6 Days | Suspension 12 Days | Dismissal | | |
| 1.13 Failure to report within 72 hours loss or destruction of Company property or spoilage of products. (C) | Suspension 6 Days | Suspension 12 Days | Dismissal | | |
| 1.14 Failure to report within 72 hours after one has made an erroneous payment or overpayment of salary, commission, allowance or other forms of remunerations or reimbursements. (C) | Suspension 6 Days | Suspension 12 Days | Dismissal | | |
| 1.15 Failure to attend / complete trainings, seminars / workshops (external/internal) resulting in loss in investment representing money/fund compromised. (C) | Suspension 6 Days | Suspension 12 Days | Dismissal | | |

ii. ACTS OF COMMISSION AFFECTING COMPANY INTERESTS

| OFFENSES | 1 st Offense | 2 nd Offense | 3 rd Offense | 4 th Offense | 5 th Offense |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 2.01 Forging of signature, falsifying or altering company records or documents (E) | Dismissal | | | | |
| 2.02 Conspiring with fellow employees in falsifying or altering of Company records with or without intent of financial gain (E) | Dismissal | | | | |
| 2.03 Obtaining or accepting money or anything of value by entering into unauthorized arrangement(s) with client(s), suppliers or other outsider(s). (E) | Dismissal | | | | |

| OFFENSES | 1 st Offense | 2 nd Offense | 3 rd Offense | 4 th Offense | 5 th Offense |
|--|---|-------------------------|-------------------------|-------------------------|-------------------------|
| 2.04 Unauthorized acceptance, directly or indirectly, of money or anything of value as consideration of an act, recommendation, decision, or service, which the employee is duty bound to perform. (C, D or E) (e.g. Non-surrendering of gifts from suppliers) | Dismissal | | | | |
| 2.05 Willful breach by the employee of the trust reposed in him by the Company, Manager or by a Company representative. (E) | Dismissal | | | | |
| 2.06 a. Theft or destruction of property belonging to the company, client(s), guest(s), visitor(s), or friend(s) or co-workers (E) b. Slander, libel, discourtesy towards superiors, co-employees, client(s), guest(s), visitor(s), or friend(s). (D or E) c. Other acts of omission analogous to serious misconduct, fraud, breach of trust, gross insubordination. (E) | Dismissal Dismissal Dismissal | | | | |
| 2.07 Disloyalty to the company such as making false or malicious statements about the Company or its product/services, depending on the gravity of the offense (D or E) | Suspension 12 Days | Dismissal | | | |
| 2.08 Disloyalty to the company by engaging in an activity which directly competes with the Company's business or any part of its operations. (E) | Dismissal | | | | |
| 2.09 Divulging company trade secrets or disclosing, giving away, or using restricted or classified Company matters / information without proper authorization. (E) | Dismissal | | | | |
| 2.10 Disloyalty, urging the boycott of or withdrawal of patronage of the Company's products and services. (E) | Dismissal | | | | |

| OFFENSES | 1 st Offense | 2 nd Offense | 3 rd Offense | 4 th Offense | 5 th Offense |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 2.11 Inciting or participating in concerted work stoppage, boycott of overtime work, slow down, mass leave sit-down, riot or other similar disruptive activities. (E) | Dismissal | | | | |
| 2.12 Deliberate slowing down, holding back, hindering, or limiting of production, or intimidating, coercing, or inducing other employees to do so. (E) | Dismissal | | | | |
| 2.13 Knowingly using false or falsified record(s) or document (D or E) | Suspension 12 Days | Dismissal | | | |
| 2.14 Unauthorized use of Company name or misrepresentation to obtain benefits. (D,E) depending on the gravity of the offense | Suspension 12 Days | Dismissal | | | |
| 2.15 Offering or accepting anything of value or favor for a job or for a more favorable term or condition of employment. (D) | Suspension 12 Days | Dismissal | | | |
| 2.16 Unauthorized removal or mutilation or deformation of officially posted notices, announcements, or similar matter (C) | Suspension 6 Days | Suspension 12 Days | Dismissal | | |
| 2.17 Committing other culpable acts of omissions not embraced by other provisions which are not grounds for dismissal under the law and this Code (C) | Suspension 6 Days | Suspension 12 Days | Dismissal | | |

iii. ACTS OF OMISSIONS CONCERNING RELATIONSHIP WITH SUPERIOR(S), ATTENDANCE AND PERFORMANCE OF ASSIGNED DUTIES

| OFFENSES | 1 st Offense | 2 nd Offense | 3 rd Offense | 4 th Offense | 5 th Offense |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 3.01 Threatening, intimidating, coercing, provoking to a fight, assaulting, or attacking a superior (E) | Dismissal | | | | |
| 3.02 On the part of the superior, deliberately condoning, tolerating, or participating in an offense committed by a subordinate. (C, D or E) depending on the gravity of the offense committed by the subordinate | Dismissal | | | | |

