

CODE OF CONDUCT

1. OBJECTIVES

- 1.1 Clarifies the company's mission or purpose, values and principles, linking these to standards of professional conduct;
- 1.2 Articulates the values POSC wishes to foster among its leaders and employees to clearly define desired behavior;
- 1.3 Serves as a valuable guide and reference for employees to empower them to handle ethical dilemmas they encounter in everyday work;
- 1.4 Defines how employees should interact professionally and reliably with each other and with the customers/interested related parties and the public in general; and
- 1.5 Clearly spells out the disciplinary process for non-performance and violations/offenses against the company's policies and procedures and prescribed conduct for employees.

2. SCOPE

- 2.1 POSC's Code of Conduct applies to all its employees.
- 2.2 It must be enforced consistently and uniformly to all offenders and violators, regardless of their position and rank in the company.
- 2.3 It should be emphasized that disciplinary actions are directed, not to the PERSON but to their wrongdoings.

3. POLICIES

- 3.1 Vision, Mission and Core Values
 - 3.1.1 **POSC's Mission** – Create hope. Live life.
 - 3.1.2 **POSC's Vision** – To be the gaming partner of choice.
 - 3.1.3 POSC shall be guided by the following Core Values and Credo in its commitment to uphold the company's mission and vision:

- 3.1.3.1 **LEARNING** - POSC is a **learning organization** composed of diverse individuals with unity of purpose & shared vision.
- 3.1.3.2 **EXCELLENCE** - We strive for **excellence** in all we do.
- 3.1.3.3 **ACCOUNTABILITY** - We fully accept **accountability** for all our actions and decisions
- 3.1.3.4 **DYNAMISM** - We create our future together, driven by a **dynamic team of** professionals
- 3.1.3.5 **EFFICIENCY** - We always aim to be **efficient** in all aspects of our work.
- 3.1.3.6 **RESPECT** - We accord everyone due **respect** and carry ourselves in a professional manner.
- 3.1.3.7 **SERVICE** - We nurture relationships by providing quality **service** to all our stakeholders.

3.1.4 L.E.A.D.E.R.S must be consistently demonstrated by all employees in their personal and collective dealings and interaction as they create a work environment of **excellence, accountability, dynamism, efficiency, respect** and **service** where learning is facilitated by the company as it continuously transforms.

3.1.5 POSC strives to consistently evolve itself as a learning organization with an open, accepting and blameless culture as people work together and collectively enhance their capacities to create results that they really care about.

3.2 **COMPLIANCE TO THE LABOR CODE**

3.2.1 POSC is committed to fully comply with the rules, laws and regulations as provided in the Labor Code of the Philippines, pertinent jurisprudence and Supreme Court rulings related to labor laws.

3.2.2 The company through its human resource function shall keep itself fully abreast and updated of latest labor regulations and other pertinent government regulations affecting the employees. However, in cases when delay in the implementation occurs for whatever reason, it shall indemnify the employees with the corresponding pay, retroactive from the date of effectivity of the regulation, if applicable.

3.3 **COMPLIANCE TO DATA PRIVACY ACT OF 2012**

3.3.1 The identity of the employee who is subject of the disciplinary process and information on any disciplinary proceedings shall be maintained in confidence and in compliance to the data privacy requirements to the extent possible given the fact-finding process.

3.4 **COMPLIANCE TO QUALITY MANAGEMENT SYSTEM AND INFORMATION SECURITY MANAGEMENT SYTEM AND STANDARDS (ISO)**

3.4.1 All employees are given the appropriate training/orientation on the ISO QMS and ISMS standards, therefore, each one is expected to comply with the requirements as prescribed.

3.5 RESPONSIBILITIES OF EMPLOYEES

3.5.1 It is the duty of every employee to be familiar with the provisions or contents of the Code of Conduct. Employees are encouraged to ask for clarification and explanation for any provision of the Code that they do not understand.

3.5.2 Ignorance of the provisions of the Code of Conduct shall not excuse anyone for the violations or offenses committed.

3.5.3 All employees have the responsibility to report to Management through the Ethics Hotline for any information they may have about violations committed, currently being committed or about to be committed, which they could not report to their Immediate Superior for fear of retaliation. Hence, opting to keep their identity incognito until called upon to disclose themselves to the investigation committee. Failure to do so shall subject the concerned employee to disciplinary action for withholding information.

3.5.3.1 The protection of the reporting party's identity shall be maintained to the extent possible, within the legitimate needs of law and the fact-finding process. Where appropriate, the disclosure protocols shall be followed as specified in the **Whistleblowing and Non-retaliation Policy**.

3.6 RESPONSIBILITIES OF SUPERIORS

3.6.1 Superiors are principally responsible for maintaining discipline in their work unit. Hence, they are accountable for the lack of discipline and order in their areas.

3.6.2 Superiors are given sufficient authority to fully enforce all company policies and procedures, rules and office decorum to help ensure that everyone imbibes POSC's mission, core values of L.E.A.D.E.R.S and principles.

