

1Rotary Group of Companies Employee Handbook

This Employee Handbook (“**Handbook**”) shall apply to all employees of 1Rotary Group of Companies (**the “Company”**), including 1Rotary Trading Corporation, North Rotek Corporation, Rotek Trading Corporation, Panay Refrigeration and Airconditioning Supplies Corporation, Reliance Refrigeration and Airconditioning Corporation, Rodlink Industries, Inc., and any other entity to be owned and managed by the Company.

The Handbook contains the basic Company policy for employees and is supplemented by other issuances such as the Company Code of Conduct and Discipline and the Code of Conduct for Internal Auditors. The Company may issue guidelines on other Company policies from time to time.

The five sections of this Handbook are Hiring and Employment; Compensation and Benefits; Work and Conduct; Travel and Communication; and Workplace Upkeep, Security, and Safety.

I. Hiring and Employment

A. Hiring of Employees

1. The Company shall endeavor to hire only personnel with integrity, industry, and dedication. All personnel must also be sincere, diligent, and cooperative.
2. The Company shall give priority to existing qualified personnel in case of vacancy or creation of a new position before hiring new personnel.
3. All applicants must submit the following requirements to the Company prior to hiring. The Company may require the following documents from an existing employee from time to time:
 - a. Basic
 - i. Resumé with recent 2x2 picture
 - ii. Medical certificate from an accredited hospital or clinic, which may include results of chest x-ray, urine, stool, salmonella, and physical examination
 - iii. Drug test conducted by an accredited hospital or clinic
 - iv. Sketch of map to residence
 - v. Photocopy of diploma and transcript of records
 - vi. Residence certificate
 - vii. PSA or copy of the original birth certificate
 - viii. Marriage certificate, if applicable
 - ix. Recent picture for the company id, according to specifications (soft and hard copy)
 - x. Employee Handbook Acknowledgement Form
 - b. Government
 - i. Bureau of Internal Revenue (BIR) ID or BIR Form 1905
 - ii. Social Security System (SSS) ID or copy of SSS Form E-1 or SSS employee static print out
 - iii. Philippine Health Insurance Corporation (PhilHealth) ID or MDR

- iv. Home Development Mutual Fund (Pag-IBIG) MDF
- c. Clearances
 - i. National Bureau of Investigation (NBI Clearance)
 - ii. Police clearance
 - iii. Barangay clearance
- d. From previous employer
 - i. Certification from previous employer and certificate of good moral character
 - ii. BIR form 2316 from previous employer/s, for employment within the calendar year
- e. Other requirements, if applicable
 - i. Updated statement of account for SSS loan
 - ii. Updated statement of account for Pag-IBIG loan
- f. Other requirements, depending on the position
 - i. Driver's license (if applicable)

The Company may verify any reference provided by the applicant.

4. All applicants must pass the written and practical tests.
5. Applicants that submitted the foregoing requirements and passed the tests must likewise pass the physical and medical examinations conducted by the accredited hospital or clinic to certify physical and mental fitness for employment.
6. The decision to hire an accepted qualified applicant and the preparation of his or her employment contract shall be made upon satisfactory fulfillment of above-stated requirements.
7. The Company discourages employment of relatives of personnel within the third degree of consanguinity or affinity. However, should a position require technical ability or proficiency that cannot be met by other applicants, a relative of an employee may be considered, provided that he or she possess the necessary qualification and that such employment is favorably recommended by the president. Should there be employees who are relatives, they should, as much as practicable, be assigned in different departments.

B. Orientation

1. Employee orientation shall be conducted for newly hired and newly transferred or promoted employees. It shall include the following topics and activities:
 - a. Vision, mission, and values;
 - b. Employee Handbook;
 - c. Codes of conduct and discipline;
 - d. Benefits;
 - e. Job safety and security;
 - f. Promotion;
 - g. Performance evaluation standards;
 - h. Tour of the office;
 - i. Introduction to team members;
 - j. Duties and responsibilities;
 - k. Functions of the department where the employee is assigned.

2. Orientation of newly-hired employees shall be conducted individually or by group, prior to but not later than the first day of employment. The HR Department may decide to organize a group orientation to maximize the time allotted time for the completion of the topics.

Orientation of newly-transferred or promoted employees shall be conducted on the first day of the transfer or promotion.

