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CHAPTER I GENERAL PROVISIONS

SECTION I - GUIDELINES

Micro Precision Calibration, Inc. promotes a positive work environment that encourages and cultivates self-directed and self-initiated discipline among its employees. It recognizes that the ultimate responsibility for meeting acceptable conduct and performance rests on each employee. Thus, the best discipline is clearly self-discipline. When employees understand what is required at work and they have the discipline in performing it, then, they can do their jobs more effectively and efficiently.

Discipline is a form of training that enforces organizational rules. It is also the formation of character geared towards promoting and maintaining professionalism, orderliness, and productivity in the workplace.

This Code of Conduct is promulgated to provide clearer Company policies, promote healthy and harmonious employer-employee relationship, and establish effective and efficient work collaboration among employees of the Company.

The Company, then, expects all employees to observe reasonable standards of conduct in the performance of their work, in their relationship with fellow employees, and their dealings with the public.

ARTICLE 1 STATEMENT OF POLICY

Work discipline is a fundamental element in achieving the Company's Vision, Mission, and Values. Thus:

- (a) Rules on discipline seek to protect the rights of each and every employee by clearly specifying the proper conduct while being employed with the Company. These rules are not designed, in any way, to curtail individual rights but to uphold responsible freedom;

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- (b) Rules on discipline are not intended as reprisals against any particular erring employee, but, rather, these rules are meant to ensure that Company and employee effectiveness, efficiency, and morale are maintained and promoted;
- (c) Rules on discipline are designed so that any employee charged with violating Company policies has the opportunity to defend him/herself before any penalty is meted out, if warranted. Moreover, the Company shall ensure that any investigation will be conducted with utmost impartiality, open-mindedness, prudence, and fairness;
- (d) Rules on discipline are not all-inclusive. There may be other acts or omissions not mentioned here but which are clearly prejudicial to the Company. Therefore, management reserves the right to consider these punishable and to impose sanctions as warranted by the circumstances; and,
- (e) Rules on Discipline are designed to be consistent, necessary, applicable, understandable, reasonable, and communicated.

Hence, in all cases, the conduct of all disciplinary proceedings must uphold and protect the rights and dignity of the person whose actions are being deliberated on.

ARTICLE 2 DEFINITION OF TERMS

When used in this Code of Conduct the following words shall, unless the context indicates otherwise, have the following respective meanings:

- (a) “Employee” shall mean a person hired by the Company in any capacity and shall include managerial, supervisory, and rank-and-file employees;
- (b) “Superior” shall include Company officers, managerial and supervisory employees, and those who exercise authority over another employee;
- (c) “Subordinate” shall mean one who is subject to the authority of that other employee;
- (d) “Gravity” of an offense refers to the seriousness of the nature of the offense or the consequences of an offense;

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- (e) "Mitigating Circumstances" shall mean those circumstances by virtue of which the penalty incurred by an employee who commits an offense is lessened or made less severe. Such circumstances shall include the employee's past record of good work performance within the Company and, in general, any circumstance which in the judgment of management justifies the imposition of a penalty less severe than that provided.
- (f) "Aggravating Circumstances" shall mean those circumstances by virtue of which the penalty incurred by a person who commits an offense is increased or made more severe. Such circumstances shall include the employee's past record of poor job performance, records of disciplinary offenses, adverse publicity to the Company caused by the offense, taking advantage of rank, position or responsibility in the commission of the offense, and, in general, any circumstance which in the judgment of management justifies the imposition of a penalty more severe than that provided.
- (g) "Suspension" shall mean stoppage from work without pay. Availment of benefits shall likewise be suspended during the period of suspension. The time during which the employee has been placed under preventive suspension shall be deducted from the period of suspension unless the case decision has cleared the employee of any offense in which case he/she will receive the full amount of his/her deduction and other benefits from the period of preventive suspension.
- (h) "Habitual" means doing the same act more than two (2) times.

ARTICLE 3 RIGHT TO BE HEARD AND TO REPRESENTATION

Any employee charged with an offense shall be given an opportunity to be heard and, if desire, to defend him/herself with the assistance of a counsel. The participation or presence of such counsel shall not be allowed to unduly delay the proceedings and the final resolution of the case.

ARTICLE 4 SUMMARY PROCEEDINGS AND TIMELINESS OF PROCEEDINGS

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Administrative proceedings shall be expeditiously conducted and shall be summary in nature. It shall not be governed by the strictness of technical rules or by the rules on evidence as applied in judicial. However, findings shall be based on substantial or relevant evidence as a reasonable mind might accept as adequate to support a conclusion.

ARTICLE 5 PROGRESSIVE DISCIPLINE APPROACH

The purpose of disciplinary action is to correct the behavior rather than to punish the individual. This Code of Conduct follows the progressive discipline approach that incorporates a sequence of steps into shaping of employee behaviors. Thus, actions to modify behavior become progressively more severe as the employee continues to show improper behavior.

However, not all steps in the progressive discipline procedure are followed in every case. Certain serious offenses are exempted from the progressive procedure and may result in immediate work termination.

As a further action, the Company may institute the necessary civil or criminal case against the employee, if warranted.