3.6.3 All offenses and violations of policies and procedures, rules and office decorum must be documented through an incident report and forwarded to the following for appropriate action:

3.6.3.1 HRMD – for people related concerns and offenses against productivity, moral values/decency, integrity/honesty and office decorum

3.6.3.2 IMR – for ISO related violations

3.6.3.3 Information and Security Officer – for information security concerns and breaches

3.6.3.4 President or his Designate – issues and concerns raised by a Whistleblower

3.6.4 Audit findings documented through an Audit Report shall be submitted directly by the Internal Audit Head to the Audit Committee

3.7 **PROGRESSIVE DISCIPLINE AND SANCTIONS**

3.7.1 POSC shall adopt a progressive discipline approach that provides a graduated range of responses to employee performance and conduct issues or problems and non-conformance or violation of the company's policies and standard operating procedures, employee misbehavior defying the core values and principles espoused by the company.

3.7.2 For purposes of this Code, progressive discipline shall also be referred to as a system intended to foster positive discipline programs, performance improvement planning and corrective action procedures. This approach features formal efforts to provide feedback to the employee to correct the problem. Hence, progressive discipline mainly assists the employee to understand that a performance problem or an opportunity for improvement exists.

3.7.3 The progressive disciplinary actions are also imposed to give the offender a lesson to remember, correct the misdeed or violation and reform the behavior that would allow him/her to continue employment based on the desired behavior for all employees of POSC.

3.7.4 This Code shall also provide the legally mandated procedure for "dismissal for cause" to ensure due process for erring employees with repeated violations and severe offenses is carried out.

3.7.5 In imposing the disciplinary process and the penalties for violations and offenses, POSC shall consider the attendant mitigating or aggravating circumstances for such. It should be emphasized that these penalties may be imposed without prejudice to any civil, criminal or other actions that the company may decide to take against the offender.

3.7.6 Any violation that does not fall under the offenses specified in this Code but are clearly damaging to the interest of the company shall receive the appropriate penalty to enforce POSC's inherent right to discipline its employees and protect its interest.

3.7.7 Responses to employees' poor performance and non-delivery of the key performance indicators shall be given a corresponding corrective measure.

3.7.8 Erring employees with violations and conduct issues shall be sanctioned depending on frequency and severity of offense.

3.8 DESCRIPTION AND CLASSIFICATION OF OFFENSES AND VIOLATIONS

3.8.1 Offenses Against Honesty and Integrity

3.8.1.1 Fraud Against the Company – committing any of the following offenses shall be penalized by DISMISSAL

- 3.8.1.1.1 Making false representation of facts;
- 3.8.1.1.2 Employing any kind of deception;
- 3.8.1.1.3 Making false or fraudulent claims against the company;
- 3.8.1.1.4 Initiating or participating in any action intended to defraud the company;
- 3.8.1.1.5 Obtaining payment, gain or benefit to which one is not entitled;
- 3.8.1.1.6 Knowingly honoring a forged signature for his/her own benefit or that of another person; and
- 3.8.1.1.7 Giving due course of approval to a document knowing it to be false or erroneous

3.8.1.2 Theft, Pilferage or Misappropriation

3.8.1.2.1 Stealing, misappropriating or attempting to steal or misappropriate funds or properties belonging to the company or co-employee, shall suffer the penalty of DISMISSAL

3.8.1.3 Perjury or False Testimony

3.8.1.3.1 Giving false testimony on a matter which is a subject of an official inquiry or investigation of the company shall be sanctioned by DISMISSAL.

3.8.1.4 Falsification – committing any of the following to the detriment of the company or misrepresentation of information that could affect one's employment shall be penalized by DISMISSAL.

- 3.8.1.4.1 Falsifying any company document or record;
- 3.8.1.4.2 Entering false information on any company document or record;
- 3.8.1.4.3 Making untruthful statements in a narration of facts; and
- 3.8.1.4.4 Using a falsified document or certificate.

3.8.1.5 Conflict of Interest

3.8.1.5.1 All employees are required to state in writing any involvement that may create a conflict of interest with the company. Failure to do so shall result to DISMISSAL of the employee.

3.8.1.5.2 Conflict of interest occurs in situations that have the potential to undermine the impartiality of one person because of the possibility of a clash between the person's self-interest and professional/company interest such as the following, but not limited to:

3.8.1.5.2.1 Receiving of gifts and favors to enrich oneself or others such as family or friends.

3.8.1.5.2.2 Preferential treatment or be affected by undue influence to give External Providers unfair advantage

3.8.1.5.3 Conflict of interest generally exists when financial or other personal considerations, relations, or interest may compromise the employee's ability to fulfill his duties properly.