3. HR will discuss no. (1.) (a.) to (i.), while the head or assigned officer of the department where the employee is assigned will discuss (j.) and (k.). The orientation of newly-transferred or promoted employees shall include items (j.) and (k.) as well as:
 - l. The team's policies and procedures; and
 - m. Key Results Areas, performance standards and indicators.
4. HR shall document the completed orientation and secure the employee's signature on the orientation checklist. This form shall be kept in the employee's 201 file.

C. Employment Categories

1. Employees are categorized as follows:
 - a. *Contractual employees*: those hired through a bona fide contracting party or agency, or directly by the Company to perform a job for a specific period or duration of employment;
 - b. *Casual employees*: those hired to perform activities that are not regularly done in the ordinary course of business. They may serve as reliever for employees on maternity leave on prolonged absence due to illness, or as additional manpower during peak workload that cannot be accomplished by the actual number of incumbent regular jobholders. Such employment is not to exceed five months.
 - c. *Probationary employees*: those hired on a trial basis for regular employment, for a less than six months; and
 - d. *Regular employees*: those who have successfully passed the probationary period to assume a regular position in the Company in a permanent capacity.
2. The benefits for each category shall depend on their employment status and job level, as provided by the Company.

D. Promotion

1. Promotion is the vertical movement of an employee's job level, classification, or grade, where he or she is placed in a position of higher responsibility.
2. The procedure for promotion is as follows:
 - a. An employee's immediate superior should submit a recommendation to the HR Department to assess him or her for a promotion.

- b. The HR Department will review the recommendation and coordinate the assessment with the concerned officers. The employee's last two performance appraisals shall also be reviewed.
- c. If the review is favorable, the employee shall be required to take a competency assessment consisting of tests, interviews, and a trial period to determine whether he or she is qualified for promotion. During the trial period, the employee may be given a temporary allowance.
- d. At the end of the trial period, any temporary allowance given shall cease. If the employee passes the competency assessment, the HR shall seek the approval of the president of the Company to confirm the promotion. If the employee fails the assessment, he or she will be returned to his or her prior assignment.
- e. The promoted employee's rate shall be adjusted corresponding to the rate for the new position.

E. Transfer

- 1. Transfer is the lateral movement from one position to another of equivalent job classification, level, or grade.
- 2. Management reserves the right and prerogative to transfer or rotate employees from one workplace to another, or from one job to another. Such movement may arise in the interest of the Company, to meet operational needs, or to provide employees with better opportunities for growth and development.
- 3. Employee rotation, which is regular, unannounced, and long enough to permit disclosure of any irregularities or manipulations, may be conducted.
- 4. Employees may not refuse a managerial order of transfer or rotation. The unjustified and willful refusal of an employee shall be tantamount to insubordination and subject to disciplinary action.
- 5. An employee may apply for transfer or rotation. The decision to make such movement shall be approved by management.

F. Resignation of Employee

- 1. Any employee may terminate his or her employment with the Company by serving a written notice at least 30 calendar days before the effectivity of the resignation.
- 2. During the period prior to the effectivity of the resignation, the employee must perform his or her duties in the office until the last working day. The Company may release an employee on an earlier date where it is determined that the early release is necessary.
- 3. The resigning employee shall turn over his or her duties and responsibilities, including surrendering files (soft and hard copies, notebooks, etc.), tools, and equipment (laptops, keyboards, scanners, cameras, etc.), to his supervisor or to the new employee assuming his or her job.

4. All Company-issued IDs and official documents (e.g. Employee Handbook, business cards, etc.) shall be surrendered to the HR Department on the employee's last day of work.
5. HR shall conduct an exit interview to gather information and inputs of the resigning employee for consideration in the improvement of the Company and its relationship with employees.
6. Salary of the employee for the remaining days to be worked will be put on hold for one month after his or her last day of work, pending clearance of all accountabilities and charges.
7. The clearance must be signed by all the concerned officers before the final paycheck of the employee may be released. The computation of the last paycheck shall be as follows:

<i>Add</i>	Unpaid salary of the employee
	Balance of prorated sick leave
	Prorated 13th month pay
<i>Less</i>	Unpaid accountabilities
	Government deductions, if applicable
Amount due to the resigned employee	

8. An affidavit of release and quitclaim must be signed by the resigned employee upon claiming the last paycheck and any other benefit due. Said affidavit must be duly notarized. Copies shall be distributed to the Accounting Department as attachment to the check and to HR as attachment to the 201 files.

