



PHILIPPINES INTERNATIONAL LIFE INSURANCE CO., INC.

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CODE OF CONDUCT, OFFENSES and CORRECTIVE ACTIONS

To ensure the standard and uniform application of disciplinary actions, as part of being reasonable, fair and just, a matrix has been organized and made part of this employee discipline policy, for every employee to know and to familiarize themselves with, so that effort can be exerted to avoid or prevent committing them as much as possible, including any of the minor offenses. It covers all employees in all levels regardless of employment status.

Infractions are classified under 4 levels of offenses namely MINOR, SERIOUS, GRAVE & INTOLERABLE with corresponding disciplinary/corrective actions as follows:

| LEVELS OF OFFENSES | COUNTS | DISCIPLINARY/ CORRECTIVE ACTION |
|----------------------------------|---|--|
| MINOR (Level 1) | 1 st 2 nd 3 rd 4 th 5 th | Written Warning 2 Days Suspension 5 Days Suspension 30 Days Suspension with warning for dismissal Dismissal for cause |
| SERIOUS (Level 2) | 1 st 2 nd 3 rd 4 th | 5 Days Suspension 15 Days Suspension 30 Days Suspension with warning for dismissal Dismissal for cause |
| GRAVE (Level 3) | 1 st 2 nd 3 rd | 10 Days Suspension 30 Days Suspension with warning for dismissal Dismissal for cause |
| INTOLERABLE (Level 4) | 1 st | Dismissal for cause |

Likewise infractions which are classified into 4 levels are also categorized in terms of offenses (see below list) that can be attributed to the particular violation in the company rules and regulations.

- 1. NEGLIGENCE OF DUTY AND PERFORMANCE** - The Company relies on all employees to accomplish their assigned task and do their responsibilities with diligence and care. Employees are expected to meet the time, quality and quantity standards of work required.
- 2. MISCONDUCT** - Employees are expected to observe proper decorum in the conduct of their personal and official affairs. It is expected that courtesy shall be practiced by the associate in dealing with the Company, co-associates and the general public, especially to customers.
- 3. OFFENSES AGAINST PUBLIC MORALS** - Employees are expected to observed proper morals and decorum as not to tarnish his name and the reputation of the Company.

4. **OFFENSES AGAINST COMPANY PROP., SECURITY, HEALTH & SAFETY** - A safe, secured and healthy work environment benefits all employees and the Company. Thus everyone is expected to follow policies and to work hand-in-hand in achieving a safe, secured and healthy workplace. Likewise, employees are expected to safeguard the property and assets of the company in order for the company to be viable and competitive and so as not to waste the company resources.
5. **OFFENSES AGAINST PERSON/ INDIVIDUAL** - One of the fundamental beliefs of the company are the respect for individual. In order to realize this is for employees to take responsibility for his actions and to recognize and respect individual differences and to treat each other fairly. Respect begets respect and will bring a harmonious relationship among employees.
6. **OFFENSES AGAINST COMPANY INTEREST (DISHONESTY/TRUST & LOYALTY ISSUES)** - Employees are expected to zealously guard the company's interest and should not take any action prejudicial to the same. Employees must be honest and loyal to the company in all his dealings. In doing so, he does not only give honor to the company but to himself as well.

Notwithstanding the above schedule of penalties, a dismissal penalty may be commuted by the President to a lesser penalty of suspension, the duration of which shall be determined by him depending on the mitigating circumstances present in each case. All cases for dismissal must be jointly handled by the Administrative Department and Department Manager concerned. Their decision is only recommendatory and has to be endorsed to Top Management for approval.

With reference to the Miscellaneous Provision of the company's Rules and Regulations, the Disciplinary actions for offenses or infractions made by an employee, that is not listed or prescribed in the rules and regulations, will be recommended for approval by the Personnel Department to the Top Management.

