



# EMPLOYEE CODE OF CONDUCT

## *CONTENTS*

<b>INTRODUCTION .....</b>	<b>1</b>
<b>MISSION STATEMENT .....</b>	<b>2</b>
<b>CORPORATE CORE VALUES .....</b>	<b>2</b>
<b>PROVISIONS .....</b>	<b>4</b>
1. Guiding Principles .....	4
Compliance with Laws and Company Policies, Directives, and Procedures .....	4
Guidelines on Ethical Business Conduct .....	5
2. Conflict of Interest .....	5
Investments .....	6
Other Employment or Business Activity .....	6
Entertainment/Gifts .....	6
Employment/Business Activities of Relatives .....	7
Selling Life Insurance Products .....	7
Assumption of Government Positions .....	7
Reporting of Conflict of Interest Situations .....	7
3. Personal Behavior in the Workplace .....	8
Punctuality/Observance of Working Hours and Break Periods .....	8
Attendance/Absences .....	9
Avoidance of Alcohol, Dangerous Drugs, and Other Substances .....	9
Respect for Colleagues .....	10
Discrimination and Harassment .....	10
Threats to individuals/disruptive behavior .....	10
Dress Code and Identification Cards .....	10
Personal Visitors/Telephone Calls .....	11
Gambling, Smoking and Selling Merchandise.....	11

4. Job Performance .....	11
5. Handling of Confidential/Proprietary Information .....	12
6. Dealing with the Public .....	13
7. Internal Controls .....	14
8. Management and Handling of Company Resources .....	15
9. Compliance with Computer Software and Copyright Law .....	16
<b>DISCIPLINARY ACTIONS</b> .....	16
1. Violation of Administrative and Organizational Rules .....	17
2. Non-conformance with Performance Standards .....	17
3. Non-conformance with Behavioral Norms .....	17
4. Non-conformance with Policies and Expected Roles .....	18
5. Violation Against Laws and Fraudulent Acts .....	19
6. Company's Procedure on Due Process .....	19
7. Definition of Terms .....	20

## INTRODUCTION

Consistent with its corporate mission and core values, the Company needs to instill among its employees the discipline and ethical conduct required in the performance of their functions in order to bring about the orderly conduct of its business, to minimize conflict between and among management and employees, to insure that the rights of all members of the organization are protected, and to create the environment needed to achieve the Company's goals and objectives.

This Code of Conduct embodies the Company's expectations from each member of the organization and communicates to all employees the information needed for them to adhere to the Company's ethical and behavioral standards.

The provisions of this Code include both general and specific guidelines for employee behavior. In some cases, there may be a need to refer to specific policy provisions of a certain subject in order to completely understand the details of the Company Policy. This Code shall be used as a basis in managing, monitoring, and regulating people, systems, and activities. The Code specifies disciplinary actions for violations committed by the members of the organization.

We enjoin all employees to strictly comply with the provisions of this Code of Conduct for an orderly and harmonious working environment for all of us.

This Code takes effect on 16 July 2003. All provisions of the previous Code of Conduct which are inconsistent with those of this Code are hereby superseded and rendered to be of no further force and effect.

(Orig.signed)  
VICENTE R. AYLLÓN  
Chairman of the Board and CEO

## MISSION STATEMENT

Our mission is to provide a full-range of high-value insurance products and other financial services that empower families to fulfill their dreams, thus helping build a stronger Philippines.

We are Insular Life, the pioneering and largest Filipino life insurance company. We enable our professional, customer-oriented employee and agency force to render service of the highest quality.

We optimize stakeholder value by pursuing strategic opportunities, and by achieving sustained growth through dynamic marketing, prudent investments and excellent service.

## CORPORATE CORE VALUES

### *Love of God and Country*

Our ultimate fulfillment comes from knowing that we contribute in improving the lives of our fellow Filipinos by securing their future. We support the government in nation building by providing jobs that allow for both personal and professional growth and actively advocating nationwide literacy through our various education-centered projects among others. Above all, we honor God by touching lives through sharing our financial, human and intellectual resources.

### **Integrity**

We acknowledge the confidence that the public, particularly our policyholders, places on us. As such, the Company ingrains in all of us honesty and uprightness in everything we do. We conduct our business according to the highest moral and ethical standards, rendering to all our policyholders and other stakeholders what is rightfully due to them.

### *Excellence*

We espouse a deep sense of responsibility for our work and seek continuous improvement of our people and processes. We do these so that we may always give our customers sound financial advice and the highest quality of service. We derive pride and fulfillment knowing that we consistently exceed expectations.