G. Termination of Employee

1. The Company may terminate the employment of an employee for any of the following causes:
 - a. Serious misconduct or willful disobedience to the lawful orders of the employer or his or her representative in connection with work;
 - b. Gross and habitual neglect by the employee of his or her duties;
 - c. Fraud and willful breach by the employee of the trust reposed on him or her;
 - d. Commission of a crime or offense against the person of employer or any immediate member of his or her family, or his or her representative; and
 - e. Affliction of disease whose continued employment is prohibited by law or is prejudicial to his or her health and to that of his or her co-employees;
 - f. Other causes analogous to the foregoing.
2. The Company may also terminate the employment of an employee for any of the following grounds:
 - a. Installation of labor-saving devices;
 - b. Redundancy;
 - c. Retrenchment to prevent losses; and
 - d. Closure or cessation of business.

II. Compensation and Benefits

A. Paydays and Compensation

1. Work rendered from the 21st of the previous month to the 5th of the current month shall be paid on the 10th of the current month, inclusive of any overtime pay, less deductions for withholding tax, leave without pay, salary loans, and any other deduction.
2. Work rendered from the 6th to the 20th of the current month shall be paid on the 25th of the current month, inclusive of any overtime pay, less deductions for SSS, PhilHealth, Pag-IBIG, leave without pay, salary loans, and any other deduction.
3. Salaries shall be deposited to the ATM accounts of employees and pay slips may be viewed anytime on the online program while at the place of work.
4. In case the payday falls on non-banking day, salary shall be paid on the next banking day.
5. Mandatory deductions in accordance with applicable legal requirements shall be automatically made.
6. Voluntary deductions shall not be made without the employee's written authorization and HR's advance approval.
7. When attendance is incorrect, resulting in wrong payroll, the employee or his/her immediate supervisor must submit a signed letter to HR, noted by the employee's department head, with details of the incorrect calculation. If the claim is found to be accurate, HR will process the adjustment on the next payroll.
8. Holiday pay for regular holidays will be given to each employee who is present or with approved leave on the working day immediately prior to the holiday. Overtime pay on holidays will follow the rates provided by law.

B. Benefits

1. Sick Leave (SL)

Sick leaves are paid leaves subject to the approval of the employee's immediate supervisor and department head. All permanent or regular employees are entitled to five (5) days of sick leave every calendar year. Newly regularized employees, except those regularized in December, will earn a prorated equivalent for the remainder of the current calendar year. All sick leaves will be replenished on the payroll cut-off for January 10 of every new year.

Unused sick leaves are convertible to cash on January 10 of the following year.

2. Vacation Leave (VL)

Vacation leaves are paid leaves given to all regular employees, the number depending on the employee's position and tenure. Newly regularized employees, except those regularized in December, will earn a prorated equivalent for the remainder of the current calendar year.

Vacation leaves are subject to the approval of the employee's immediate supervisor and manager/department head. Requests for vacation leaves must be submitted and finalized on the system at least three (3) working days before the scheduled leave.

Vacation leaves may be used in lieu of emergency leaves, but not of sick leaves. Only the department head may give the final approval for leaves requested within three days of the leave.

Additional leaves based on tenure will start after 2 years of being with the Company.

- a. Daily paid employees (except branch heads) and all monthly paid employees that do not do office work (such as carpenters, utility, drivers, messengers, etc.) are entitled to five (5) days of VL. After a tenure of two years, they are entitled to an additional day for every year of service thereafter, provided that their VL shall not exceed nine (9) days.
- b. Branch Heads are entitled to five (5) days of VL. After a tenure of two years, they are entitled to an additional day for every year of service thereafter, provided that their VL shall not exceed 15 days.
- c. Monthly paid employees who do office work (except managers and department heads) are entitled to eight (8) days of VL. After a tenure of two years, they are entitled to an additional day for every year of service thereafter, provided that their VL shall not exceed 18 days.
- d. Managers and Department Heads are entitled to 15 days of VL. After a tenure of two years, they are entitled to an additional day for every year of service thereafter, provided that their VL shall not exceed 30 days.

All vacation leaves will be replenished on the payroll cut-off for January 10 of every new year. Unused VL will be forfeited.