3.8.1.5.4 Personal interest may also arise from the employee's family or close personal relationship or employment with another entity that does business with the company

3.8.1.5.5 A conflict of interest policy has been defined to clearly describe the various circumstances that may be interpreted as conflict of interest or appearance of conflict of interest

3.8.2 Offenses Against Good Personal Behavior and Conduct

In a work-related or employment environment, sexual harassment is committed:

3.8.2.1.1 When sexual favor is solicited as a condition of hiring, rehiring or continued employment;

3.8.2.1.2 When sexual favor is solicited as a condition for granting favorable terms of conditions of employment, promotions, compensation, privileges or other considerations;

3.8.2.1.3 When refusal to grant sexual favor results in the discrimination or deprivation of the employee of his employment opportunities and other adverse effects;

3.8.2.1.4 When sexual advances impair the employees' rights under the labor laws; and

3.8.2.1.5 When sexual advances result in an intimidating, hostile or offensive environment for the employee.

3.8.2.2 Immoral or Indecent Conduct

3.8.2.2.1 Engaging in immoral, indecent or lascivious behavior, including the use of profane language or obscene language in addressing another person within the company premises shall be penalized as follows:

- 3.8.2.2.1.1 1st offense – 3 days suspension
- 3.8.2.2.1.2 2nd offense – 7 days suspension
- 3.8.2.2.1.3 3rd offense – 15 days suspension
- 3.8.2.2.1.4 4th offense – DISMISSAL

3.8.2.2.2 For purposes of this Code, indecency shall be defined as an act against good behavior or being morally offensive

3.8.2.3 Fighting Within Company Premises

3.8.2.3.1 Quarreling, physically assaulting or engaging in a fight with a co-employee or any person within the company premises shall suffer the penalty of DISMISSAL.

3.8.2.3.2 If fights happened outside the company premises, the company may not interfere with the concerned individuals, unless these affect their work in the office or one becomes a threat to another in which case one or both may be given preventive suspension.

3.8.2.4 Threats or Coercion

3.8.2.4.1 Threatening, intimidating or coercing a co-employee or a third party including but not limited to phone calls, text messages or email or any other form of social communication i.e. twitter, Instagram, etc. shall be sanctioned as follows:

- 3.8.2.4.1.1 1st offense – 7 days suspension
- 3.8.2.4.1.2 2nd offense – 15 days suspension
- 3.8.2.4.1.3 3rd offense – DISMISSAL

3.8.2.5 Discourtesy or Disrespect to Co-employees

3.8.2.5.1 Such act shall be penalized as follows:

- 3.8.2.5.1.1 1st offense – 7 days suspension
- 3.8.2.5.1.2 2nd offense – 15 days suspension
- 3.8.2.5.1.3 3rd offense – DISMISSAL

3.8.2.6 Drunkenness

3.8.2.6.1 Reporting for work under the influence of liquor or drinking alcoholic beverages during work hours (except on official functions) shall be penalized as follows:

- 3.8.2.6.1.1 1st offense – 3 days suspension
- 3.8.2.6.1.2 2nd offense - 7 days suspension
- 3.8.2.6.1.3 3rd offense – 15 days suspension
- 3.8.2.6.1.4 4th offense – DISMISSAL

3.8.2.7 Use, possession, solicitation for, or sale of prohibited and dangerous drugs

3.8.2.7.1 The company explicitly prohibits the following:

3.8.2.7.1.1 The use, possession, solicitation for, or sale of prohibited and dangerous drugs on company premises or while performing an assignment.

3.8.2.7.1.2 Being impaired or under the influence of prohibited and dangerous drugs away from the company, if such impairment or influence adversely affects the employee's work performance, the safety of the employee or of others, or puts at risk the company's reputation.

3.8.2.7.1.3 Possession, use, solicitation for, or sale of prohibited and dangerous drugs away from the company premises, if such activity or involvement adversely affects the employee's work performance, the safety of the employee or of others, or puts at risk the company's reputation.

3.8.2.7.1.4 The presence of any detectable amount of prohibited and dangerous drugs in the employee's system while at work, while on the premises of the company, or while on company business.

3.8.2.7.2 Any employee caught violating the foregoing shall be **DISMISSED** or dealt with in accordance with the Comprehensive Dangerous Drug Act (R.A. No. 9165).

3.8.2.8 Smoking/Vaping in Prohibited Places

3.8.2.8.1 Smoking/vaping in designated smoke-free zones in the office premises is strictly prohibited and offenders shall be penalized as follows:

3.8.2.8.1.1 1st offense – Written reminder

3.8.2.8.1.2 2nd offense – Written reprimand

3.8.2.8.1.3 3rd offense – One (1) day suspension

3.8.2.8.1.4 4th offense – Seven (7) days suspension

3.8.2.8.1.5 5th and subsequent offense – Fifteen (15) days suspension

3.8.2.8.2 Where smoking threatens the safety and security of the company, the penalty shall be as follows:

3.8.2.8.2.1 1st offense – 15 days suspension

3.8.2.8.2.2 2nd offense – DISMISSAL

3.8.2.9 Gambling

3.8.2.9.1 Any employee caught gambling in any form at any time within the company premises shall be penalized as follows:

3.8.2.9.1.1 1st offense – Written reprimand

3.8.2.9.1.2 2nd offense – Fifteen (15) days suspension

3.8.2.9.1.3 3rd offense – DISMISSAL

3.8.2.9.2 However, this provision excludes instances when employees are tasked to participate in testing, research and development of gaming products as directed by Management.

