

## **CODE OF CONDUCT**

### **TITLE I PHILOSOPHY ON DISCIPLINE**

Employee discipline is an essential ingredient for the Company's survival and growth. Every employee is expected to observe the highest standards of accountability, performance, punctuality, honesty, integrity, courtesy, and teamwork, and thus, contribute to the achievement of the Company's goals of customer satisfaction, service excellence and profitability.

The Company adheres to the principle that the best form of discipline is self-discipline. The Company prefers employees who can discipline themselves without the compulsion of law or fear of punishment. It is not enough that the employee should avoid doing "wrong" – he should, consciously and as a personal commitment "do the right things the right way" for the right purpose at the right time. Employees should do the right things because they want to, rather than avoid the wrong things because they fear the consequences.

Although disciplinary action may be imposed for any wrongdoing, the overall intent is more on the prevention of the infraction rather than the administration of the penalty.

### **TITLE II GENERAL PROVISIONS**

ARTICLE 1. Coverage – This Code shall apply to all employees of Globe Telecom, Inc., Innove Communications, GXI, their Subsidiaries and Affiliates.

ART. 2. Uniformity of Penalties - Discipline must be enforced consistently. It shall be applied uniformly to offenders similarly situated.

ART. 3. Impersonal Imposition of Discipline – The imposition of disciplinary action shall be directed against the employee's wrongdoing, not against his person or personality.

ART. 4. Single Penalty – Only one penalty shall be imposed for each offense. If an administrative charge arising from one act or omission results in a finding that two or more violations defined in the Code have been committed, the penalty for the most serious offense shall be applied.

ART. 5. Responsibility of Superiors – It is the duty of every superior to maintain discipline within his area of responsibility. He shall be strictly accountable for the proper discipline and job performance of all subordinates under him, failure of which, he shall be held responsible as provided elsewhere in this Code. Correspondingly, each superior shall be given sufficient authority and power to effectively discharge the foregoing responsibilities.

ART. 6. Responsibility of Employees – It shall be the duty of every employee to familiarize himself with all the provisions of this Code. Ignorance of or unfamiliarity with the provisions of this Code shall not excuse any violation thereof.

ART. 7. Obligation to Report Wrongdoing – It shall be the duty of every employee to report to management with reasonable dispatch any information in their possession about any offense which has been, is being, or is about to be committed. Failure to do so will subject the employee to the appropriate disciplinary action.

ART. 8. Duty of Superior to Act on the Report - It shall be the duty of the superior to act immediately upon all reports of violations, otherwise, he shall be guilty of failure on the job.

ART. 9. Effect of Disciplinary Action on Career Improvement – An employee’s record of offenses shall diminish or remove, as the circumstances may warrant, an employee’s eligibility for merit increases, promotion, incentives, or similar improvement in his job situation.

ART. 10. Imposable Penalties – The following are the imposable penalties under this Code:

- (a) Verbal Warning
- (b) Written Reprimand
- (c) Suspension
- (d) Demotion
- (e) Dismissal

In the imposition of the aforesaid penalties, the Company may consider any attendant aggravating or mitigating circumstances.

ART. 11. Separate Civil or Criminal Action – The imposition of any of the abovementioned penalties shall be without prejudice to any civil, criminal or other actions which the Company may decide to take against the erring employee.

ART. 12. Non-Exclusivity - Acts and omissions which may not fall under the offenses specified in this Code but are clearly prejudicial to the interest of the Company shall be meted out the appropriate disciplinary sanctions, in consonance with the inherent prerogative of the Company to discipline its employees.

This Code does not preclude the Company from applying the just causes for dismissal under the Labor Code and special laws.

**TITLE III  
OFFENSES AND PENALTIES  
CHAPTER I**

**OFFENSES AGAINST CORPORATE VALUES INVOLVING HONESTY AND INTEGRITY**

The company shall adhere to “zero-tolerance” on all offenses which fall under Integrity and Honesty. Substantiated offenses shall be reviewed for possible Civil or Criminal action by the company against the employee taking into consideration the following factors:

1. Offense should have a criminal liability or civil liability
2. Willful intent to gain and pre-meditated acts to gain
3. Legal strategy to counter labor case against the company
4. Significant amount of loss incurred by the company
5. as circumstances may warrant

ART. 13. Corruption/Extortion/Bribery – Any employee who directly or indirectly demands, requests, solicits, receives, or accepts any commission, share, or consideration, monetary or otherwise, for himself or for another person, in connection with any contract or transaction entered into by the Company, or in connection with the performance of his duties, or by reason of his position or office, shall suffer the penalty of DISMISSAL.

ART. 14. Fraud Against the Company – The penalty of DISMISSAL shall be imposed against any employee who:

- (a) makes a false representation of facts;
- (b) employs any kind of deception;
- (c) makes a false or fraudulent claim against the Company;
- (d) initiates or participates in any action intended to defraud the Company;
- (e) obtains payment, benefit or gain from the Company to which he is not entitled;
- (f) knowingly honors a forged signature for his own benefit or that of another person; or
- (g) gives due course or approval to a document knowing it to be false or erroneous.
- (h) Aiding and abetting a subordinate, co-employee or superior in the commencement of a fraudulent act

ART. 15. Theft, Pilferage or Misappropriation – Any employee who steals, misappropriates, or attempts to steal or misappropriate, funds or properties belonging to the Company or co-employee, shall suffer the penalty of DISMISSAL.

ART. 16. Perjury or False Testimony – Any employee who makes untruthful sworn statements or gives false testimony on a matter subject of official inquiry or investigation by the Company, shall suffer the penalty of DISMISSAL.