ARTICLE 6 UNIFORMITY OF PENALTIES

Discipline shall be imposed consistently. The same sanctions shall be applied for offenses committed under similar facts and circumstances and be applied uniformly regardless of rank or position within the Company.

ARTICLE 7 NO WAIVER OF DISCIPLINARY ACTION

If an offense is committed, sanctions, including the imposition of penalties when warranted, shall neither be waived, cancelled, nor delayed for any reason, whether for operational exigencies or otherwise.

ARTICLE 8 IMPERSONAL IMPOSITION OF DISCIPLINE

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The imposition of disciplinary action shall be impersonal. Thus, disciplinary actions are directed at the employee's sanctionable actions and not at his/her person. The offenses alone, together with mitigating and/or aggravating circumstance, shall be the measure of the sanction to be imposed.

ARTICLE 9 SINGLE SANCTION

If an administrative charge results in a finding that two or more offenses have been committed, the corresponding sanctions for each offense shall be cumulated and only one penalty be finally imposed that shall measure the gravity of all the offenses when put together. The maximum number of days for suspension, even if it is cumulated, shall only be five (5) days. However, employment dismissal may also be served, if warranted, depending on the gravity of the offenses.

ARTICLE 10 RESPONSIBILITY OF SUPERIORS

Every superior shall ensure the maintenance of discipline within the area of accountability. It shall also be his/her duty to ensure the observance by his/her staff of the highest standard of character, competence, and professionalism for the effective and efficient work performance. Hence, he/she shall see to it that all his/her staff are aware of and comply with all the provisions of this Code of Conduct and all other policies and procedures promulgated by the Company. Each superior shall be strictly accountable for proper discipline and good work performance of all staff under him/her. Correspondingly, each superior shall be given sufficient authority and power to properly carry out the foregoing duties and responsibilities.

ARTICLE 11 RESPONSIBILITY OF EMPLOYEES

Every employee shall be duly informed of this Code of Conduct including amendments or supplements thereto. Hence, it is the duty and responsibility of every employee to make him/herself familiar with all its provisions including all amendments and supplements. Ignorance of or unfamiliarity shall not excuse any violation thereof and disciplinary action to be given. Thus, no one can plead ignorance by violating any provision of this Code of Conduct.

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ARTICLE 12 EFFECTS OF DISCIPLINARY OFFENSES

An employee’s disciplinary record shall affect an employee’s eligibility for merit increase, promotion, and/or employment with the Company.

SECTION II – COVERAGE AND APPLICATION

ARTICLE 13 EMPLOYEES COVERED

The provision of this Code of Conduct shall apply to all employees of **Micro Precision Calibration, Inc.**

Every employee is bound to comply with all applicable rules, regulations, policies, procedures, and standards as promulgated by the Company through its duly authorized officials.

ARTICLE 14 SEPARATE CIVIL OR CRIMINAL ACTION

The imposition of any penalty shall be without prejudice to any civil or criminal actions that the Company may decide to take against the concerned employee.

ARTICLE 15 CAUSES OF TERMINATION UNDER THE LABOR CODE OF THE PHILIPPINES

For ready reference, the **JUST CAUSES FOR TERMINATION OF EMPLOYMENT** under Article 282 of the Labor Code of the Philippines are as follows:

- (a) Serious misconduct or willful disobedience by the employee or the lawful orders of his/her employer or representative in connection with his/her work;
- (b) Gross and habitual neglect by the employee of his/her duties;

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- (c) Fraud
- (d) or willful breach by the employee of the trust reposed in him/her by his/her employer or any immediate member of his/her family or duly authorized representative;
- (e) Commission of a crime or offense by the employee against the person of his/her employer or any immediate member of his/her family or duly authorized representative;
- (f) Other causes analogous to the foregoing.

Termination of employment shall be gauged according to these just causes. The presence of aggravating circumstances shall increase the severity of a penalty and the presence of mitigating circumstances shall reduce it.

Likewise, the **AUTHORIZED CAUSES FOR TERMINATION OF EMPLOYMENT** under Article 283 of the Labor Code of the Philippines are as follows:

- (a) Installation of Labor-Saving Devices;
- (b) Redundancy;
- (c) Retrenchment to Prevent Losses; and,
- (d) Closing or Cessation of Operation of the Establishment.

The process for these authorized causes for termination shall be a written notice on the worker and the Department of Labor and Employment (DOLE) at least one (1) month before the intended date thereof. In case of termination due to the installation of labor-saving devices or redundancy, the worker affected thereby shall be entitled to a separation pay equivalent to at least his/her one (1) month pay or to at least one (1) month pay for every year of service, whichever is higher. In case of retrenchment to prevent losses and in cases of closures or cessation of operation of establishment, the separation pay equivalent to at least his/her one-half (1/2) month pay or to at least one-half (1/2) month pay for every year of service, whichever is higher. A fraction of at least six (6) months shall be considered as one (1) whole year.