3.8.2.10 Failure to Report Damage or Loss Incident

3.8.2.10.1 Failure to report a loss or damage to company property within twenty-four (24) hours via email, text or call by an employee entrusted with the possession of the unit shall be penalized as follows:

3.8.2.10.1.1 1st offense – 7 days suspension

3.8.2.10.1.2 2nd offense – 15 days suspension

3.8.2.10.1.3 3rd offense – DISMISSAL

3.8.3 Anti-Customer Offenses

3.8.3.1 Discourtesy Against Customers (Internal or External)

3.8.3.1.1 Discourtesy in any form such as rudeness, arrogance, insolence, impoliteness, disdain, contentiousness, ungraciousness, incivility or inconsiderateness in word or action against a customer or his/her agent or representatives shall be penalized as follows:

- 3.8.3.1.1.1 1st offense – three (3) days suspension
- 3.8.3.1.1.2 2nd offense – seven (7) days suspension
- 3.8.3.1.1.3 3rd offense – fifteen (15) days suspension
- 3.8.3.1.1.4 4th offense – DISMISSAL

3.8.3.1.2 Incompetence in responding and attending to the concerns of the customers shall be dealt with similarly.

3.8.3.2 Neglect of Customers

3.8.3.2.1 Failure, refusal or neglect to respond or attend to the concerns of customers or refusal to provide prompt, efficient and courteous service shall be dealt with as follows:

- 3.8.3.2.1.1 1st offense – Written reminder
- 3.8.3.2.1.2 2nd offense – Written reprimand
- 3.8.3.2.1.3 3rd offense – Three (3) days suspension
- 3.8.3.2.1.4 4th offense – Seven (7) days suspension
- 3.8.3.2.1.5 5th offense – Fifteen (15) days suspension
- 3.8.3.2.1.6 6th offense – DISMISSAL

3.8.4 Offenses Related to Job Performance and Productivity

3.8.4.1 Non-observance of Standard Operating Procedures

3.8.4.1.1 Willful or unintentional non-observance of standard operating procedures for direct or indirect personal gain shall be meted out the below penalties:

- 3.8.4.1.1.1 1st offense – three (3) days suspension
- 3.8.4.1.1.2 2nd offense – seven (7) days suspension
- 3.8.4.1.1.3 3rd offense – fifteen (15) days suspension
- 3.8.4.1.1.4 4th offense – DISMISSAL

3.8.4.2 Sleeping While on Duty

3.8.4.2.1 Sleeping while on duty shall be disciplined as follows:

- 3.8.4.2.1.1 1st offense – Written reminder
- 3.8.4.2.1.2 2nd offense – Written reprimand
- 3.8.4.2.1.3 3rd offense – Three (3) days suspension
- 3.8.4.2.1.4 4th offense – Seven (7) days suspension
- 3.8.4.2.1.5 5th offense – Fifteen (15) days suspension
- 3.8.4.2.1.6 6th offense – DISMISSAL

3.8.4.3 Failure to Provide Guidance/Failure of Management

3.8.4.3.1 A leader is supposed to provide his team the basic orientation and guidance for them to properly perform their duties and responsibilities. Thus, the Immediate Superior may be held accountable for any violation of company policies or existing laws that a staff may commit because of neglect of the leader's responsibility.

3.8.4.3.2 The sanction for such negligence in management ranges from written reminder to dismissal depending on gravity.

3.8.4.4 Culpable Delay in Resolving Disciplinary Cases

3.8.4.4.1 Any company officer who unreasonably delays the resolution of disciplinary cases may be penalized as follows:

- 3.8.4.4.1.1 1st offense – Three (3) days suspension
- 3.8.4.4.1.2 2nd offense – Seven (7) days suspension
- 3.8.4.4.1.3 3rd offense – Fifteen (15) days suspension
- 3.8.4.4.1.4 4th offense – DISMISSAL

3.8.4.5 Limiting Work Output

3.8.4.5.1 Extending beyond the necessary time to complete the output/task and assigning others to do the same may be given a penalty ranging from suspension to dismissal.