| OFFENSES | 1 st Offense | 2 nd Offense | 3 rd Offense | 4 th Offense | 5 th Offense |
|---|--|--|---|-------------------------|-------------------------|
| 3.03 Gross inefficiency or continuing unsatisfactory performance (3 consecutive unsatisfactory rating) not attributed to factors beyond employee's control amounting to gross and habitual neglect of duty. (E) | Dismissal | | | | |
| 3.04 Disobedience or willful refusal or failure to obey, cooperate or carry out lawful orders of the Superior, or any member of management staff in the performance of their duties. (E) | Dismissal | | | | |
| 3.05 Doing unauthorized or unofficial or personal work/ activity during office hours for personal gain. (C, D or E) depending on the gravity of the offense | Dismissal | | | | |
| 3.06 On the part of the superior, clear abuse of status, power or discretion. (D) depending on the gravity of the offense | Suspension 12 Days | Dismissal | | | |
| 3.07 Refusal to attend, cooperate or answer questions in a company investigation (D) | Suspension 12 Days | Dismissal | | | |
| 3.08 Failure to comply with any procedure requirement on any established policy or practices. (A, B or C) depending on the gravity of the offense | Suspension 6 Days | Suspension 12 Days | Dismissal | | |
| 3.09 Negligence of Duty a. Sleeping while on Duty (C) b. Leaving work assignment or Company premises during official working hours without prior permission from the Department Head or Immediate Superior. (C) c. Wasting time such as gossiping, playing around with other employees or loitering around places away from assigned work while on duty. (B) d. Refusal or failure to render overtime work. (D) e. Refusal to accept change in work shift or transfer to another position or work location. (D) | Suspension 6 Days Suspension 6 Days Written Warning Suspension 12 Days Suspension 12 Days | Suspension 12 Days Suspension 12 Days Suspension 6 Days Dismissal Dismissal | Dismissal Dismissal Suspension 12 Days Dismissal Dismissal | Dismissal | |

| OFFENSES | 1 st Offense | 2 nd Offense | 3 rd Offense | 4 th Offense | 5 th Offense |
|--|---|--|-------------------------------------|---|-------------------------------|
| 3.10 Attendance a. Absence without official leave (AWOL): a.1 1 to 3 successive working days AWOL (B) a.2 4 to 5 successive working days AWOL (C) a.3 6 to 10 successive working days AWOL (D) a.4 11 days or more (E) b. Gross or Habitual tardiness. (Habitual: at least five (5) times frequency or an accumulation of sixty (60) minutes in a month whichever comes first) (A) | Written Warning Suspension 6 Days Suspension 12 Days Dismissal | Suspension 6 Days Suspension 12 Days Dismissal | Suspension 12 Days Dismissal | Dismissal Suspension 12 Days | Dismissal |

iv. ACTS OF OMISSIONS CONCERNING HARMONY AND GOOD, ORDER, SAFETY, SECURITY, AND DECENCY AT WORK

| OFFENSES | 1 st Offense | 2 nd Offense | 3 rd Offense | 4 th Offense | 5 th Offense |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 4.01 Bringing in or unauthorized possession of firearms, explosives, other deadly weapons within the company premises or jobsite. (E) | Dismissal | | | | |
| 4.02 Possessing, using, selling, distributing or pushing prohibited drugs or their substitute within the company premises or outside company premises during company sponsored activities. (E) | Dismissal | | | | |
| 4.03 Immoral or grossly indecent conduct within the Company premises. (E) | Dismissal | | | | |
| 4.04 Any act or omission analogous to serious misconduct, willful insubordination, fraud, breach of trust, gross or habitual neglect of duty. (E) | Dismissal | | | | |

| OFFENSES | 1 st Offense | 2 nd Offense | 3 rd Offense | 4 th Offense | 5 th Offense |
|--|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 4.05 Challenging or provoking to a fight or fighting within the Company premises. (E) | Dismissal | | | | |
| 4.06 Smoking within company premises. a. Non-hazardous area(s). (C) b. Hazardous area(s) such as Kitchen, Generator Room, etc. and other premises. (E) | Suspension 6 Days Dismissal | Suspension 12 Days | Dismissal | | |
| 4.07 Presence on company premises under the influence of intoxicating beverage or prohibited drugs. (D) | Suspension 12 Days | Dismissal | | | |
| 4.08 Refusal or Failure to comply with physical and medical requirements of the Company. (C) | Suspension 6 Days | Suspension 12 Days | Dismissal | | |
| 4.09 Refusal to submit to search, or interfering with security officers in the performance of their duties. (D) | Suspension 12 Days | Dismissal | | | |
| 4.10 Unauthorized possession of pick locks or similar tools that can open any locker, desk, drawer or any room, or door under lock or key. (C) | Suspension 6 Days | Suspension 12 Days | Dismissal | | |
| 4.11 Participation or engaging in loud and heated arguments during official working and/or within Company premises. (C) | Suspension 6 Days | Suspension 12 Days | Dismissal | | |
| 4.12 Using indecent, abusive, derogatory or indecorous language or gestures while on duty or within Company premises. (C) | Suspension 6 Days | Suspension 12 Days | Dismissal | | |
| 4.13 Coercing, bribing or inducing others to violate Company rules. (A, B, C, D or E - depending on the infraction committed) | Verbal Warning | Written Warning | Suspension 6 Days | Suspension 12 Days | Dismissal |
| 4.14 Giving false testimony during company investigation. (C) depending on the offense committed | Suspension 6 Days | Suspension 12 Days | Dismissal | | |