3. *Birthday Leave*

After one full year of service, an employee is entitled to a birthday leave. This may be availed on any day within the calendar month of his/her birthday, and will be forfeited if unclaimed.

4. *Medical Benefit (HMO)*

All regular employees are enrolled with a Health Maintenance Organization (HMO), and may avail of allowed medical and dental services. Expenses will be shouldered by the Company up to the annual prescribed budget per employee.

5. *Thirteenth Month Pay*

Employees are entitled to 13th month pay consisting of the basic salary, which in turn includes all remuneration or earnings paid by the Company to the employee for services rendered, but does not include allowances, profit sharing, and other

monetary benefits, which are not integrated as part of the regular or basic salary of the employee.

6. *Financial Assistance*

Financial assistance, the maximum value of which is PHP 5,000.00, may be given to an employee whose member of his or her immediate family is hospitalized or dies. Immediate family is limited to the employee's children, parents, and legitimate spouse only. Details are outlined on the request form.

7. *Uniform*

Uniforms will be provided to employees, depending on the position.

8. *Merit Increase*

An employee shall be entitled to a merit increase based on performance evaluation. The rate of increase shall be determined by management based on the financial capability of the Company.

9. *Maternity and Paternity Leave*

Maternity leaves will be given in accordance with SSS and DOLE guidelines.

A married male employee shall be entitled to seven days paid leave for the first four deliveries in the event that his legitimate wife gives birth or suffers a miscarriage or emergency termination of pregnancy.

Approval of maternity and paternity leaves shall be made as soon as the employee has completed all necessary requirements.

10. *Retirement Pay*

An employee, upon reaching the age of 60 years but not beyond 65, which is the compulsory retirement age in the Company, is eligible for retirement pay provided he or she has served the Company for at least five years.

His or her retirement pay shall be equivalent to at least one-half month salary for every year of service, a fraction of at least six months being considered as one whole year. The term one-half month salary shall mean 15 days plus one-twelfth of the 13th month pay, and the cash equivalent of not more than five days SIL.

11. *Other government-mandated benefits*

Please refer to the official websites of the different government agencies, especially:

- a. Social Security System - www.sss.gov.ph
- b. Philhealth - www.philhealth.gov.ph
- c. Pag-ibig - www.pagibigfund.gov.ph

C. Performance Evaluation

1. The Company relies on all employees to accomplish their assigned tasks and to carry out their responsibilities with diligence and care. They are expected to meet the time, quality, and quantity standards of work as prescribed by their positions.
2. The Company shall regularly evaluate the performance of its employees. The standards for the evaluation are based on the key result areas and key performance indicators stated in their job descriptions.
3. The results of the evaluation will be communicated to the employee in a consultation with his or her supervisor.
4. HR shall keep a record of the employee evaluations.
5. Employees are expected to pass regular performance evaluation. Two consecutive failed evaluations shall be considered as ground for termination.

D. Employee Training

1. Employee training may be given directly by the immediate superior of a department through seminars or supervised on-the-job training programs, or by a group or institution offering such training programs through in-house and external training programs or scholarships.
2. The HR Department will carry out continuing practical and positive programs for the training and development of the Company's employees to ensure maximum efficiency in their performance of functions, duties, and responsibilities, and to improve employee morale. Supervisors and managers at all levels shall identify, in consultation with the HR Department, the training or development needs of employees under their authority.
3. An employee shall be responsible to improve himself or herself in order to become more useful to the organization, with the help and guidance of his or her supervisor.
4. All training or improvement in knowledge and skill that an employee has received whether in or out of the Company shall be recorded in his or her 201 file.
5. Employees who are recommended to attend seminars or trainings outside the Company premises may be required to prepare a training design to explain to other employees the lessons learned in such seminar or training. The department head shall recommend if an echo seminar is needed.
6. On the other hand, the department head is responsible for evaluating the performance of the employee who attended the seminar by, among other means, a training evaluation form. The HR Department shall administer the training evaluation form within one week after the training or seminar attended by an employee. In case evaluation is not immediately feasible, the department head should personally devise a way to apply the information gained from the training or seminar in his or her department.
7. Training needs of employees should be properly identified by their immediate superior through skills inventory assessments.