### **Prudence**

We value the trust given to us and as such ensure that we exercise caution in all our financial dealings. We remain pro-active in seeking avenues that would optimize the value of our resources to ensure delivery of our promises to people who rely on us for their financial security.

***Respect for Individual***

We recognize that every individual is unique and possesses a distinct worth which contributes to the organization's value. We help each individual realize his fullest potential as a person by providing the environment for constantly increasing knowledge and broadening his experience.

***Teamwork***

We recognize that our success in business requires a commendable *esprit de corps* among our people. We acknowledge that our collective efforts facilitate the achievement of short and long-term goals. We continually promote and strengthen camaraderie as well as unity among our workforce.

## ***PROVISIONS***

### **1. Guiding Principles**

- 1.1. *Compliance with Laws and Company Policies, Directives, and Procedures* – As life insurance is a business imbued with public interest, we are required to give our utmost dedication and commitment to our work for the benefit of our insuring public. In keeping with this commitment, all of us are enjoined to observe and comply with the following precepts:
  - 1.1.1. All employees are expected and directed to comply with all laws, government rules and regulations, and Company Policies, Directives, and Procedures relating to their functions and business activities.
  - 1.1.2. It is the responsibility of each employee to know and understand the legal and policy requirements applicable to his/her functions and to notify Management when a violation of any of the laws and/or policies has occurred.
  - 1.1.3. Each employee is expected to report to Management any attempted or actual violation of Company Policies, Directives, and Procedures and to cooperate in the investigation of any alleged violation thereof.
  - 1.1.4. The report of any violation may be forwarded to Management through the following: Employee's Superior, Head of Human Resources Division, Head of Legal Affairs Coordination Office (LACO), or Head of Audit Staff.
  - 1.1.5. Concealing a violation or altering and/or destroying any evidence to hinder an investigation shall be considered an offense against the Company.
  - 1.1.6. Willful withholding of information, thereon, is a ground for disciplinary action.
  - 1.1.7. Officers, Managers, and Supervisors are responsible for the following:
    - 1.1.7.1. To ensure that they themselves and employees, consultants, and contractors under their supervision are knowledgeable and are complying with laws and policies governing their functions and activities;
    - 1.1.7.2. To seek advice from Legal Affairs Coordinating Office when confusion and conflict on matters pertaining to laws and Company policies arise;
    - 1.1.7.3. To orient employees under their supervision about the laws and policies applicable to their work and to take steps to prevent any violation of governing laws or Company policies;

1.1.7.4. To detect, evaluate, and report to Management violation of laws and Company policies which may arise in their areas of responsibility; and,

1.1.7.5. To ensure that any employee who reports to Management a suspected violation of law or Company policy is protected from any form of retaliation.

1.1.8. Protecting the Company's reputation and integrity, including its resources is every employee's responsibility.

1.2. Employees who violate any law involving moral turpitude, or any of the Company Policies, Directives and Procedures shall be subject to disciplinary action up to and including, termination, depending on the seriousness of the violation.

### *1.3. Guidelines on Ethical Business Conduct*

1.3.1. The Company, in the conduct of its business, is guided by its Core Values: Commitment to Excellence, Integrity in Work, Respect for the Individual and Upliftment of the Filipino. All employees are expected to conduct their activities with uncompromising honesty and integrity.

1.3.2. Inasmuch as not all activities/situations can be governed by law and Company policies, employees are expected to use their good judgment in taking action. In situations where no policy is applicable, employees must ensure that their actions protect the Company's reputation as an ethical Company, and that such actions are aligned with the enumerated Corporate Values.

## **2. Conflict of Interest**

2.1. All actions and decisions of an employee in the conduct of his day-to-day affairs, most especially as they relate to the Company's business operations, must at all times be made solely in the best interest of the Company. All employees therefore must avoid the appearance of and the fact of conflict of interest.

2.2. An employee, in his decision-making process, should not be influenced by personal considerations, which might affect his/her judgment in deciding for the best interest of the Company. Personal considerations may involve interests of the employee himself or those of the members of his immediate family – his/her spouse, children, parents, or brothers, and sisters. Other conflict of interest situation may also involve persons or entities other than the employee's immediate family members.

2.3. The following and similar cases are areas where an employee may be considered in a conflict of interest situation:

2.3.1. *Investments.* In general, an employee or his/her immediate family members should not have any major ownership or business/profit interest in a competing firm and firms of suppliers and/or customers with whom he/she deals in the performance of his/her function and who may benefit or derive any profit from the employee's knowledge and decision in the discharge of his Company responsibilities.