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Finally, Article 284 of the Labor Code of the Philippines allows the **TERMINATION OF THE SERVICES OF ANY EMPLOYEE WHO HAS BEEN FOUND TO BE SUFFERING FROM ANY DISEASE AND WHOSE CONTINUED EMPLOYMENT IS PROHIBITED BY LAW OR IS PREJUDICIAL TO HIS/HER HEALTH AS WELL AS TO THE HEALTH OF HIS/HER CO-EMPLOYEES**: Provided, that he/she is paid separation pay equivalent to at least one (1) month salary or to one-half (1/2) month salary for every year of service, whichever is greater, a fraction of at least six (6) months being considered as one (1) whole year. The employer may only terminate the employment of an affected employee if there is a certification by a competent public health authority that the disease is of such nature or at such a stage that it cannot be cured within a period of six (6) months even with proper medical treatments.

As further information, **an EMPLOYEE MAY TERMINATE HIS/HER EMPLOYMENT EVEN WITHOUT GIVING NOTICE** for any of the following just causes according to Article 286 of the Labor Code of the Philippines:

- (a) Serious insult by employer or his/her representative on the honor and person of the employee;
- (b) In human and unbearable treatment by his/her employer or representative; and,
- (c) Commission of a crime or offense against the person of the employee or any of his/her immediate family.

ARTICLE 16 WRITE-OFF OF OFFENSES

An offense involving timekeeping violations committed by an employee shall be considered written-off after one (1) year from the time the sanction is served, unless, he/she commits a similar offense during the one (1) year period, from the time the penalty for the last offense was served. Other offenses shall be written-off after two (2) years from the time the last sanction for same offense was served.

Offenses that are written off shall not be considered as aggravating circumstances for offenses committed after the prescriptive period.

However, all disciplinary records, even if it is written off, shall be kept in the Employee's 201 File.

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ARTICLE 17 HONESTY

- (a) Every employee must be completely honest in handling or using funds and assets which belong to the Company, which have been entrusted to them by the Company, or which belong to a third party in business with the Company;
- (b) All employees must provide true and correct information when accomplishing official papers and other Company documents;
- (c) Employees must perform their duties with a sense of responsibility and honesty, and must not use their positions for their own interest.

ARTICLE 18 PROPER CONDUCT AND BEHAVIOR

Each and every employee is expected to act as a professional individual at all times, showing respect and courtesy to everyone, and to perform work diligently and exceptionally. Thus, each and every employee is expected to conduct him/herself according, but not limited, to the following norms:

- (a) Employees must protect the Company name and credibility through good conduct and proper work behavior at all times in any given situation;
- (b) Employees shall treat every one with respect and courtesy, hence, all employees should be accorded with respect at all times;
- (c) Employees should develop productive and harmonious relationships with each other;
- (d) Employees should act with proper business decorum when dealing with our customers. Our customers are the reason for our existence and growth;
- (e) Managers and supervisors should act in an exemplary manner and be able to motivate their staff to perform beyond their usual level;
- (f) Employees shall avoid attending to non-work-related matters during working hours;

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- (g) During working hours, employee must seek permission from their immediate superior in case of leaving the office building, and inform their superiors their whereabouts and estimated time of return;
- (h) The Company shall not tolerate employee indecency, immorality or lasciviousness while on duty or within office premises;
- (i) Employees who physically or verbally assault a co-worker or client will be subjected to disciplinary, criminal, and/or civil action;
- (j) Reporting to work under the influence of prohibited drugs or alcohol is strictly prohibited. Drinking alcohol is only allowed if it is done on official duty and authorized by the Company;
- (k) Inefficiency, gross negligence, violation of work standards, and other undesirable conduct will merit disciplinary action;
- (l) Employees must comply with all lawful orders, directives or instructions given to them by management. Acts which disregard, undermine or weaken the authority of management are violations of this rule;
- (m) Employees are required to follow the official time set for their shifts. Employees shall be considered tardy upon arriving at work beyond the grace period of his/her specified starting time;
- (n) Tardiness in three (3) occasions during a given half (1/2) month period may be considered habitual and may be subjected to disciplinary measure; and,
- (o) All absences without prior management approval and any other unauthorized/unexcused absence shall be considered Absence without Leave (AWOL) and subjected to disciplinary action.

ARTICLE 19 PRESERVATION OF THE COMPANY'S INTEREST

- (a) Employees must keep the Company's interests paramount. It is prohibited for employees to be connected to any competitor of ***Micro Precision Calibration, Inc.***;

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- (b) It is incumbent upon the employee to keep the Company business and operations information in the strictest confidence;
- (c) Company records or documents pertaining to its business are strictly confidential. No unauthorized disclosure or reproduction of the same will be made at any time during or after employment with the Company; and,
- (d) Unauthorized divulging any Company trade secret such as customer identities, volume of production, sales, et cetera is subject to disciplinary action and criminal action.

ARTICLE 20 CONSPIRACY AND CONCERTED ACTION

If any act punishable in this Code of Conduct is committed by a group of employees acting collectively, whether or not there is a specific prior agreement to so act, each and every employee who participates in any way in the concerted action shall be sanctioned. The penalty to be imposed is the prescribed penalty for the most serious offense that results from such collective actions.

ARTICLE 21 INSTIGATION

Any employee who instigates, influences, persuades, forces, coerces, or otherwise causes another to commit an offense shall be deemed to have committed that offense him/herself and shall be subjected to a disciplinary sanction to be determined in the light of the gravity of the offense and the surrounding circumstances.