8. Appropriate training programs shall also be provided to all personnel performing activities affecting quality.
9. The employee will be required to serve a “holding period” and stay with the Company for an amount of time should it invest on his or her training/learning and development. The holding period will commence on the day that the employee returns to work and depends on the cost of the training:

Cost of training	Holding period
Above PHP 20,000	case to case, as agreed
PHP 11,000 to 19,999	6 months
PHP 10,000 and below	3 months

10. In the event that the employee, upon completion of training, has been able to apply the knowledge and skills learned and triple the amount of investment in his or her actual work, management may waive the holding period.
11. Should the employee decide to leave the services of the Company before completing the holding period, he or she shall be charged an amount, which is the equivalent to the cost of training multiplied by the unserved portion of the holding period.

Amount payable to the Company:

Cost of training x (Unserved number of months / holding period in months)

III. Work and Conduct

A. Attendance and Punctuality

1. Workdays and hours

The Company operates seven days a week, eight hours a day. Depending on the nature of the job of an employee, work schedule may be determined according to business exigencies. An employee's work schedule may be changed from time to time. He or she may be assigned to work at different hours depending on the nature of work.

Official time of work is from 8:00am to 5:00pm, six days a week. Generally, work days are from Mondays to Saturdays, except for employees who have rest days scheduled on days other than Sundays.

A branch employee is expected to be at his or her branch at 8:00a.m. already in complete uniform and ready to face customers.

If an employee is assigned elsewhere for the day, or may have business at another location in a place other than his or her usual place of work, he or she must call the office at 8:00am to report for work and to inform them of his or her whereabouts.

Department heads are allowed to report at 8:30a.m.

All stores and offices are closed on the following regular holidays: New Year's Day (January 1), Good Friday, All Saint's Day (November 1), and Christmas Day (December 25). Closing of stores on other holidays will be announced.

Some office positions are open for remote working Saturday, wherein an employee may opt not to be physically present at the office on Saturdays, subject to conditions. An application form must be accomplished and submitted for approval prior to the scheduled date.

2. *Rest Day*

An employee shall be entitled to a rest day of not less than 24 consecutive hours in a week. Changes in the schedule of rest day may be made to conform to Company operation requirements. An employee who may be affected by the change shall be given at least 24 hours' notice prior to the scheduled change of rest day.

3. *Break Period*

An employee shall be given a lunch break of not more than one hour, and a snack or coffee break of 15 minutes each in the morning and in the afternoon. Where the operations in the field and retail stores are continuous, an employee should arrange his or her break time in such a way that work will not be interrupted while giving him or her ample time for lunch, snack, or coffee.

4. *Absence*

a. *Absence with leave*

An employee's absence may be excused or with leave if given with prior notice and the notice is approved. The cause for the absence must be urgent and reasonable, such as an emergency or a personal matter that cannot be handled outside working hours. The notice, together with a leave application form, must be given to his or her supervisor at least three days before the absence.

If the reason for the employee's absence prevents him from securing prior notice (such as when he becomes sick on a work day), he or she must give notice to his or her supervisor as soon as practicable. Immediately upon returning to work, the employee must accomplish a leave application form.

When an employee is absent for three or more consecutive days due to sickness, a medical certificate signed by a physician should be submitted to the HR Department. If the sickness suffered from is communicable, the employee must present himself or herself to the HR Department with a return to work clearance from a physician, immediately upon returning to work.

Extended leave requires prior notice and approval.

b. *Absence without leave*

Absence without approved notice is considered without leave (AWOL).

Each day of AWOL is considered as one infraction. Half day's AWOL is considered as one day. Three AWOL within the same month are considered habitual absenteeism and will be subject to disciplinary action.

5. *Undertime*

Undertime means rendering work for a minimum of two hours from 8:00a.m. to 12:00noon, and two hours from 1:00p.m. to 5:00p.m. Anything less than this is considered as absence. The employee must seek the written permission from his or her supervisor beforehand and the unworked hours may not be charged to leave credits.

6. *Punctuality*

Punctuality is necessary for the proper implementation of the work schedule. It also means strictly observing break hours and not leaving the place of work before scheduled time out.

An employee shall be considered tardy when he or she reports for work after the scheduled start of work. It is unfair not only to the Company but also to his or her co-employees who will shoulder the added work and responsibilities.

An employee is given a grace period of 10 minutes from the time he or she is required to report for work, tardiness in excess of which will cause his or her salary to be deducted.