Immediate family members of an employee include his spouse and children, parents, brothers and sisters.

Employees whose functions relate to the investment operations of the Company must use the Company's facilities, time and resources solely for the benefit of the Company.

An employee must not use or avail of any resource or opportunity, for his/her own personal investment transactions as well as those of his immediate family members and other persons/entities without the proper authorization from the Company.

2.3.2. *Other employment or business activity.* All employees are expected to render their full time and best efforts to the Company during the Company's official working days and hours.

No employee should have outside employment or other business interests which interfere with the time or attention he/she is expected to devote to his/her regular duties and responsibilities with the Company. Moreover, outside employment or business interest that competes with the business of the Company, or which includes the use of information regarding the Company and its clients, and which will otherwise be detrimental to the interest of the Company, shall not be allowed.

2.3.3. *Entertainment/Gifts.* Employees are prohibited from accepting entertainment, commissions and gifts in whatever form which can be interpreted as placing an obligation on the Company to favor the requests of the gift-giver, thus, placing the employee in a conflict of interest situation.

All employees should likewise refuse any entertainment or gifts, which, although initially appearing to be not connected with their respective functions, may be considered, in the future, as an influence to their decision involving the gift-giver.

In cases of invitations for orientation and courses required in a business relationship, such invitation should be forwarded to the Office of the President for evaluation/approval.

2.3.4. *Employment/Business Activities of Relatives.* An employee whose spouse or close relative is an employee and/or owner of a firm, which is a customer, supplier or competitor of the Company, should not participate in decisions with respect to the Company's existing or possible business relationship with that firm. The concerned employee is also prohibited from discussing and disclosing any confidential information about the Company in relation to the transaction that will give his/her spouse and/or relatives any undue advantage over other business firms or which will be prejudicial to the interests of the Company.

If an employee has a close relative who is also an employee of the Company, direct and immediate reporting relationship shall not be allowed, except when the position requires special technical knowledge and skills. However, such reporting relationship shall need prior approval from the Office of the President.

Close relatives of an employee include spouses, children, parents, sisters, brothers, first cousins, and in-laws (relatives by affinity up to first cousins).

2.3.5. *Selling life insurance products.* Employees are prohibited from selling life insurance products. Potential life insurance business encountered by employees and their spouses must be referred to concerned Sales Unit Heads.

In general, employees' close relatives such as spouses, brothers, sisters, and parents are not allowed to sell insurance products of the Company.

In cases of employees whose functions do not fall under the core operations of business, their close relatives may be allowed to join the agency force, subject to disclosure and approval from the Group Head concerned and the Head of Human Resources Division.

2.3.6. *Assumption of Government Positions* – Any employee who is appointed to or is filing candidacy for election to a government position is required to officially notify the Company in writing, through his superiors, and shall simultaneously tender his resignation.

Failure to do so shall constitute a sufficient ground for the dismissal of the employee concerned from employment.

However, the said employee need not resign nor will his employment be terminated if he is filing for candidacy for elective government position at the Barangay level (e.g., Barangay Captain or Barangay Councilors).

#### 2.4. *Reporting of Conflict of Interest Situations*

2.4.1. In any conflict of interest situation, whether actual or potential, the employee concerned or his/her relative/s involved in such a conflict situation should immediately desist from being involved therein and the employee should promptly report and disclose the same to his superiors for the best interest of the Company.

2.4.2. Annually, during the conduct of performance appraisal, each employee is required to report or disclose to his/her superior any potential or actual conflict of interest involving him/her or his/her relatives, as stated in the foregoing rules.

Each Unit Head (Department level) shall forward a summary of these situations to Human Resources Division. A review and evaluation, in coordination with Legal Affairs Coordinating Office, shall be done and the Company's action shall be communicated to the concerned employee.

2.4.3. Where material conflict exists, an employee is required to reasonably cooperate by resolving the conflict through dissociating himself/herself from the source of conflict.

2.4.4. An employee who is uncertain about the appropriateness of his/her conduct or decisions in relation to the Company's policy on conflict of interest should first consult with his superiors before acting or making his/her decision.

2.4.5. In cases of employees' close relatives selling insurance products of the Company, the employees concerned shall be required to sign appropriate documents that will prevent occurrence of employees' relatives being given undue advantage over other Company agents.

2.4.6. An employee found and proven to have failed to notify his/her superiors or the Company about a potential or actual conflict of interest in his/her functions shall be subject to disciplinary action.