For purposes of application of disciplinary actions, the prescriptive period stated below shall be followed:

| LEVEL OF OFFENSE | PRESCRIPTIVE PERIOD |
|----------------------------|----------------------------|
| MINOR | One (1) year |
| SERIOUS & GRAVE | Two (2) years |
| INTOLERABLE | Five (5) years |

Any repetition of the same or similar offense as defined and penalized under the same section of this rule, within the said period shall be cumulative and counted for purposes of the imposition of the proper penalty. On the other hand, any repetition of such offense after the said period shall be considered as first offense. The cumulative period shall commence to run from the date the first decision on the said offense was served to the erring Associate. This is, however, without prejudice to the effect of the totality of all his infractions, whether penalized under the same section or not to the application of this rule (Habitual violation of Company rules and regulations).

When a single act or omission constitutes two or more offenses under these rules, both or all resulting offenses shall be recorded and taken into consideration in counting the number of offenses within the applicable cumulative period and/or in the totality of all his infractions but the penalty to be imposed shall be that which corresponds to the more or most serious offense.

It should be noted that this "matrix" is by no means inclusive of all possible offenses and misdemeanors. Similar or analogous infractions will be treated on a case to case basis, applying the same principle of being reasonable, fair and just at all times and the doctrine of industrial due process.

VIOLATIONS AND ITS CORRESPONDING CORRECTIVE/DISCIPLINARY ACTIONS

MINOR OFFENSES (LEVEL 1)

| NUMBER of OFFENSE | SANCTION |
|--------------------------|-----------------------------|
| First | Written Reprimand / Warning |
| Second | 2 days suspension |
| Third | 5 days suspension |
| Fourth | 30 days suspension |
| Fifth | DISCHARGE |

A. NEGLECT OF DUTY / WORK PERFORMANCE

1. Intended not to time in/time out using bio-metrics. Failure to scan or non-observance of the proper procedure in using the bio-metric machine.
2. Disregard requirement to render overtime work during actual or emergencies or when the company so requires in order to prevent loss of life or property without justifiable reason.
3. Failure or intentionally not to advise the immediate superior/manger when unable to report to work.
4. Doing things that are not work related or personal in nature during working hours.
5. Maligning or feigning illness to avoid the assigned work.
6. Failure to observe and abide Standard Operating Procedures (SOP) that causes ill effect with other related or connected work.
7. Failure of a superior who has knowledge of any violation of this code and other company work rules to report such violation, and/or act on the same.
8. Tardiness frequency of more than six (6) times in a month within a year
9. Unauthorized undertime of more than four (4) times a month.
10. Inefficiency and incompetence and negligence in official duties.
11. Intermittent absences without written authorization of more than 5 days a month.
12. Quitting work without permission before time-off.

B. MISCONDUCT

1. Peddling or vending any type of goods during working hours or within office premises, unless authorized by the management. Use or possession of another employee's tools or property without consent.
2. Wearing indecent or inappropriate outfit in reporting for work
3. Use of company-owned equipment without permission for personal use. .

C. OFFENSES AGAINST PROPERTY, SECURITY, HEALTH, & SAFETY

1. Commits a breach of any rule prescribed for good order, discipline or health.
2. Carelessness or violation of office/building safety rules or practice
3. Poor housekeeping, improper disposal of wastes that affects working environment.
4. Failure to keep equipment or workplace for which employee is responsible in proper condition.
5. Unauthorized defacing, removal or placing of policies, signs or writing in any form on company's premises at any time.

SERIOUS OFFENSES (Level 2)

| NUMBER of OFFENSE | SANCTION |
|--------------------------|--------------------|
| First | 5 days suspension |
| Second | 10 days suspension |

| | |
|--------|--------------------|
| Third | 30 days suspension |
| Fourth | DISCHARGE |

A. NEGLECT OF DUTY / WORK PERFORMANCE

1. Willful holding back, slowing down, hindering or limiting work output or inducing or encouraging other employees to do the same and directly affects one's productivity or those of others.
2. Leaving work assignment during working hours without permission resulting to damage or loss of Company property due to interruption of work.
3. Unfitness to work at reasonable efficiency or affecting quality of work as a result of drinking alcoholic beverages or any intoxicating substances before reporting to work