3.8.4.6 Absence Without Leave

When an employee is unable to report for work, he/she should immediately inform his/her supervisor through call, text or email. Failure to do so will be penalized as follows:

- 3.8.4.6.1.1 1st offense – Written reprimand
- 3.8.4.6.1.2 2nd offense – Three (3) days suspension
- 3.8.4.6.1.3 3rd offense – Seven (7) days suspension
- 3.8.4.6.1.4 4th offense – Ten (10) days suspension
- 3.8.4.6.1.5 5th offense - DISMISSAL

3.8.4.7 Tardiness

3.8.4.7.1 Tardiness exceeding 30 minutes regardless of the number of times committed would warrant the issuance of a disciplinary action as follows:

- 3.8.4.7.1.1 1st offense – Counselling
- 3.8.4.7.1.2 2nd offense – Coaching
- 3.8.4.7.1.3 3rd offense – Written reminder
- 3.8.4.7.1.4 4th offense – Written reprimand
- 3.8.4.7.1.5 5th offense – One (1) day suspension
- 3.8.4.7.1.6 6th offense – Three (3) days suspension
- 3.8.4.7.1.7 7th offense – Five (5) days suspension
- 3.8.4.7.1.8 8th offense – Seven (7) days suspension
- 3.8.4.7.1.9 9th offense – Ten (10) days suspension
- 3.8.4.7.1.10 10th offense – DISMISSAL

3.8.4.8 Improper Use of Sick Leave

3.8.4.8.1 When an employee avails of his sick leave without informing his superior about the nature of his illness and estimated duration of his leave or extends his leave without prior notification or refuses to be examined by the company designated physician shall be penalized as follows:

- 3.8.4.8.1.1 1st offense – Written reprimand
- 3.8.4.8.1.2 2nd offense – Seven (7) days suspension
- 3.8.4.8.1.3 3rd offense – Fifteen (15) days suspension

3.8.4.8.1.4 4th offense – DISMISSAL

3.8.4.9 Malingering

3.8.4.9.1 Pretending to be sick or claiming disability to avoid work, duty or service or for other personal reason shall be penalized as follows:

3.8.4.9.1.1 1st offense – Seven (7) days suspension

3.8.4.9.1.2 2nd offense – Fifteen (15) days suspension

3.8.4.9.1.3 3rd offense – DISMISSAL

3.8.4.9.2 The penalty of dismissal shall be imposed if the employee submits a fake medical certificate to justify his feigned illness or disability.

3.8.4.10 Unauthorized Undertime, Loitering and Abandonment of Post

3.8.4.10.1 An employee who leaves the workplace before the work time ends or leaves the work place for more than one hour without the approval of the Immediate Superior shall be disciplined as follows:

3.8.4.10.1.1 1st offense – Written reprimand

3.8.4.10.1.2 2nd offense – One (1) day suspension

3.8.4.10.1.3 3rd offense – Three (3) days suspension

3.8.4.10.1.4 4th offense – Seven (7) days suspension

3.8.4.10.1.5 5th offense – Fifteen (15) days suspension

3.8.4.10.1.6 6th offense – DISMISSAL

3.8.4.10.2 However, if abandonment resulted to company losses due to absence of immediate action to arrest a problem, offenders shall be meted-out stiffer penalties ranging from SUSPENSION to DISMISSAL depending on the amount of loss incurred.

3.8.5 Behaviors That Do Not Support POSC's Corporate Values and Teamwork

- 3.8.5.1 Avoidance or refusal to attend in-house seminars or public trainings and learning sessions or company activities fostering learning and the creation of a learning organization.
- 3.8.5.2 Repeated results/outcome which are bereft of basic requirements of the assignment or job indicating haphazard work sans any effort to come up with a quality performance.
- 3.8.5.3 Repeated failure to acknowledge and own responsibility for poor outcome or results by blaming others for such.
- 3.8.5.4 Constant refusal or giving excuses to learn and implement institutional changes intended to improve overall operational efficiency and organizational effectiveness.
- 3.8.5.5 Lack of initiative or inaction to effect improvement or enhancements in the work processes.
- 3.8.5.6 Insubordination or refusal to follow/obey direct order given by a Superior.
- 3.8.5.7 Abuse of authority to gain undue favors or personal advantage to oppress, harass or prejudice another.
- 3.8.5.8 Sowing intrigues or spreading false, inaccurate and misleading information about another employee or superior to damage or slander reputation or undermine his/her authority.
- 3.8.5.9 Refusal to cooperate where the company's interest is at stake.
- 3.8.5.10 Withholding of information or refusing without justifiable reason to communicate information that is needed to ensure the performance or completion of any company operation, or for sound decision or to protect POSC's interest.
- 3.8.5.11 Giving false or incomplete information deliberately or through negligence that leads to damage to service quality, higher costs, customer dissatisfaction, lost revenues, inefficiencies and other similar repercussions.

3.8.5.12 All the foregoing instances indicating undesired behavior contradicting POSC's core values and employee engagement through teamwork shall be dealt with through disciplinary action ranging from COUNSELLING to DISMISSAL depending on the frequency of occurrence, gravity and impact.