### **3. Personal Behavior in the Workplace**

#### *3.1. Punctuality/Observance of Working Hours and Break Periods*

3.1.1. Employees must report for work not later than the start of the designated working hours for their respective functions. Habitual tardiness, as defined in the Days and Hours of Work, will not be tolerated.

3.1.2. Subject to government policies and exigencies of operations, the working hours of employees may be changed upon prior notice to employees covered.

3.1.3. All employees shall time in before the start, and time out after the end, of each work schedule, subject to the requirements of their functions and by using the prescribed time monitoring system for the office where they are assigned.

Dishonest and fraudulent acts related to time monitoring system of employees shall be a ground for dismissal.

3.1.4. Employees who go out for official business (OB) shall accomplish the OB prescribed form in order to properly account the number of days and hours worked on official business.

- 3.1.5. Only overtime work with prior approval of the immediate superiors of employees shall be allowed and paid by the Company.
- 3.1.6. All employees are likewise expected to properly observe the break hours allowed. Managers and supervisors may provide for staggered coffee and lunch breaks for their staff in order to ensure continuous operations/servicing of customers.
- 3.1.7. Non-observance of the above provisions and/or actions contrary to the foregoing shall be a basis for disciplinary action. Specific details governing Days and Hours of Work are found in Personnel Policy Circular No. 97OP-005.

### *3.2. Attendance/Absences*

Employees are expected to report for work everyday for the smooth conduct of business. Should there be a need for an employee to be absent from his/her work, the following policy guidelines shall apply:

- 3.2.1. For vacation, maternity, paternity leaves and elective cases of sick leave, the employee must file the prescribed leave request form and secure approval from his/her superior prior to the date of his/her leave of absence.
- 3.2.2. For emergency, sudden sickness and situations outside of the employee's control, the employee must notify his/her immediate superior within the first two hours of his/her day of absence. This will enable the employee's superior to organize and prioritize activities affected by the employees leave of absence
- 3.2.3. The details of the Leave Policy are available to all employees through a separate circular. Leave of absence not in conformance with the policy is considered Absence Without Leave (AWOL) and is a ground for disciplinary action.
- 3.2.4. Habitual absences, defined as more than three times (3x) in a month and/or five times (5x) in a quarter, without justifiable reason shall be a ground for disciplinary action. Actions contrary to the above provisions shall likewise be a ground for disciplinary action.

### *3.3. Avoidance of Alcohol, Dangerous Drugs, and Other Substances* – Unless it is considered a health requirement, all employees are strictly prohibited at all times from possessing and using Dangerous Drugs and other similar substances as provided in the applicable law or government regulation.

The Company may require an employee to undergo drug tests in the following cases: when a reasonable ground to believe that an employee uses drugs, and when an employee poses a hazard to co-employees, clients, and the public in general.

An employee proven to be a positive user of prohibited drugs or involved in administering or pushing dangerous drugs will be subject to disciplinary action and/or applicable law or government regulation.

### *3.4. Respect for Colleagues*

Each employee has the personal responsibility to treat a colleague with respect and foster a harmonious and efficient working environment.

3.4.1. *Discrimination and Harassment* - It is the Company's policy to provide a work environment that is free not only from discrimination, but also from harassment and intimidation because of color, religion, gender, age, regional origin, and sexual orientation. Employees are encouraged to bring to the attention of Management cases of discrimination and harassment. Avoidance of acts of discrimination and harassment is a continuing condition of employment for every employee.

3.4.2. *Threats to individuals/disruptive behavior.* The Company strives to maintain a working environment conducive to the smooth flow of operations by requiring all employees to observe proper office decorum and conduct. Any threat to individuals and/or disruptive behavior shall not be allowed.

The following, among others, are considered as threats to individuals and therefore will constitute prohibited acts during employment with the Company:

3.4.2.1. Fighting, provoking or instigating other employees, agents, clients or other persons to engage in a fight while in Company premises.

3.4.2.2. Threatening, assaulting, and inflicting or attempting to inflict harm or injury to others while inside Company premises.

3.4.2.3. Actual acts of physical and/or verbal violence committed against another person while inside Company premises.

3.4.2.4. Sexual advances/harassment, as defined in Anti-Sexual Harassment Act of 1995 and RA 7877, committed to an employee, client, agent or other persons with relation to the Company, while inside or outside Company premises.

3.4.2.5. Intentionally making false and malicious statements against other employees.

Engaging in any of the above-prohibited acts is a ground for disciplinary action.