B. MISCONDUCT

1. Horseplay, practical jokes; running; scuffling, throwing things or unruly conduct as to cause disorder, disrupt work or create scandal.
2. Malingering or pretending to be sick or making excuse/alibi to be absent.
3. Any act of insubordination or willful disobedience in carrying out lawful and reasonable instructions of superior.
4. Failure to observe/ follow instructions of which the employee has been directly notified orally or in writing.
5. Interfering with or refusing to cooperate with management supervision regarding safety and/or security.
6. Negligence or improper conduct leading to damage of company-owned or customer-owned property.
7. Covering up facts about working conduct of oneself or others in relation to investigation regarding any violation of company rules and regulation.
8. Gambling in any form within the company premises.
9. Using insulting or foul language towards co workers and co-employees
10. Interference with other employee on the job in such a way as to affect the other employee's efficiency/ performance of his/ her task and/or disruption of the work process.

C. OFFENSES AGAINST PROPERTY, SECURITY, HEALTH, & SAFETY

1. Negligence or carelessness resulting to injury to person or damage/destruction to property.
2. Refusal to submit to or failure to follow safety and security requirements of the company.
3. Contributing to unsanitary or unsafe conditions such as but not limited to spitting, urinating, defecating, in places other than provided by the company and improper use of lavatories and toilets, unauthorized writing or drawing, etching, printing or posting of memos and/or drawings to deface a company's property.
4. Entering restricted areas or unauthorized entry to company premises during suspension period.
5. Vandalism or destruction of company property.
6. Any other act harmful to the interest of the company or its other employees.
7. Use or possession of another employee's tools or property without consent.

D. OFFENSES AGAINST PERSON/INDIVIDUAL

1. Causing injury to another due to negligence or horseplay.
2. Quarreling or verbal altercation without use of physical force within company premises.
3. Disorderly conduct, using disrespectful, abusive, indecent or offensive language against another associate within company premises.

E. OFFENSE AGAINST COMPANY INTEREST (DISHONESTY/LOYALTY ISSUES)

1. Receiving undeclared moneys or gifts or bribery or any form to do matters in favor of the giver.
2. Failure to liquidate cash advance within three (3) working days after the official transaction or activity has been completed.

3. Offering or accepting anything of value in exchange for purchase order, requisitioned jobs, work assignment, work location or favorable job conditions or any other similar considerations.
4. Using company's time, material, or other equipment to do unauthorized work.

GRAVE OFFENSES (Level 3)

| NUMBER of OFFENSE | SANCTION |
|-------------------|--------------------|
| First | 15 days suspension |
| Second | 30 days suspension |
| Third | DISCHARGE |

A. MISCONDUCT

1. Falsification of and/or alteration of personal records or other company records.
2. Gambling inside company premises.
3. Private misconduct:
4. Misconduct of the job which destroys an employee's efficiency on the job.
5. Notorious misconduct off the job which destroys the company's reputation.
6. Harassment.
7. Abuse of authority.

B. OFFENSES AGAINST PUBLIC MORALS

1. Exhibition/ distribution and/or posting of pornographic materials including electronic and IT facilities provided by the company.
2. Associates who were diagnosed positive for illegal drugs.
3. Attempted or frustrated theft, pilferage or stealing from the company and/or fellow employees.

C. OFFENSES AGAINST PROPERTY, SECURITY, HEALTH, & SAFETY

1. Deliberate misuse or removal from office premises without proper authorization of company records and/or property on confidential information of any nature.
2. Negligence or carelessness resulting to damage / destruction to property amounting to more than Php 20,000.00 but not exceeding Php 50,000.00 or injury to person requiring confinement beyond 3 days but not exceeding 7 days or loss of business not exceeding Php 50,000.00.

D. OFFENSES AGAINST PERSON/INDIVIDUAL

1. Provoking or instigating another employee to engage in commotion inside company premises including quarreling and heated exchange of fighting or violent words, belligerent and or aggressive conduct towards another and challenging a fight.
2. Using profane or defamatory language in addressing an employee or another person.
3. Discourtesy towards clients.

E. OFFENSE AGAINST COMPANY INTEREST (DISHONESTY/LOYALTY ISSUES)

1. Concealment of defective work.
2. Advocating trouble between management and employees.
3. Bribery: both giving and accepting of gifts or loans.
4. Attempt to defraud company through misinterpretation.
5. Unauthorized solicitation.