3.8.6 Offenses Against the Company's Name and Reputation

3.8.6.1 Injuring Company Reputation

3.8.6.1.1 Every employee is expected to help build, maintain and protect the good name of the company. Therefore, anyone who spreads rumors, embarrasses, ridicules, mocks or harms the image of the company, shall suffer the following penalty:

- 3.8.6.1.1.1 1st offense – Fifteen (15) days suspension
- 3.8.6.1.1.2 2nd offense – DISMISSAL

3.8.6.2 Concealing or Withholding Information

3.8.6.2.1 Refusing to report information on any wrongdoing or threat or danger to the safety of the employees, customers, property and interests to the profitability of the company's operations shall likewise be sanctioned ranging from SUSPENSION to DISMISSAL.

3.8.6.3 Damage to Company Property

3.8.6.3.1 Causing damage to the company's property due to negligence shall be sanctioned as follows:

- 3.8.6.3.1.1 1st offense – Written reprimand
- 3.8.6.3.1.2 2nd offense – Three (3) days suspension
- 3.8.6.3.1.3 3rd offense – Seven (7) days suspension
- 3.8.6.3.1.4 4th offense – Fifteen (15) days suspension
- 3.8.6.3.1.5 5th offense – Dismissal

3.8.6.3.2 However, if the damage is deliberate or caused by open disregard of the company policies and standard operating procedures, the penalty is DISMISSAL.

3.8.7 Offenses Against Secure, Healthy and Safe Work Environment

3.8.7.1 Refusal to Cooperate with Security Personnel

3.8.7.1.1 Refusing to cooperate with the security personnel in the performance of their duty shall be dealt with as follows:

- 3.8.7.1.1.1 1st offense – Written reprimand
- 3.8.7.1.1.2 2nd offense – Three (3) days suspension
- 3.8.7.1.1.3 3rd offense – Seven (7) days suspension
- 3.8.7.1.1.4 4th offense – Fifteen (15) days suspension
- 3.8.7.1.1.5 5th offense - Dismissal

3.8.7.2 Unauthorized Use of Company Property

3.8.7.2.1 Misusing company property for personal purposes or removing it from the usual area without proper approval shall be sanctioned as follows:

- 3.8.7.2.1.1 1st offense – Written reprimand
- 3.8.7.2.1.2 2nd offense – Three (3) days suspension
- 3.8.7.2.1.3 3rd offense – Seven (7) days suspension
- 3.8.7.2.1.4 4th offense – Fifteen (15) days suspension
- 3.8.7.2.1.5 5th offense - Dismissal

3.8.7.3 Carrying Deadly Weapons

3.8.7.3.1 Unless authorized by the company, employees who carry deadly weapons within company premises or during company sponsored events outside the office premises shall be suspended or dismissed depending on the gravity of the offense.

3.8.7.4 Failure to Wear Prescribed Uniform

3.8.7.4.1 Not wearing the prescribed uniform shall be dealt with as follows:

- 3.8.7.4.1.1 1nd offense – Written reminder
- 3.8.7.4.1.2 2nd offense – Written reprimand

- 3.8.7.4.1.3 3rd offense – One (1) day suspension
- 3.8.7.4.1.4 4th offense – Three (3) days suspension
- 3.8.7.4.1.5 5th offense – Seven (7) days suspension
- 3.8.7.4.1.6 6th offense – Fifteen (15) days suspension
- 3.8.7.4.1.7 7th offense – DISMISSAL

3.8.7.5 Not Wearing or Improper Wearing of Company ID

3.8.7.5.1 Penalty for not wearing the company identification card for immediate security check or unauthorized use of another employee ID shall be sanctioned as follows:

- 3.8.7.5.1.1 1st offense – Written reminder
- 3.8.7.5.1.2 2nd offense – Written reprimand
- 3.8.7.5.1.3 3rd offense – One (1) day suspension
- 3.8.7.5.1.4 4th offense – Three (3) days suspension
- 3.8.7.5.1.5 5th offense – Seven (7) days suspension
- 3.8.7.5.1.6 6th offense – Fifteen (15) days suspension
- 3.8.7.5.1.7 7th offense – DISMISSAL

3.8.7.6 Tampering Safety Systems

3.8.7.6.1 Tampering fire protection appliances and life safety systems such as fire alarms and extinguishers, smoke detectors, etc. shall be penalized by suspension.

3.8.8 Offenses Against Information Security and Data Privacy

3.8.8.1 Misuse of Computer Assets and Networks

3.8.8.1.1 Failure to immediately inform MIS/IT Department of abnormal operating status of work station.

3.8.8.1.2 Failure to change the password in accordance with MIS/IT policies.

3.8.8.1.3 Willful or unauthorized access, personal use, possession of the company's computer hardware, manuals, computer programs, data files, CDs, removable drives, or systems documentation, including but not limited to e-mail, internet, Skype, etc.

3.8.8.1.4 Removal of any of the company's computer hardware, manuals, computer programs, data files, or systems documentation from the company site without written authorization.

3.8.8.1.5 Unauthorized loading of program or circumvention of any security requirements other than the ones assigned to his/her work station by the MIS/IT Department.