Tardiness may only be excused when caused by inclement weather (typhoon, flood, etc.), widespread civil disturbances or strikes, or other calamities, or fortuitous events.

Habitual tardiness is tardiness for a total of 120 minutes, or tardiness five times in one month, whichever comes first, and will be subject to disciplinary action

7. *Work schedule authorization*

An employee who needs to perform work outside the regular working hours or schedule needs to seek prior authorization from his or her immediate supervisor.

8. *Timekeeping*

An employee is required to inform the HR Department of his or her daily attendance as follows --

- a. Main warehouse and other locations: an employee must time in and out using the biometric device installed in the establishment.
- b. Offices/ stores/ other warehouses: an employee must sign in using the online program in his or her designated computer. If internet is unavailable, a screenshot of the login page showing the official company date and time must be emailed to the HR Department once online. The employee must sign the attendance portion of the daily transmittal form.

An employee may sign in only when he or she is in proper uniform and ready to face customers.

- c. Personnel on official field work: an employee must call the designated office personnel as proof for his or her time in. Failure to do so will be constituted as an absence without permission.

In the unlikely event that the person responsible for opening the workplace has not arrived on time, it is the responsibility of the present employees to inform management for them to immediately take action. If the branch, warehouse, or office is not open by 8:00a.m., the key custodian will be held responsible and will be subject to disciplinary action. Those who are not key custodians must call the HR Department to record their correct attendance.

An employee must accurately report all the time worked for purposes of the official record and computation of payroll. Giving wrong information regarding attendance is a breach of trust and subject to disciplinary action under the Company's Code of Conduct.

B. Appearance, Grooming, and Dress Code

1. All employees must wear the complete prescribed uniform at all times.
2. Office personnel with no assigned uniform shall observe the following dress code:
 - a. Monday to Thursday, corporate attire
 - b. Friday, business casual
 - c. Saturday, casual
3. Company ID must be visibly worn at all times by office personnel. In case of loss or mutilation of the id or id lace, an employee must seek replacement from the HR Department at his or her cost.
4. An employee must take care of his or her appearance, grooming, and personal hygiene, according to grooming standards that may be issued by the Company from time to time.

C. Workplace Etiquette

1. An employee must execute his or her tasks with due and faithful performance of his or her duties, responsibilities, and obligations. He or she must interact harmoniously with fellow employees and endeavor at all times to prove himself or herself worthy of trust reposed in his or her employment. He or she must –
 - a. Respect the person, rights, and property of fellow employees, those of the Company, its customers, suppliers, or anyone with which the Company conducts business;
 - b. Uphold and observe the virtues of work, loyalty, honesty, and integrity;
 - c. Uphold and observe the basic rules of proper office decorum and right conduct, recognize and respect the authority of his or her superiors and the management;

- d. Refrain from indulging in destructive habits, such as envy, intrigue, and rumor mongering, which may destroy a person's reputation and are deterrent to the Company's progress.

2. Employee-management relationship

- a. An employee must support and carry out the policies of the Company.
- b. In case policies or directions issued by the management would appear contrary or undesirable to an employee, he or she should avoid discussing this with his or her fellow employees, but instead ask for clarification with his or her supervisor.
- c. An employee must show proper respect to the management in all kinds of communications and dealings. Communication and business must be made and carried out through proper channels.
- d. An employee must contribute his or her full share in the realization of the Company's objectives. He or she must:
 - i) Fulfill his or her duties and responsibilities conscientiously;
 - ii) Follow all rules and regulations;
 - iii) Fully participate at meetings and Company activities; and
 - iv) Offer and accept to serve in committees set up for Company functions.

3. Employee-employee relationship

- a. An employee should show loyalty, mutual trust, discretion, and self-reliance for the successful implementation of the Company's objectives.
- b. An employee should show support with his or her colleagues but is expected to perform his or her duties independently. He or she should take the initiative to follow through a task until its conclusion.
- c. An employee should acknowledge the competence of another employee, and not claim credit for another's work.
- d. Should an employee learn of any violation of the Company's policies or abuse of power by another employee, he or she should report the matter to the proper authority and should avoid discussing the matter with other employees.
- e. An employee is permitted to develop social but professional relationships in the workplace. They must not interfere with his or her performance or productivity, and must not create bias or conflict of interest. A relationship that has potential to interfere with work, create bias, or conflict of interest must be disclosed.