ARTICLE 22 TOLERANCE OR CONDONATIONS OF OFFENSE

Any employee who, not being guilty under Article 18 but is clearly in a position, (acting alone and without risk of harm or cost to himself) to prevent the commission of an offense punishable in this Code of Conduct but fails to do so shall be meted a separate penalty. This penalty shall be determined in the light of the circumstances surrounding the employee's failure to act and the seriousness of the offense actually committed. The same shall apply when an employee who is similarly situated fails to take measures to solicit or

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obtain the assistance of others to prevent the commission of an offense. *A superior guilty of gross inaction on the above matters may be guilty of failure on the job.*

ARTICLE 23 ILLEGAL ACTS

The Commission of an unlawful act by any employee (whether against a customer, an employee, the Company, or any other party whatsoever), or a crime, may subject the employee for a penalty to be determined in the light of the gravity of the offense and the surrounding circumstances.

ARTICLE 24 ACCEPTANCE OF THIS CODE OF CONDUCT AND GENERAL NORMS; PENALTIES FOR MISCONDUCT

Any employee of Micro Precision Calibration, Inc., by acceptance of employment in the Company, submits him/herself to the authority of this Code of Conduct and binds him/herself to comply with all its provisions.

Every employee is obliged to follow this Code of Conduct at all times, to treat others with dignity, and to behave according to the generally accepted norms of courtesy, decency, and good conduct, whether or not such norms are explicitly included in this Code of Conduct, and violations of which shall subject him/her to the appropriate disciplinary action.

CHAPTER II DISCIPLINARY ACTION AND RIGHT TO DUE PROCESS

Micro Precision Calibration, Inc. shall give each and every of its employees with the right for due process and representation. This is an opportunity for an employee to explain and defend his/her actions against charges of misconduct or other reasons. If the employee so desires, he/she can also defend him/herself with the assistance of a counsel.

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The following rules and procedures shall govern the investigation and disposition of administrative charges filed against any employee for possible violation/s of this Code of Conduct and other related Company rules and regulations:

ARTICLE 25 FORMS OF DISCIPLINARY ACTION

- (a) ORAL REPRIMAND - an oral warning reprimanding an employee for an offense committed.
- (b) WRITTEN REPRIMAND – a written admonition censuring an employee for an offense committed. This shall clearly stipulate that repetition of the same or similar offense may warrant termination of employment services.
- (c) SUSPENSION – a disciplinary lay-off from duty without pay for a specified period.
- (d) DEMOTION – a written downward reclassification of an employee’s current position to one of lower category without lowering one’s salary unless the demotion is requested by the employee.
- (e) TERMINATION / DISMISSAL – the complete severance of the employee’s service in the Company or separation for reasons other than for just cause.
- (f) RESTITUTION - the Company may recover the amount involved by means of salary deduction or whatever means necessary for the offender to pay the amount involved. This shall not in any way mitigate other penalties attached to the infraction.

ARTICLE 26 FACT - FINDING INQUIRY

Upon receipt of a written or verbal report that a violation of this Code of Conduct has been committed, is being committed or is about to be committed, the Human Resource Department shall immediately conduct a fact finding inquiry to determine if there are grounds to lodge an administrative charge. In this connection, the Human Resource Department may require witnesses to submit themselves for an interview.

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ARTICLE 27 ADMINISTRATIVE CHARGE

(a) HOW INITIATED

Upon finding of probable cause for charging the employee, a written memorandum for explanation shall be issued to the employee. The memo shall specify the particular acts or omissions allegedly committed by the employee and shall make reference to this Code of Conduct, which prohibits the violation. Upon receipt of the memo, the employee shall be asked to sign the same as acknowledgement and receipt thereof. If the employee refuses to acknowledge receipt, the person serving the notice shall indicate such fact in the memorandum.

(b) PREVENTIVE SUSPENSION, An Option for Certain Case/s

Upon issuance of the administrative charge, the employee under investigation may be placed on preventive suspension if his/her continued presence within the Company premises or continued participation in the Company premises poses a serious and/or imminent threat to the life or property of the Company or of his/her co-employees, or detrimental to the productive or orderly operations of the Company. However, preventive suspension should not be viewed as an act of penalty but merely a preliminary step in certain administrative investigations.

Preventive suspension shall not exceed thirty (30) days and employees shall not receive salary and benefits during the period of said suspension. However, if the preventive suspension extends beyond the thirty (30) day period, the Company shall either actually reinstate the employee to his/her position or merely reinstate him/her in the payroll during the extension.

The period of preventive suspension, if appropriate, shall be credited to the penalty of suspension.

In case the employee is absolved of the charges against him/her, the Company shall pay his/her salaries and other benefits corresponding to the period of preventive suspension without pay.

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(c) ANSWER

The employee charged administratively shall have seventy two (72) hours or three (3) working days from receipt of the written memorandum within which to submit his/her written explanation and other supporting affidavits/documents in relation to the offense charged against him/her. Failure on the part of the employee to submit his/her written explanation shall be deemed as waiver of his/her opportunity to be heard.