3.5. *Dress Code and Identification Cards* – In keeping with the Company's corporate image, all employees are required to wear the proper uniform or office attire during official work hours on regular business days. Likewise, Identification Cards should be prominently worn at all times within Company premises. Professionalism, respectability, and decency should be projected by all employees at all times.

Failure to comply with the above requirements is a ground for disciplinary action.

3.6. *Personal Visitors/Telephone Calls* – Employees should refrain from entertaining personal visitors during office hours in Company premises, as they tend to distract other employees. Attending to personal matters, including vending or loitering, is not allowed. Telephone use, especially prolonged use of the same, should be limited only to official calls.

Violation of this provision is a ground for disciplinary action.

3.7 The following behavior shall not be allowed inside the Company premises and shall be ground for disciplinary cases:

3.7.1 Gambling of any form inside the Company premises

3.7.2 Smoking in areas designated as non-smoking

3.7.3 Selling merchandise during office hours

#### **4 . J o b P e r f o r m a n c e**

All employees are required to perform their respective duties and responsibilities at all times in order to realize the Company's short-term and long-term objectives.

4.1. All employees are expected to clearly understand their individual accountabilities as defined in their respective job descriptions. Immediate superiors of employees are responsible for the receipt and update of individual job descriptions in their respective units. This responsibility is carried out in coordination with HRD.

4.1.1. Employees are expected to judiciously and continuously exercise the authorities given to them without causing delays, losses, and/or damages to the Company.

4.1.2. It is the employee's responsibility to upgrade his/her level of competency in order to meet the changing requirements of business operations. The Company shall provide assistance and support along this line as deemed necessary.

- 4.1.3. Employees are required to adhere to the preset performance standards for their respective functions as defined at the start of a performance period. It is the responsibility of the individual employee to clarify his/her performance standards and accountabilities in the agreed upon performance plan for every period. Any need for clarification or resolution of a concern on the performance standards shall be referred to the employee's immediate superior, or to the Head of Human Resources Division, if necessary.
- 4.1.4. All managers and supervisors are required to ensure that Procedures and Directives governing their areas of responsibility are developed, updated, and understood by their staff members.
- 4.1.5. Employees are required to adhere at all times to all Procedures and Directives governing transactions in their areas of responsibility. In cases where there is no existing procedure, a prior written approval from the immediate superior must be secured before any action is made.
- 4.1.6. Employees at all levels are expected to prevent occurrence of errors, delays, damages and/or losses on the part of the Company in the performance of their respective jobs.
- 4.1.7. Employees shall be held accountable for errors, delays, damages and/or losses in their respective areas on account of their fault or negligence in the performance of their jobs. Situations of this nature shall be evaluated without prejudice to the applicable overall responsibility of their immediate superiors.
- 4.1.8. All actions and transactions contrary to the above provisions shall be considered as cause of job negligence on the part of the employee concerned or his/her superiors as the case may be.
- 4.2. Refusal by any employee to obey lawful orders and instructions of his/her superiors shall likewise constitute a serious violation of the code provision on job performance.

## **5. Handling of Confidential/Proprietary Information**

In the course of employment with the Company, employees, at varying degrees, will work with information and materials which are confidential in nature. Many of these confidential information are bases for Management decisions while others are considered as trade secrets. These information may also include records of policyholders, agents, and employees as well as medical underwriting, claims, investigations, and audit reports. Since these information are vital to the Company, they shall therefore be strictly safeguarded by all employees.

5.1. All employees, upon employment with the Company, are obligated to keep all confidential information and not to disclose the same without the prior written approval of their superiors at the Group/Division level. The protection of confidential information is one of the major bases for the continuing relationship, anchored on trust and confidence, between the Company and its employees.

5.1.1. All employees are expected to avoid any disclosure of information either through discussion in public places and/or leakage of materials and documents.

5.1.2. Any confidential information entrusted to an employee should be discussed only with employees who need to know the information for the successful conduct of the Company's business.

No confidential information shall be divulged to unauthorized persons without prior written approval from the concerned Group/Division Head.

5.1.3. All employees should be fully aware of the need to protect and safeguard all Company documents at all times. This responsibility includes the proper disposal of confidential documents. All confidential documents must be shredded before disposal.

5.2. Employees must safeguard all documents not only those of their respective work units but also those of the Company as a whole. Tighter control measures require that work areas be restricted to authorized staff members only.

5.3. Employees who are found and proven to have violated this provision shall be subject to disciplinary action.

5.4. This confidentiality obligation of the employee shall be perpetual and shall survive the termination of his/her employment with the Company.