4. Supervisor-staff relationship

- a. A supervisor recognizes that the needs and welfare of his subordinates are his or her concern. He or she must instruct and guide them in the performance of their work.

- b. A supervisor shall maintain cordial but professional relations with his or her peers, staff, and all employees, and shall conduct himself in a way that will merit the confidence and respect of his or her subordinates.
- c. A supervisor must identify the different skills and capabilities of his or her subordinates based on specific intellectual, physical, religious, or other needs.
- d. A supervisor must exercise his or her independent judgment and free himself or herself from the influence of his or her subordinates in decision making.
- e. A supervisor must encourage cooperation and understanding amongst subordinates, commend their accomplishments, and help solve their problems.
- f. A supervisor shall recommend sanction commensurate to the violation of a misbehaving subordinate and its surrounding circumstances.
- g. A supervisor shall respect confidential information divulged by his or her staff, which shall only be communicated to a person who has the right to know it.
- h. A supervisor shall listen to the complaint or protest of his or her staff and shall determine whether the matter can be settled without having to resort to the intervention of higher management.

5. Business partner-employee relationship

- a. A business partner is a person with whom the Company conducts business, including but not limited to clients, suppliers, service providers, and lessors.
- b. An employee must conduct himself or herself professionally with business partners.
- c. An employee shall not receive any gift from business partners, unless given on special occasions.
- d. An employee shall not solicit any gift, loan, or favor from business partners.

D. Conflict of Interest and Compromising Situations

- 1. Conflict of interest is any situation, relation, or arrangement, where an employee may have personal interests or loyalties contrary to the Company's best interest, which may tempt an employee to pursue over the Company's. An employee shall avoid conflict of interest and disclose any such conflict to the Company.
- 2. When transacting on behalf of the Company, an employee must give relatives and friends, or organizations the same professional treatment that he or she gives ordinary customers, suppliers, service providers, etc.

3. An employee shall exercise care in the management of his or her private affairs, so as not to appear to benefit from any Company transaction over which he or she has influence, such as but not limited to purchases, sales, contracts, etc.
4. Except for special occasions, an employee shall not, either accept any gift or other complimentary item in the performance of his or her duty from any customer, supplier, service provider, etc.
5. An employee's pursuit of other means of augmenting personal income must --
 - a. Not affect his or her time and attention during work hours nor interfere with the performance of his or her duties as an employee;
 - b. Not compete with any activity related to the Company's business; and
 - c. Not bring the Company into disrepute.
6. An employee shall keep confidential information to himself or herself. An employee shall not publish, share, distribute, e-mail, upload, cite, quote or convert in any form any confidential document, record or paper of the Company without prior consent.
7. An employee is prohibited from engaging in the same line of business as that of the Company within two years from separation.
8. Employees who believe that they are in, or might be entering into a conflict of interest or a perceived conflict of interest are advised to discuss the situation with their supervisor. The supervisor must then inform HR and the President of the case for approved action or clearance.

IV. Communication and Travel

A. E-mail Writing

1. E-mail is considered an official Company correspondence. It reflects the professionalism expected by the Company of its employees and must be used only for business. As such, an employee must always proofread any e-mail prior to sending.
2. Only persons from whom information or action is requested, and those concerned with the request may be included as recipients. The style of an e-mail must be appropriate to its recipient.
3. Any e-mail must use lowercase and uppercase letters. An employee must avoid using entirely uppercase letters because a person may be perceived to be angry or shouting. Neither must entirely lowercase letters be used.
4. Use of Company e-mail for confidential matters must be done sparingly.
5. Company e-mail addresses are regulated by management. All e-mails received and sent through the Company's e-mail domain are property of the Company, and may be checked by management from time to time.

B. Internet Use

1. The Company's internet must be used only for business purposes. An employee must not use the Company's internet --
 - a. To visit websites that feature pornography, gambling, violent images, or are otherwise inappropriate in the workplace;
 - b. To operate an outside business, solicit money for personal purpose, or otherwise act for personal financial gain;
 - c. To download any software, article, or material in violation of copyright laws;
 - d. To download any unauthorized file;
 - e. To download any software program of the Company without the expressed written consent of the management; or
 - f. To read, open, or download any file from the internet without first screening for possible virus or malware.
2. An employee may be allowed to access the internet during non-work hours, provided that he or she does not violate any of the prohibitions enumerated in the previous item.
3. Management reserves the right to monitor an employee's internet use at any time to ensure compliance with this policy. An employee does not have privacy over his or her internet use. The Company may gather information regarding an employee's sites visited, amount of time sent online, or any communication made through its servers.
4. Before an employee is allowed to use the Company's e-mail and internet service, he or she is required to sign the E-mail and Internet Policy Acknowledgement Form, which shall be included in the 201 file.