Upon submission of the employee of his/her written explanation, or the lapse of period within which an employee is required to answer, the Company may decide the administrative case against him/her on the basis of the evidence at hand, or if necessary, conduct a conference.

(d) ADMINISTRATIVE CONFERENCE

Unless the Administrative Conference is clearly waived by the employee/s, the administrative charge must be set for conference within fifteen (15) days from receipt of the written explanation or the expiration of the date to answer the memorandum.

The Notice of Conference shall inform the employee of the date, time and place of the Conference wherein the latter shall be given opportunity to be heard.

The provisions on conference may be done away with in cases of violation of minor offenses.

The Administrative Conference shall be summary in nature, conducted through clarificatory questions and shall be limited to issues of facts not clear or ascertainable from the evidence at hand. Hence, technicalities of law and procedure and the rules governing admissibility and sufficiency of evidence obtaining in courts of law shall not strictly apply thereto.

The management shall afford every employee ample opportunity to be heard and to defend himself, with the assistance of his/her representative, if he/she so desires. However, the participation or presence of such representative shall not be allowed to unduly delay or in any way detract from the summary nature of the proceedings.

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Likewise, employees shall have certain other rights in addition to statutory and contract rights. These shall include a right to expect fair and ethical treatment from the Company.

The Human Resource Manager, at the presence of the employee's immediate superior, shall supervise the Administrative Conference. As much as possible, the said conference must be concluded within fifteen (15) working days unless the delay is attributable to the employee.

(e) EVALUATION AND REPORT

The Human Resource Department shall submit his/her report to the President after the Conference. The report shall indicate the facts of the case, issues involved, evaluation of the case and recommendation of sanction. The findings of the Human Resource Department shall be based on substantial evidence or on such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. Pieces of evidence may include written explanations, incident reports, and any other documentary evidence relative to the case.

ARTICLE 28 RESOLUTION / DISCIPLINARY DECISION

Upon approval of the report by the President, the Human Resource Department shall serve the employee its written decision/resolution stating the reasons thereof.

A copy of the Notice of Disciplinary Action shall be personally served to the erring employee and acknowledged by him/her. The date of receipt should also be indicated on the notice. If the employee refuses to acknowledge receipt, the person serving the notice shall indicate such fact in the notice as an offense under this Code of Conduct.

For evidential purposes, the registered mail or return card of the Post Office where it was mailed shall be secured and made available, in cases that the erring employee failed to acknowledge the Notice of Disciplinary Action.

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ARTICLE 29 RIGHT TO APPEAL

Any employee is being given the right to appeal for reconsideration within forty eight hours (48) or two (2) working days after the receipt of the Notice of Disciplinary Action. If an employee failed to submit his/her written appeal within the prescribed period or waived his/her right to appeal, then, the Human Resource Department shall execute the case resolution against the employee.

Upon receipt of the written appeal together with other evidences, if any, from the employee, the Human Resource Department shall re-study and re-evaluate all facts and evidences of the case. The Human Resource Department may, then, conduct another Conference, if necessary, and is expected to make the final resolution within fifteen (15) days upon receipt of the employee’s appeal for reconsideration.

ARTICLE 30 IMPLEMENTATION OF DISCIPLINARY ACTION

The implementation of all disciplinary action follows the “*Hot Stove Rule*,” wherein effective discipline is immediate. The longer the time that transpires between the offense and the disciplinary action, the less effective the discipline will be. Therefore, disciplinary actions must be carried out within one (1) week after the resolution has been made.

In cases that there are important and urgent works that must be performed by the employee as to be determined by his/her immediate superior and be approved by the President, the suspension date can be implemented within one (1) month after the case resolution.

ARTICLE 31 REPORTING REQUIREMENTS

The HR Department must immediately fulfill the following requirements right after the serving of the Final Notice of Disciplinary Action to employee:

- (a) The Accounting Department and the employee’s department head must immediately and officially be notified about such sanctions involving suspension and dismissal, transfer, and/or demotion;
- (b) A copy of the Notice of Disciplinary Action shall be immediately forwarded to the Employee’s 201 File.

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- (c) Submission of the required monthly reports of employment separations/terminations to the Department of Labor and Employment.

CHAPTER III MISCELLANEOUS PROVISIONS

ARTICLE 32 SEPARABILITY CLAUSE

Declaration by any competent authority that any part of this Code of Conduct is null and void may not invalidate or render ineffective its other provisions, which shall remain in full force and effect.

ARTICLE 33 AMENDMENTS

The Company reserves the right to add, amend, modify, adjust, delete, repeal, suspend in general or in particular, or otherwise change from time to time any and all provisions herein, when in its judgment, attending circumstances or prevailing conditions so warrant.

ARTICLE 34 NOTES ON THIS 2005 CODE OF CONDUCT

This Code of Conduct is intended to emphasize on whenever appropriate, clarify rules and regulations which are in effect. Some rules may be evaluated and, when deemed necessary, amended so as to be relevant and responsive to the continuing demands and challenges of our corporate life.

This Code of Conduct seeks to relate the Company's philosophy of effective discipline to its Vision, Mission, and values. Furthermore, it aims to present specific violations and disciplinary action in a unified and logical manner.