INTOLERABLE OFFENSES (Level 4)

| | |
|--------------------------|-----------------|
| NUMBER of OFFENSE | SANCTION |
| First | DISMISSAL |

A. MISCONDUCT

1. Soliciting insurance application inside the office and submitting the application to any agents or misrepresenting the company for personal or financial interest and benefits.
2. Any act of forgery committed on documents.
3. Committing violence or inciting other employees to violence.
4. Committing any fraudulent act for selfish interest.
5. Commission of two Grave Offenses or of three serious Offenses during a 12-month period.
6. Grave disrespect or committing offensive actions to company officers, supervisors, managers and members of the executive body.

B. OFFENSES AGAINST PUBLIC MORALS

1. Conviction for felony involving moral turpitude.
2. Proven Theft of fraud or being an accessory thereto or making an attempt threat.
3. Intimidation or sexual or other in lawful or unwelcome harassment.
4. Confirmed acts of immorality whether or not done on Company premises or time, but which may affect the Company's reputation.
5. Assault, battery, murder or allied crimes.
6. Engaging in immoral, illicit affair with co-associates which are offensive to common sense of decency and morality.
7. Conviction by final court judgment of any crime.
8. Any other act or omission which by law is a just cause for dismissal.

C. OFFENSES AGAINST PROPERTY, SECURITY, HEALTH & SAFETY

1. Possession of firearm or any other dangerous weapon inside company premises.
2. Possession of or using of narcotics/prohibited substances during working hours or at employee's work area or attempting to bring narcotics within the company premises.
3. Gross negligence or carelessness resulting to death or grave injury to persons calling for confinement or absence from work beyond 7 days or grave damage/destruction to property or grave loss of business beyond Php 10,000.00.
4. Committing violation resulting to grave injury to person, grave damage/.destruction to property, or grave loss of business. The company may take more drastic steps such as filing of charges against violators if fire results to death of persons, or if damage to property is quite considerable.
5. Committing Theft or designing and organizing plan with intent to commit theft.
6. Willful damage or destruction of company property or the property of others; commission of acts intended to destroy company property or those of others, whether or not destruction occurs.
7. Substituting or attempting to substitute company property, resources & equipment with intent to defraud the company.

D. OFFENSES AGAINST PERSON / INDIVIDUAL

1. Attempting or deliberately inflicting bodily harm on another resulting to felony.
2. Threatening, intimidating or coercing company security guards, supervisors, managers and executives including that of their immediate family.
3. Fighting or assaulting others; while on the premises or attempting to injure or in any other way to intimidate an employee.
4. Threatening, intimidating, harassing (sexually or otherwise) or coercing other employees.

E. OFFENSES AGAINST COMPANY INTEREST (DISHONESTY / LOYALTY ISSUES)

1. Willfully making false report or making false entries on receipts, reports or other company documents.
2. Any form of dishonesty, fraud or deceit committed against the company or its clients or employees.
3. Misrepresentation that adversely effect, the image and business of the company through comments, statements and allegations to clients, customer, and suppliers.
4. Commission or conspiracy to commit sabotage or any other subversive activity.
5. Causing any damage or loss to the company through misinterpretation & fraud.
6. Misappropriation of company funds or withholding of funds due to the company.
7. Defrauding, stealing money or anything of value or attempting to steal from the company or from other fellow employees/suppliers/dealers/visitors/providers or agency workers.
8. Giving false data/information during an interview and on application form.
9. Commission of fraud or willful breach of trust against the Company.
10. Revealing or disclosing of trade secrets or confidential business and personal information relating to the operation of the firm including the following:
 - The names of the suppliers, clients, business associates and partners and the like
 - Security arrangements applicable to the company
 - Disclosing personal information of any employee and officers of the company
 - Financial information of the company
11. Engaging in rumor mongering, spreading malicious gossip and false information regarding other company employees or officials within Company premises or while representing the Company.
12. Failure to account for Company resources in employees' possession for which the employee is responsible.
13. Using company confidential information for personal purpose.

Approved by:

JOSE C. LEE
President