## **6 . D e a l i n g   W i t h   T h e   P u b l i c**

6.1. The Company is committed to providing quality products and services to its customers. The Company's success depends on building relationships with customers and suppliers, including the members of the agency force, based on excellence, integrity, respect and ethical behavior at all times.

6.2. All employees are required to deal with customers, suppliers, consultants, contractors and the public at large with utmost courtesy and fairness and in accordance with ethical standards of behavior.

6.3. The same behavior must also be reflected in all transactions over the telephone and in all written communications.

- 6.4. All employees must treat customers fairly without discrimination. It is the personal responsibility of every employee to develop his/her skills in handling all types of customers and to ensure delivery of commitments made on behalf of the Company.
- 6.5. Purchase of materials and services should be based on merits – on a total value basis – as compared to the opportunities available from competing offers.
- 6.6. All employees who deal with suppliers, customers, and consultants – whether occasionally or frequently, directly or indirectly – should be guided by the Company’s policy provision on conflict of interest.
- 6.7. Actions, which are not in accordance with the above provisions, should be considered as offense subject to the appropriate disciplinary action, including termination from employment.

## **7. Internal Controls**

Internal Controls refer to systems and processes covering Policies, Procedures, and Authorization which are monitored, tracked, and reported to ensure that business operations are properly managed. Strong internal controls assist Management to deliver required business results. Weak internal controls lead to ineffective and inefficient use of resources. Inadequate internal controls can lead to actual losses from errors, fraud, and inefficiency, and loss of business opportunities.

- 7.1. The design and maintenance of a strong and effective internal control system is a line responsibility. All managers should ensure that there are properly documented Policies and Procedures in their areas of operations which are disseminated to all of the members of their staff and that these Policies and Procedures are clearly understood and followed by employees in their areas of responsibility.
- 7.2. Division and Department Managers should ensure that:
  - 7.2.1. Transactions are properly authorized and accurately recorded based on Company policies and procedures;
  - 7.2.2. Company assets are adequately safeguarded;
  - 7.2.3. Financial and Management reporting is reliable, accurate, and reflects the actual corporate business activity;
  - 7.2.4. Activities comply with applicable laws and regulations; and,
  - 7.2.5. Business operations are effective and efficient as tracked through appropriate performance measures.
- 7.3. Employees, who are given new assignments in areas unfamiliar to them, should be given proper training and orientation on internal controls by their superiors.

- 7.4. Every employee ultimately has the responsibility to observe the required control system for his/her area of operation. It is his/her function to verify if processes and systems to achieve the Company objectives are in place and working as intended. Any doubt or confusion on or exception from any internal control policy should be referred by the employee concerned to his/her superiors prior to performance of any action on the matter.
- 7.5. All employees are required to fully cooperate and provide full information to their superiors, and internal and external auditors on matters pertaining to internal controls.
- 7.6. Any action found and proven to be contrary to the above provisions will be a ground for disciplinary action.

## **8. Management and Handling of Company Resources**

The fiduciary nature of the Company's business operations requires utmost honesty, fairness, and integrity from every employee in the performance of his/her day-to-day activities. As such, individual responsibility and approval authorities must be respected at all times.

- 8.1. All employees must ensure that all Company funds, properties and other resources are properly safeguarded at all times.
- 8.2. All employees who hold in trust the Company funds must ensure that the same are properly accounted anytime and are recorded in conformity with the Company's account classification and budgetary listings.
- 8.3. All employees whose jobs require cash/collection must comply with the prescribed time for fund transfer and deposit, and liquidation of cash advances.
- 8.4. The following fraudulent and dishonest acts shall not be tolerated by the Company:
  - 8.4.1. Robbery or theft committed against the Company, its employees, policyholders, agents, and other clients;
  - 8.4.2. Fraudulent conduct of bidding and/or awarding of contracts;
  - 8.4.3. Misappropriation or unauthorized use of Company funds and properties;
  - 8.4.4. Forging, altering or falsifying any personal or Company record/document used in business transactions/completion of requirements; and,
  - 8.4.5. False representation as to person or authority to the prejudice of the Company or any of its policyholders, agents, employees or other clients.