ARTICLE 35 EFFECTIVITY


This Code of Conduct shall take effect on 01 June 2006.

Prepared: VERNA FE S. MONTANO	Noted: ANNIE B. ALEGATO	Recommended: KENNETH W. ELLETT II	Approved: JARROD O. TRAMMELL
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CHAPTER IV SECTION 1 OFFENSES CONCERNING CONDUCT & DECORUM						
OFFENSE	PENALTIES					
	1 ST	2 ND	3 RD	4 TH	5 TH	6 TH
ON PERSONAL BEHAVIOR						
Conviction. Any employee convicted by a competent court of an offense which constitute a crime involving moral turpitude under the law of the place where the act is committed, which is work related, or which involves the safety, welfare, reputation or standing of the Company in the Community, or which carries the penalty of imprisonment for more than one (1) month.	D					
Violation of Law/Government Regulation. Any employee who by substantial evidence presented at an administrative hearing is found to have a violated or attempted to violate existing laws, decrees, regulations, or orders issued by the governments, which violation involves moral turpitude, is work-related, or which involves the safety, welfare, reputation, or standing of the Company.	D					
Any employee who reports for work under the influence of liquor or who drinks alcoholic beverages during office hours or while on duty (<i>except on official functions</i>). Employee may be subjected to test(s) at hospital and refusal will mean admission.	W	1S	3S	5S	D	
Any employee who, while on Company premises or on duty, is found in possession of, or uses, or is under the influence of prohibited or controlled drugs, or hallucinogenic substances or narcotics. Employee may be subjected to test(s) at the nearest hospital and refusal will mean admission.	D					
Any employee who indulges in gambling in any form at anytime within the Company premises while on/off duty.	O	W	1S	3S	5S	D

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Smoking in clearly designated smoke free zone is clearly prohibited.	O	WS	1S	3S	5S	D
Committing and engaging in immoral and/or grossly indecent behavior and activities at the workplace, including but not limited to having sexual intercourse or exhibitionism.	W	D				
Engaging in indecent, lewd or immoral acts, which cause scandal and/or loss of public confidence in the Company.	W	D				
Any employee who commits sexual harassment upon his/her superior, subordinate, co-employee, applicant for employment or any other customer or supplier of the Company.	D					
ON CUSTOMER RELATIONS						
Mishandling of Customer. Unjustified and avoidable errors whether deliberate or through negligence in the handling of any customer transaction, service or need, especially if such errors result in customer dissatisfaction.	W	5S	D			
Disinformation or Lack of Information. Willfully giving false, inaccurate, misleading, incomplete, delayed, or no information to customers, when the employee knows, should know, or is in a position or authority to obtain such information, thus, resulting to dissatisfaction, or expense to the customers, customer's complaint or revenue loss.	W	5S	D			
Discourtesy towards any customer in any form or aspect, including but not limited to rudeness, arrogance, disrespect, impoliteness, being argumentative, ungraciousness, incivility, inconsiderateness in words or action.	W	D				
Any form of fraud against customers not covered by other provisions resulting to customer's dissatisfaction, or expense to the customers, customer's complaint or revenue loss.	W	D				

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ON EMPLOYEE RELATIONS						
Withholding of Cooperation. Refusing or failing to cooperate with, or deliberately withholding cooperation from, or refusing or failing to help, assists, and provide team support to fellow employees, whether peers, superiors, or subordinates, without justifiable cause, when such cooperation and teamwork are needed to ensure the performance or completion of any Company operation or to protect the Company interest.	W	3S	5S	D		
Withholding of Information. Refusal or failure to communicate. Withholding of information or failure without justifiable cause to communicate with or provide information to a fellow employee and/or management when such information or communication is needed to ensure the performance or completion of any company operation, or for any employee to make sound decision, or to protect the Company's interests.	W	3S	5S	D		
Disrespect for Authority. Treating, by word or deed, any other person in authority in a manner, which indicates content or disrespect for the position occupied by such superior or person in authority.	5S I	D				
Maltreatment of Colleagues and Subordinates. Treating peers, employees or subordinates without due respect or in a manner inconsistent with their dignity as human beings, violates their rights, contrary to or inconsistent with the accepted principles, norms of justice, fairness, and equity.	5S	D				
Abuse of Authority. Abusing the exercise of one's authority, or taking undue advantage of such authority, to gain undue favors or advantage for oneself or for others, or to oppress, harass and otherwise prejudice another. This shall also include deliberately condoning, tolerating or participating in an offense committed by a subordinate.	5S	D				