3.8.8.1.6 Use of corporate network and computers for unofficial or unauthorized purposes during or outside of office hours, e.g. playing of games.

3.8.8.1.7 Unauthorized downloading of files and other documents from an Internet/ Intranet source.

3.8.8.1.8 Using the intranet and internet for personal reason.

3.8.8.1.9 Sharing of passwords.

3.8.8.1.10 Deliberately disregarding ethical and moral norms of conduct in the use of the e-mail for purpose of intimidation, harassment, gossip, and similar intents.

3.8.8.1.11 Tampering and modification of any part of the computer system, the network environment, all system and application programs, local and network directories, and shared files unless authorized by person in authority.

3.8.8.2 Violations of the foregoing may be sanctioned by written reminder to dismissal, depending on the gravity.

3.8.8.3 Unauthorized Disclosure of Information

3.8.8.3.1 Divulging confidential matters such as personnel personal information, audit findings, management plans and strategic directions among other info released to parties other than the intended recipients shall be penalized as follows:

- 3.8.8.3.1.1 1st offense – Written reprimand
- 3.8.8.3.1.2 2nd offense – Three (3) days suspension
- 3.8.8.3.1.3 3rd offense – Seven (7) days suspension
- 3.8.8.3.1.4 4th offense – Fifteen (15) days suspension
- 3.8.8.3.1.5 5th offense – DISMISSAL

3.8.8.3.2 A stronger penalty may be meted out to the information custodian or anyone who has direct access to the confidential information who breaches the foregoing provisions as recommended by the Breach Management Team.

3.8.8.3.3 If the information released is covered by DPA of 2012, the employee may be subject to the penalties prescribed by the law.

3.8.8.4 Misinformation

3.8.8.4.1 An employee who is in a position to give information but gives inaccurate information, misleading, delayed or no information at all to the customers resulting to dissatisfaction or disservice to the customers shall be dealt with as follows:

- 3.8.8.4.1.1 1st offense – Written reminder
- 3.8.8.4.1.2 2nd offense – Written reprimand
- 3.8.8.4.1.3 3rd offense – Three (3) days suspension
- 3.8.8.4.1.4 4th offense – Seven (7) days suspension
- 3.8.8.4.1.5 5th offense – Fifteen (15) days suspension
- 3.8.8.4.1.6 6th offense – DISMISSAL

3.8.8.5 Non-compliance with the Data Privacy Act

3.8.8.5.1 Failure to comply with the provision of Data Privacy Act, particularly in safeguarding personal information to which officers/employees may have access to in the performance of their function.

3.8.8.5.2 The employee may be subject to the penalties prescribed by the law.

3.9 RULES ON DISCIPLINARY PROCEEDING

3.9.1 Report of alleged Infraction/Complaint

3.9.1.1 Violations or offenses against the company's policies and procedures and prescribed conduct of employees may be reported through the following:

3.9.1.1.1 Audit Report prepared by the Internal Audit Department or internal, external, compliance and/or certification audit report forwarded to the HRMD Head.

3.9.1.1.2 Incident Report prepared by the concerned Immediate Superior or Employee

3.9.1.1.3 Ethics hotline by any employee who does not want to be identified or any external party

3.9.1.1.3.1 An Ethics hotline may also be used to report alleged infractions or complaints. Employees may report through the hotline as follows:

3.9.1.1.3.1.1 Sending email through a designated email address using the web portal

3.9.1.1.3.1.2 Sending letter addressed to the President in a sealed envelope clearly marked "STRICTLY PRIVATE AND CONFIDENTIAL - TO BE OPENED BY ADDRESSEE ONLY" to ensure confidentiality

3.9.1.1.3.2 Any reports received through the Ethics Hotline shall initially be forwarded by the President to the Fact-Finding Committee composed of the following:

3.9.1.1.3.2.1 Internal Audit Department Head

3.9.1.1.3.2.2 HRMD Head

3.9.1.1.3.2.3

3.9.1.1.3.3 Disclosures can be made in writing or by using the Whistle-blower Report template. Verbal disclosures must be reduced to some form of writing and persons receiving verbal disclosures who would want to ensure that the complaint will be properly acted upon must reduce the same into writing. A whistle-blower shall have the option to identify himself and/or the sources of his information, if any, withhold his identity and/or that of his sources.

3.9.1.1.3.4 Disclosures must allege the specific facts that have led the whistle-blower to believe that an improper activity or conduct has been, or is being, committed. The specific information in the disclosure and supporting documentation, if any, will allow the Compliance Officer to make a proper assessment of the need, nature, extent and urgency of investigation. The disclosure should be supported by evidence, or at least include sufficient details which can be validated and used as bases for conducting an investigation.

3.9.1.1.3.5 The complainant may submit any evidence, including statements from witnesses, if any. A withdrawal of the complaint made may not preclude the company from proceeding with the investigation of the case.