- 8.5. An employee who is suspected to have committed dishonest and fraudulent acts or to have been involved therein will be immediately placed on preventive suspension pending investigation, to facilitate and/or ensure effective and complete investigation of the case.
- 8.6. All Company properties and facilities, which include buildings, offices, machinery, office equipment, Company vehicles, furniture, and supplies, must be used judiciously and only for official business. Cases outside of the official requirements of business may be allowed only for public relations and goodwill for the Company but with prior approval from the Office of the President or authorized offices of the Company.
- 8.7. An employee is accountable for the proper use and maintenance of office equipment, Company vehicles, and furniture assigned to him/her. He/She is expected to immediately report any damage of property for its timely repair and to observe proper maintenance schedules as may be required.
- 8.8. This provision on proper use and maintenance of Company property also apply to an employee authorized to stay in the Company staff house/leased house. He/She is expected to properly use and maintain all the furniture, fixtures, and appliances provided by the Company for the house.

**9. Compliance with Computer Software and Copyright Law**

- 9.1. All employees are strictly prohibited from performing any of the following acts:
  - 9.1.1. Installation and/or use in Company computers of any software which is not licensed in the name of the Company and/or duplication or copying thereof in whatever form or media and for any purpose.
  - 9.1.2. Use of any software or computer program licensed in the name of the Company which is not in accordance with the terms and conditions of the license agreement.
  - 9.1.3. Unauthorized copying or reproduction of any software or computer program licensed in the name of the Company.
  - 9.1.4. Unauthorized downloading or uploading of software over the Internet.
- 9.2. Employees who are found to have violated the above rules and the provisions of the E-Commerce Act and other related laws shall be subject to suspension without pay, or termination from employment.

***DISCIPLINARY ACTIONS***

Discipline is defined as the ability to act and comply in accordance with the Company's established modes of behavior and/or performance standards. A disciplinary problem arises from deviations in behavior and/or action when compared against the Company's official norm and/or standard.

The Company shall maintain discipline in the organization through positive means, which include efforts to motivate and reform concerned employees. In the event that positive disciplinary efforts of the Company become insufficient, the imposition of disciplinary action to concerned employees shall be governed by the following:

### **1. Violation of Administrative and Organizational Rules**

A violation under this category shall be dealt with progressive levels of disciplinary actions:

- 1<sup>st</sup> violation - Counseling/Written reminder
- 2<sup>nd</sup> violation - Written warning / Reprimand
- 3<sup>rd</sup> violation - Second warning with 5 days suspension
- 4<sup>th</sup> violation - Third warning with 15 days suspension
  
- 5<sup>th</sup> violation - Fourth warning with 30 days suspension
- 6<sup>th</sup> violation - Termination of employment

Cases falling under this category of violations shall include, among others:

- 1.1. Habitual tardiness
- 1.2. Absence without leave
- 1.3. Excessive absences without justifiable reasons
- 1.4. Failure to comply with administrative requirements (filling out of forms, failure to notify supervisors, etc.)
- 1.5. Violation of dress code, IDs, and the like
- 1.6. Other administrative violations of minimal impact to operations

A disciplinary period for purposes of achieving a clean slate shall be set at 2 years from the time the last violation was committed.

### **2. Non-conformance with Performance Standards**

In general, violations falling under this category refer to failure to deliver the expected outcome/results in carrying out the functions specified in the employees' job description and individual performance plans. Subject to the gravity of the resulting delay, losses and/or impact of failure to other projects and programs of the Company, the appropriate disciplinary action shall be determined by the Group Head and concerned Division Head, in coordination with Human Resources Division. The disciplinary action for this violation can range from counseling to termination of employment.

### **3. Non-conformance with Behavioral Norms**

In general, violations falling under this category will include disruptive behavior and failures in observing the prescribed way of dealing with the public.

Subject to the gravity of the resulting impact to operations of the violations committed, an appropriate disciplinary action, ranging from reprimand to termination shall be applied.

Cases falling under this category include among others:

- 3.1. Working under the influence of alcohol
- 3.2. Drinking alcohol during office hours
- 3.3. Working under the influence of drugs
- 3.4. Using prohibited drugs inside Company premises
- 3.5. Discourtesy in dealing with customers
- 3.6. Discriminating action in serving customers
- 3.7. Fighting, provoking or instigating other employees, agents, clients or other persons to engage in a fight within or while in Company premises.
- 3.8. Threatening, assaulting and inflicting or attempting to inflict harm or injury to others while inside Company premises
- 3.9. Actual acts of physical violence committed against another person while inside Company premises
- 3.10. Sexual advances/harassment committed to an employee, client, agent or other persons while inside Company premises and/or outside but the case involves authority of the alleged harasser over the harassee
- 3.11. Intentionally making false and malicious statements against other employees
- 3.12. Gambling inside the Company premises
- 3.13. Smoking in areas designated as non-smoking
- 3.14. Selling merchandise during office hours

#### **4. Non-conformance with Policies and Expected Roles**

The Code specifies general expectations, which are closely linked with the maintenance of trust and confidence reposed by the Company on its employees. Following the due process requirement in establishing violations under this category, the Company shall decide on the appropriate disciplinary action, ranging from warning to termination.