C. Phone calls and Phone Use

1. Every telephone call must be promptly and courteously answered.
2. Use of the phone during office hours is limited to official calls and personal emergencies. Unofficial and non-emergency calls may be made during break time but should not exceed three minutes.
3. Calls and texts on personal mobile phones during office hours must be done for emergency purposes only.

D. Travel

1. An employee who is sent to an official travel is entitled to funds or reimbursement for the following expenses, where they apply:
 - a. Transportation;
 - b. Hotel or accommodation;

- c. Per diem, based on the number of days of official travel and covers meals, and other daily living and travel expenses within the destination;
 - d. Other related expenses.
- 2. The above-stated expenses are all subject to liquidation. An employee must liquidate his or her expenses within 48 hours upon return to work. This will be reviewed and approved by the direct supervisor and the department head.
- 3. For out-of-town travel, an employee's transit to and from the destination of official travel is considered attendance at work. No overtime will be considered. Any delay caused by the common carrier will not be covered by the per diem allowance.
- 4. For local travel, if the total transit time of an employee is less than four hours, the employee must report to work before or after transit. Otherwise his or her attendance will be considered as half day.

V. Security, Safety, and Health

A. Workplace Security and Safety

1. Gate pass

Company property may be taken out of Company premises only after the accomplishment of the transfer receipt, for which a gate pass will be issued.

2. Off-duty access

An employee who is off-duty is not allowed to enter the office and storage areas unless he/she is granted prior written consent.

3. Restricted area

The Company maintains storage areas where only authorized personnel are allowed entry for reasons of safety and security. An employee who violates this provision may be subject to disciplinary action.

4. Observance of safety and security rules

An employee must observe the safety and security rules of the Company at all times. Safety signs, which are posted within the Company premises and warehouses, must be strictly complied with. All dangerous and hazardous conditions within the Company premises must be reported immediately.

5. Maintenance of property and inventory

An employee who is issued tools, supplies, and equipment is responsible for them. This includes vehicles and work areas. Any loss or damage should be reported to the supervisor immediately. An employee who is found to have deliberately abused or misused Company property shall be subject to disciplinary action.

The same rules apply for inventory in addition to accountability therefore and keeping the same in good order and condition.

6. *Security breach*

The following circumstances, may be considered in determining security breach:

- a. Unauthorized access of non-employees to the Company premises;
- b. Overstaying in the Company premises;
- c. Failure to inform the office that stay-in employees are no longer located at the Company's premises;
- d. Leaving the office or branch unsecured for any amount of time;
- e. Divulging any confidential information, including but not limited to information on sales volume, marketing efforts, client lists, supplier lists, item costs, and inventory levels, among others.

Employees responsible for security breach shall be subject to disciplinary action.

B. Personal Safety and Health

1. An employee shall observe guidelines that the Company may issue on health, orderliness, sanitation, and hygiene.
2. An employee must be physically fit in the performance of his or her work. As such, the Company requires each employee to undergo annual physical, medical, and dental examination.
3. An employee with a communicable disease may not enter Company premises, and must stay at home or in a hospital, as advised by his or her physician.

1 Rotary Employee Handbook Acknowledgement

I, _____, have received, thoroughly read, and completely understood the employment policies and guidelines set forth in the employee handbook, and that *I have no unanswered questions*. I understand that this manual is not a binding employment contract.

I also acknowledge that this is Company property. Any alteration as well as reproduction of the Employee Handbook or any part of it is prohibited. Bringing it outside the Company premises is not allowed.

I hereby agree and commit myself to abide with the stated policies and procedures. I recognize that not to do so will subject me to disciplinary proceedings and/or termination, at any time for any reason.

This Employee Handbook will serve as my day-to-day guide to be the best that I can be with the duties & responsibilities entrusted to me by the Company.

(Signature above printed name)

(Date: MM/DD/YY)