3.9.2 Evaluation of the Report/Complaint

3.9.2.1 The HRMD Head shall evaluate the report/complaint for cases generated by Audit Reports and Incident Reports.

3.9.2.1.1 For information security breaches, the IMR shall be involved in the evaluation.

3.9.2.1.2 For personal data breaches, the DPO and Breach Management Team shall also do the evaluation.

3.9.2.2 For Ethics Hotline, the President or his Designate shall review the complaint and recommend to the Board of Directors whether an investigation should be conducted or special fact-finding committee be created, if warranted, depending on the gravity, sensitivity or complexity of the issue as reported.

3.9.3 Investigation

3.9.3.1 An Investigating Team shall be created when necessary for cases generated by:

3.9.3.1.1 Audit Reports

3.9.3.1.2 Incident Reports

3.9.3.1.2.1 For information security or personal data breaches, the investigation shall be done by the Breach Management Team composed of the following:

3.9.3.1.2.1.1 HRMD Head

3.9.3.1.2.1.2 IMR

3.9.3.1.2.1.3 Data Protection Officer

3.9.3.2 For Ethics Hotline:

3.9.3.2.1 The investigating team or special fact-finding committee may be composed of the following:

3.9.3.2.1.1 Head of Internal Audit

3.9.3.2.1.2 Head of HRMD

3.9.3.2.1.3 Head of Legal Affairs

3.9.3.2.2 The investigating team or special fact-finding committee shall provide the result of the investigation and recommend sanctions after due process, if warranted, subject to the approval by the Board of Directors. The President may recommend other members of the investigating team or fact-finding committee, if necessary.

3.9.3.2.3 In the event that the complaint involves a member of the investigating team or special fact-finding committee as mentioned above, the said member shall inhibit himself from taking part of the evaluation, investigation and reporting of that particular complaint.

3.9.3.2.4 Investigation shall be carried out in accordance with company policies and best practices in investigation without compromising the civil rights of any person.

3.9.4 Issuance of Notice to Explain

3.9.4.1 A Notice to Explain or show cause letter shall be issued by concerned Discipline Officer to the employee, requiring a written explanation brought about by a complaint or an incident report. The written notice must contain the following:

3.9.4.2 Date of issuance

3.9.4.3 Who is being charged

- 3.9.4.4 Date and time of the offense
- 3.9.4.5 What was the offense
- 3.9.4.6 Who was involved
- 3.9.4.7 How much was involved (estimated value if applicable)
- 3.9.4.8 How did the offense affect the Company
- 3.9.4.9 Company rule or the ground for dismissal as defined by Art. 297 (of the Labor Code) that is being charged
- 3.9.4.10 Acknowledgment of the Notice to Explain
- 3.9.4.11 Witnesses and evidence of the incident

3.8.4.2 It must reasonably inform the subject employee of the specific act or policy violated or omission with reference to the time, place, and manner in which the act was committed, including persons who witnessed the incident, if any.

3.8.4.3 The Notice to Explain shall provide the employee involved sufficient time to explain/address and submit a reply relative to the allegations specified in the Notice.

3.8.5 Issuance of Preventive Suspension

3.8.5.2 Preventive Suspension may be issued to an employee if his continued employment poses a serious and imminent threat to the life or property of the employer or his co-workers.

3.8.5.3 No Preventive Suspension shall last longer than thirty (30) days. However, in cases when an investigation is extended requiring continued suspension of the subject employee, the company shall pay the corresponding amount of salary and other benefits due to the employee.

3.8.5.4 It should be underscored that Preventive Suspension is not a penalty or sanction.

3.8.6 Reply

3.8.6.2 The subject employee is given reasonable opportunity to answer and submit a written explanation in response to the charges filed.

3.8.6.3 Failure to file a reply or to appear at an investigation, if and when one is called, shall be construed as a waiver to present evidences related to the case.

3.8.7 Disciplinary Hearing/Administrative Conference

3.8.7.2 A conference or hearing to discuss the issue is part of the statutory disciplinary procedure. An administrative hearing or conference is scheduled before any disciplinary action is taken. A notice will be issued prior to the meeting. The employee shall be given the opportunity to explain and shall be allowed to bring a companion during the hearing.

3.8.8 Decision

3.8.8.2 After thorough investigation, review and conduct of the disciplinary hearing/administrative conference, a decision shall be made based on evidences presented by the parties (i.e., the complainant, the subject employee, including other parties involved).

3.8.8.3 A Notice of Decision/ Notice of Dismissal shall be prepared by the concerned Discipline Officer and reviewed by the HRMD Head.

3.8.8.3.1 However, dismissal cases shall be endorsed to the Legal Counsel for review and to the President for final review and approval prior to implementation.

3.8.9 Implementation

3.8.9.2 The immediate superior shall implement the disciplinary action for counselling or written reprimand, whenever appropriate. If the sanction is Suspension or Termination, the Discipline Officer and/or Head of the Division or Department and/or HRMD Head issues the notice.