Violations falling under this category, include among others:

- 4.1. Abuse of authority
- 4.2. Failure to comply with Company Policy, Directives, and Procedures
- 4.3. Failure to report to Management a violation of Law, Company Policy, Directives, and Procedures
- 4.4. Unwillingness to cooperate in the investigation of any alleged violation of law, Company Policy, Directives, and Procedures
- 4.5. Failure to inform/train employees under one's supervision on laws, policies, and procedures governing their functions and activities
- 4.6. Non-disclosure of a potential conflict of interest situation
- 4.7. Acts of discrimination related to employment and promotions
- 4.8. Divulging any Company confidential information
- 4.9. Failure to set internal control procedures in one's area of responsibility
- 4.10. Failure to train employees under one's supervision on internal controls

## **5. Violation Against Laws and Fraudulent Acts**

As prescribed by the Labor Code and as a norm to be set by the Company, violations falling under this category are handled with due process and when established, are punishable by law, thus, requiring outright termination of employment.

Cases falling under this category, include among others:

- 5.1. Conviction for offenses against Laws regarding moral turpitude
- 5.2. Concealing, altering and/or destroying evidence related to a violation of Law, Company Policy, Directives, and Procedures
- 5.3. Conflict of interest situation
- 5.4. Trafficking and/or use of prohibited drugs
- 5.5. Robbery or theft committed against the Company, its employees, policyholders, agents, and other clients
- 5.6. Fraudulent bidding procedures and awarding of contracts
- 5.7. Unauthorized use of Company funds and properties
  
- 5.8. Forging, altering or falsifying any personal or Company record/document used in business transactions/completion of requirements
- 5.9. False representation as to person or authority to the prejudice of the Company or any of its policyholders, agents, employees, or other clients

## **6. Company's Procedure on Due Process**

The Company respects individual employee rights in the conduct of its Disciplinary Action. Subject to the gravity of offense filed against an employee, the Company implements the following procedures to ensure due process:

- 6.1. Notify the employee in writing about his/her offense/s.
- 6.2. Require a written explanation for employee concerned on why no disciplinary action must be taken against him/her given his/her offense/s.
- 6.3. Allow concerned employee to engage the services of a private lawyer if desired.
- 6.4. Conduct a "Fact-finding" Hearing Procedure to listen to the side of employee concerned.

In the event that a Fact-finding Panel is required, the composition of the panel will be:

- |                |   |   |
|----------------|---|---|
| Chairman       | - | Concerned Group Head  |
| Members        | - | Concerned Division Head<br>Immediate Superior<br>HR Division Head |
| Hearing Office | - | Legal Staff   |
| Prosecutors    | - | Audit Staff/ Complaints and Investigation Staff                   |
| Secretary      | - | Employee Relations Manager  |

The Panel reviews all the documents including the records of Fact-finding body and recommends proper action to the Office of the President.

## **7. Definition of Terms**

As a guide, the following defines the disciplinary actions that may be imposed by the Company:

- 7.1. ***Counseling*** - giving advice to the employee concerned through a one-on-one talk where such employee is made aware of his violation and is helped to find ways and means to overcome his shortcomings. The agreement arrived at during the meeting must be documented and confirmed by both parties.
- 7.2. ***Reprimand*** - is a written memorandum to the erring employee admonishing him for violation of rules.
- 7.3. ***Warning*** - memorandum to the erring employee instructing him to refrain from further violating the Company rules. Such instruction is coupled with a caution that any further violation shall be subjected to a more severe disciplinary action.
- 7.4. ***Suspension*** - instruction to the erring employee to temporarily desist from reporting to work and coming to the office and/or its premises. The said suspension shall be without pay such that the employee shall not be entitled to any salary and fringe benefits during the period.
- 7.5. ***Preventive Suspension*** - a suspension prior to and/or during an investigation for a suspected violation of a Company rule to ensure the effectiveness of the said investigation. This is also for the purpose of preventing the employee concerned from causing further damage to the Company's property/ies or threat to the life or safety of other employees in the office. The said suspension shall be without pay such that the employee shall not be entitled to any salary and fringe benefits during the period.
- 7.6. ***Termination*** - permanent dismissal from employment with the Company for cause. The employee, whose employment has been terminated, shall not be entitled to a separation pay nor fringe benefits granted by the Company to its employees.