| OFFENSES | 1 st Offense | 2 nd Offense | 3 rd Offense | 4 th Offense | 5 th Offense |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 4.15 Refusal to follow prescribed procedures in cases of sickness or personal injuries sustained at work or in cases of accidents involving company property. a. Refusal (C) b. Failure (C) | Suspension 6 Days | Suspension 12 Days | Dismissal | | |
| 4.16 Using another employee's ID, badge or pass or permitting another to use your ID, badge, pass, to enter Company premises. (B) | Written Warning | Suspension 6 Days | Suspension 12 Days | Dismissal | |
| 4.17 Staining company walls or properties. (A, B,C, D or E – depending on infraction committed) | Suspension 6 Days | Suspension 12 Days | Dismissal | | |
| 4.18 Non disclosure of communicable disease/s. (B) | Written Warning | Suspension 6 Days | Suspension 12 Days | Dismissal | |
| 4.19 Failure to report immediately accidents or personal injuries to company authorities. (B) | Written Warning | Suspension 6 Days | Suspension 12 Days | Dismissal | |
| 4.20 Failure to comply with grooming standards/policies and wearing of prescribed personal protective equipment. (A) | Verbal Warning | Written Warning | 6 Days Suspension | 12 Days Suspension | Dismissal |
| 4.21 Improper use of toilet, canteen and locker facilities. (A) | Verbal Warning | Written Warning | Suspension 6 Days | Suspension 12 Days | Dismissal |
| 4.22 Violation of common health or sanitation rules. (A) | Verbal Warning | Written Warning | Suspension 6 Days | Suspension 12 Days | Dismissal |
| 4.23 Receiving or making frequent personal telephone calls or frequently receiving visitors. (A) | Verbal Warning | Written Warning | Suspension 6 Days | Suspension 12 Days | Dismissal |
| 4.24 Borrowing money from a co-employee occupying a lower rank (D) | 12 Days Suspension | Dismissal | | | |

v. SPECIAL PROVISION

| OFFENSES | 1 st Offense | 2 nd Offense | 3 rd Offense | 4 th Offense | 5 th Offense |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 5.01 Commission of any three (3) serious, grave infractions during a twelve-month period. (E) | Dismissal | | | | |

General Rules – Penalties

1. For purpose of applying a more severe penalty for a subsequent offense, penalties imposed for prior offenses shall prescribe after 12 months from date of service of the penalty and shall not thereafter be reckoned in the imposition of the proper penalty for the subsequent offense.
2. If the employee has been penalized for at least two (2) other violations within the twelve (12) - month period immediately preceding the date of commission of a subsequent offense, the penalty for the subsequent offense shall be one degree higher.
3. In addition to the penalty, the employee shall be liable for the damage, if any, to company funds and property.
4. The offenses listed under the Code shall not bar the Company from imposing penalties for acts and omissions analogous to serious misconduct, willful disobedience, fraud, breach of trust, gross and habitual neglect of duty, commission of a crime.
5. In any event where the company sustains loss or damage due to the act of the employee punishable by this code, reimbursement or payment from the employee shall be made by him to restore the loss or damaged fund and/or property.
6. Listing or infractions should not be understood as complete and exclusive. The company may impose corrective measures for any act contrary to the rules and regulations listed herein.

DISCIPLINARY ACTION PROCESS

| | Process | Forms | Authorized Signatory |
|--------------------|---|--|---|
| Day 1 | Employee commits an infraction | | |
| Day 2 | <p>↓</p> <p>Immediate Superior <i>personally</i> Interviews the employee concerned regarding the infraction that happened. Also, Immediate Superior informs the subordinate and other employees concerned to explain in writing their version of the incident. To be submitted w/in 5 days from the time they have been notified.</p> | <p>Notice to submit Written Explanation</p> | Immediate Superior |
| Day 3&4 | <p>↓</p> <p>Immediate Superior shall review all relevant reports & facts about the case and come out w/ a summary and recommended action to be taken. Time frame: minimum of 48 hours after explanations have been submitted or after the investigation. Submit the summary to the next level superior for approval.</p> | <p>Documents pertaining to the investigation</p> | Immediate Superior |
| Day 5&6 | <p>↓</p> <p>Next level superior will review the case and approve, disapprove or clarify the recommended action. Returns the approved recommendation w/in 24 hours, after receipt of the report, to the immediate superior.</p> | <p>Memo on Disc. Action</p> | <p>Immediate Superior Next Level Superior</p> |
| Day 7 | <p>↓</p> <p>Immediate Superior shall implement the disciplinary action immediately or in the earliest possible moment</p> | <p>Memo on Disp. Action</p> | <p>Immediate Superior Next Level Superior</p> |