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Rumor Mongering or Intrigue. Deliberately spreading or disseminating false, inaccurate, misleading, or incomplete information (<i>including false, misleading or incomplete information of this Code of Conduct or any Company regulation</i>); malicious or false accusations against any employee with the intent of, or, which results in, damaging or discrediting his/her reputation or standing within the Company, or weakening or destroying the trust and confidence of others in him/her, or undermining or destroying his/her authority (<i>if a superior</i>) over his/her subordinates.	W	D				
Insubordination or Willful Disobedience. Any employee who refuses or fails to comply and/or implement lawful orders, directives, or instructions, issued by the Company or by his/her superior(s), or authorized representative. This includes encouraging, inciting or bribing fellow employees to commit such insubordination.	W	D				
Any employee, who, on/off company time in/outside company premises, physically assaults any employee of the organization. Dismissal may be given depending on the gravity of offense.	5S	D				
Any employee who will be involved in using force, violence, coercion, threats, intimidation or any other means of harassment on customers and guests.	D					
Any employee while on/off duty or in/outside the Company premises, coerces, or seriously threatens to inflict harm on the person, property, or reputation of a co-employee or any of his/her immediate family.	5S	D				

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SECTION II OFFENSES AGAINST HONESTY AND INTEGRITY						
OFFENSE	PENALTIES					
	1 ST	2 ND	3 RD	4 TH	5 TH	6 TH
Any employee, who directly or indirectly offers, demands, requests, solicits, receives, or accepts any gifts of considerable value, consideration, share, percentage, or commission for him/her or for another person in connection with any contract or transaction entered into by the Company.	D					
Any employee who directly or indirectly requests or receives any consideration, share percentage or commission for him/herself or for another person in connection with the performance of his/her duties, or b reason of his/her position or office.	D					
An employee who deliberately or negligently makes a false representation of facts or any kind of deception or a false fraudulent claim against the Company; or knowingly or with gross negligence, initiates or takes part in any action intended to defraud the Company or to obtain a payment, benefit or gain from the Company to which he/she or a third party is not entitled, knowingly honors a forged signature for his/her own benefit or that of another person; or accepts, submits, or gives due course or approval to a document knowing it to be false or erroneous, under or over valued.	D					
Misappropriation, malversation, or embezzlement of Company funds, assets, or property.	D					
Any employee who knowingly, or willfully, or through negligence misuses or mishandles Company equipment, property or records.	W	5S	D			
Abusive use of Company materials and supplies not related to the work responsibilities.	W	5S	D			

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Non-compliance to provisions of E-mail Agreement.	W	5S	D			
Any employee who brings in or removes, takes, or attempts to remove or take from the Company premises, without authority to do so, any equipment, materials, supplies, accountable forms, or other properties owned by, leased to, or deposited with the Company, regardless of the condition or value of such property. The Company reserves the right to inspect any package carried by an employee in or out of the Company premises.	W	5S	D			
Theft of Company, employee, client or any third party property, either attempted, frustrated, or consummated.	D					
Any employee who, shall falsify, alter, manipulate, tamper or fabricate Company documents or records, or enter false information on any official Company documents, receipts, cheques.	D					
Use of the Company name for personal transaction or business profit; entering on behalf of the Company, into unauthorized transactions, which are manifestly disadvantageous to the Company.	D					
Refusal or failure to participate in a Company-initiated investigation where the testimony of the employee is vital to the conclusion of a case.	D					
Any employee who knowingly makes untruthful statement in an affidavit subscribed before a competent person authorized to administer an oath related to a matter which is subject of an official inquiry or investigation conducted by the Company, or who knowingly and deliberately gives false testimony or offers false evidence in an official inquiry or investigation conducted by the Company.	D					
Willfully concealing/covering up one's knowledge of acts of fraud/dishonesty being committed by employees at the workplace.	5S	D				

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Any employee, who persuades, introduces or influences an official into hiring an applicant by concealing or misinterpreting the disqualification or lack of qualification of the latter, or otherwise, deceives another official by falsely representing that the applicant possesses the qualifications, training, or experience for the given position required for hiring or promotion.	5S	D				
Any employee who falsely represents his/her qualification required for hiring or promotion or provides false information in his/her application form or other Company records.	D					
Any employee who leaks out tests materials and scoring keys, or who makes use of such leaked out test materials and scoring keys.	5S	D				
Committing corporate espionage or acts of sabotage against the Company	D					
Swindling fellow employees or customer's money or belongings within the Company premises, or during working hours (<i>whether or not in Company premises</i>) shall be dismissed.	D					
Committing other Acts of Dishonesty, deceit or anomaly not embraced by other provisions, which cause loss, or damage to the Company, its property, image or interests	D					
Causing damage or injury to the reputation and image of the Company by spreading false rumors about the Company, embarrassing, ridiculing, or mocking the Company by word and / or action in the presence of other people, whether employees or not, and criticizing the Company in public or any other actions which embarrass or cause adverse publicity or damage to the Company.	W	D				

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SECTION III OFFENSES CONCERNING PRODUCTIVITY						
OFFENSE	PENALTIES					
	1 ST	2 ND	3 RD	4 TH	5 TH	6 TH
<i>ON TIMEKEEPING AND ATTENDANCE</i>						
Failure to time in/out without justifiable reasons or through negligence.	O	W	1S	3S	5S	D
Unauthorized, deliberate altering or manipulation, falsification of timecard or any attendance record.	3S	5S	D			
Timing in/out for another employee, or knowingly and willfully causing or allowing another employee to time in/out for him/her. (The penalty is for all the parties involved)	3S	5S	D			
Any employee who makes it appear in any document that he/she is present at work for the day when he/she is not, or present any false medical documents.	3S	D				
Changing work schedules and/or duties without seeking approval from the immediate superior and/or Department Head.	W	1S	3S	5S	D	
Failure to notify immediate superior or Department Head of absence (<i>either verbally or in writing</i>) for at least two (2) days without valid reason.	3S	5S	D			
Unauthorized and/or unexcused absences for three (3) consecutive working days without valid reasons. This shall be considered as "Abandonment of Work."	5S	D				
Extending a leave of absence without valid cause; and/or without informing the Department Head, as well as failure to provide documents supporting the extension of such leave.	W	5S	D			
Unauthorized Undertime. Leaving the office before scheduled time off without valid reason and/or without permission.	W	3S	5S	D		
Habitual tardiness. Any employee who had three (3) unauthorized tardiness during a given pay period.	W	1S	3S	5S	D	

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ON PERFORMANCE STANDARDS & WORK ETHICS						
Receiving two (2) successive "Poor Job" ratings in the Performance Evaluation while holding the same or equivalent position.	D					
Non-observance of Quality Standards. Any employee who violates or refuses/fails, without justifiable reason to comply with the quality standards prescribed by the Company, procedures, rules, regulations, prescriptions, mandates, and policies, contained in or issued in connection with Quality or aimed at achieving customer satisfaction and related goals.	W I	5S	D			
Neglect of Duties. Any employee who demonstrates his/her refusal or inability without justifiable reason or cause to perform the duties and responsibilities of his/her job and to accomplish the performance and productivity standards thereto.	W	3S	5S	D		
Gross and habitual neglect by the employee of his/her duties. Gross inefficiency or negligence in the performance of assigned task or duties.	D					
Wasting Productive Time/Doing unauthorized or unofficial work during official working hours/ Leaving work while on duty without permission from superior / causes, encourage, or incite others to do the same/ Abuse of authorized break periods.	W	1S	3S	5S	D	
Sleeping during Working Hours. Any employee found sleeping during his/her working hours or while on duty.	W	1S	3S	5S	D	
Malingering. Any employee who, for the purpose of avoiding work, duty, or service, or other personal reason, feigns illness, physical disability, mental laps or derangement, or intentionally inflicts self-injury.	W	1S	3S	5S	D	
Unjustified refusal or failure to render holiday / overtime work whenever required by the company.	W	3S	5S	D		
Making frequent personal telephone calls from the workplace.	W	1S	3S	5S	D	
Chronic receiving and entertaining of personal visitors at the workplace during work hours which results in disrupting the employees work.	W	1S	3S	5S	D	

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Loss of confidence or breach by employees of the trust vested in him by Management.	D					
Failure to attend compulsory company-sponsored training programs and/or Company activities to be defined by the management.	W	1S	3S	5S	D	
Deliberate slowing down, holding back, hindering or limiting of production, or intimidating, coercing, or inducing other employees to do so.	W	D				
Inciting or participating in unauthorized concerted work stoppage, slow down, mass leave, sit down, riot or other similar disruptive activities.	D					
Moonlighting or holding a second job without management approval, which is prejudicial to Company interests.	D					
Any employee caught sharing his/her access codes for the use of Company equipment or retrieval of confidential information.	D					

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**SECTION IV
OFFENSES CONCERNING COMPANY HEALTH, SAFETY, PROPERTY, & SECURITY**

OFFENSE	PENALTIES					
	1 ST	2 ND	3 RD	4 TH	5 TH	6 TH
Failure to comply with Medical Examinations as may be required by the Company.	W	D				
Concealing a suspected communicable disease or ailment as defined by the Company; refusing to undergo treatment for any disease, which may affect his/her personal performance as well as those of his/her co-employees.	5S	D				
Concealing or withholding from the appropriate authorities within the Company information in the employee's possession regarding actual or imminent threats or danger to the well-being or safety of the Company's personnel, customers, property or interest, or to the profitability of the Company's operation.	D					

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Possessing, distributing, assisting in the distribution of, or selling illegal items, such as illegal drugs, firearms, etc, on company premises.	D					
Vandalism. Writing on walls, elevators, or tampering within bulletin boards or any other Company property.	W	3S	5S	D		
Deliberately or through negligence causing, directly, or indirectly, through words or deeds, destruction of Company property, disruptions of operations and harm/danger to life and property.	D					
Permitting such damage, destruction and or/ disruption to occur when the employee is clearly in a position and has the capability to prevent it without danger to him/herself.	D					
Breach of Security. Violation of any provision stated in the Confidentiality Agreement signed by the employee upon hiring.	D					
Unauthorized or forcible opening of another employee's locker, drawer or office equipment.	D					
Disclosure of Confidential Information. Revealing or releasing, without authority, confidential information belonging to the Company including but not limited to trade secrets, marketing or financial data, or information relating to any aspect of the Company's purchasing activities. More so if the revelation or release of which exposes the Company to, or actually inflicts upon the Company, financial damage or injury to its goodwill reputation and standing in the community or in the industry.	D					
Advance Release of Information. Releasing information belong to or pertaining to the Company in advance of the authorized release of information is done with the intent of causing damage to the Company, or for personal gain.	D					

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