ART. 17. Falsification – The penalty of DISMISSAL shall be imposed against any employee who:

- (a) Falsifies any company document or record;
- (b) Enters false information on any company document or record;
- (c) Makes untruthful statements in a narration of facts; or
- (d) Uses a falsified document or certificates.

ART. 18. Conflict of Interest – It is the obligation of every employee to declare and divulge in writing to the Company his own involvement in any conflict of

interest with the Company. Failure on the part of an employee to divulge the same to the Company shall be penalized with DISMISSAL.

In general, conflict of interest will be deemed to exist where an employee has or may possibly have a financial or personal interest divergent with or in conflict with his professional obligations, or where financial or other personal considerations may compromise, or have the appearance of compromising the employee's judgment in the administration, management, decision-making and discharge of his official functions. Personal interest is not confined to the personal involvement of the employee himself -- it may also arise from the employee's family or close personal relationship with a contractor, sub-contractor, customer, competitor, creditor or any other entity that does business with the Company.

While the following list of conflict of interest situations is not exhaustive, it illustrates the types of situations that fall within the purview of this Code:

- (a) Being in an official capacity to negotiate, procure, endorse or approve a transaction for and behalf of the Company, either by himself or through a middlemen or agent, with:
  - (i) a person, or entity where the controlling interest is held by the spouse of the employee or his relative within the fourth degree of consanguinity or affinity; or
  - (ii) the former employer of the employee within two (2) years prior to the date of the transaction in question.
- (b) Directly or indirectly having financial or pecuniary interest in any business, contract or transaction over which the employee has the occasion to intervene or take part in his official capacity, or which will require his endorsement or approval;
- (c) Outside employment, directorship, officership, partnership, consultancy, distributorship, or agency in any company or enterprise which adversely affects the employee's working efficiency and productivity;
- (d) Access to sensitive information which may be of value to a person or entity where the controlling interest is held by:
  - (i) the spouse of the employee or his relatives within the fourth degree of consanguinity or affinity; or
  - (ii) the former employer of the employee within two (2) years prior to the date of the transaction in question.
- (e) Having a spouse or relative within the fourth degree of consanguinity or affinity with individuals in the employ of a competitor or business partner;
- (f) Investments or other pecuniary or material interest, directorship, officership, partnership, employment, consultancy, distributorship, or agency or sub-agency in a contractor; sub-contractor; customer; competitor; creditor; or any other entity that does business with the Company or which is in competition with the business of the Company;
- (g) Borrowing money or property from, or otherwise incurring any debt to, any of the individuals, companies or enterprises mentioned above;
- (h) Solicitation or acceptance, whether directly or indirectly, of payments, commissions, rebates, services or gifts of more than nominal value, excessive

entertainment, or improper or excessive favors from a contractor; sub-contractor; customer; competitor; creditor; or any other entity that does business with the Company or which is in competition with the business of the Company;

(i) Pre-empting the Company in the purchase of any asset which the Company is interested in acquiring;

(i) Taking for oneself, or passing on to a relative or associate a business opportunity which became known to the employee because of his position in the Company.

(k) using of one's position and authority to gain pecuniary and/or personal advantage

## **CHAPTER II OFFENSES AGAINST CORPORATE VALUES INVOLVING GOOD PERSONAL BEHAVIOR AND CONDUCT**

ART. 19. Sexual Harassment - In a work-related or employment environment, sexual harassment is committed:

(a) When sexual favor is solicited as a condition for hiring, re-employment, or continued employment of an employee; or

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

(c) When refusal to grant the sexual favor results in limiting, segregating, or classifying the employee which in any way would discriminate, deprive, or diminish employment opportunities or otherwise adversely affect said employee;

(d) When sexual advances impair the employee's rights or privileges under existing labor laws; or

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

Any employee who commits the aforementioned acts, regardless of whether the demand, request or requirement is accepted, shall suffer the penalty of DISMISSAL.

ART. 20. Immoral or Indecent Conduct – Any employee who engages in immoral, indecent, or lascivious behavior, including the use of profane or obscene language in addressing another person, within the company premises during working hours or while on duty shall be penalized as follows:

First Offense - Three (3) days suspension

Second Offense – Seven (7) days suspension  
Third Offense - Fifteen (15) days suspension  
Fourth Offense - Dismissal

ART. 21. Fighting Within Company Premises – Any employee who quarrels, physically assaults, or engages in a fight with a co-employee or any other person within company premises shall suffer the penalty of DISMISSAL.

ART. 22. Threats or Coercion – Threatening, intimidating, or coercing a co-employee or a third party within the company premises shall be penalized as follows:

First Offense - Seven (7) days suspension  
Second Offense – Fifteen (15) days suspension  
Third Offense - Dismissal

ART. 23. Discourtesy or Disrespect to co-employees - Discourtesy or disrespect to co-employees shall be penalized as follows:

First Offense - Seven (7) days suspension  
Second Offense – Fifteen (15) days suspension  
Third Offense - Dismissal

ART. 24. Drunkenness – Any employee who reports for work under the influence of liquor, or who drinks alcoholic beverages during working hours (except on official functions) shall be penalized as follows:

First Offense - Seven (7) days suspension  
Second Offense – Fifteen (15) days suspension  
Third Offense - Dismissal

ART. 25. Use or Possession of Prohibited Drugs – Any employee who uses or is found in possession of prohibited or regulated drugs or narcotics shall be dismissed and/or dealt with in accordance with the law under the Comprehensive Dangerous Drug Act (RA no. 9165).

ART. 26. Smoking in Prohibited Places - Smoking in designated smoke-free zones in the employment premises is strictly prohibited. Violation of this rule shall subject the employee to the following penalties:

First Offense - Verbal Warning  
Second Offense - Written Reprimand  
Third Offense - One (1) day Suspension  
Fourth Offense - Seven (7) days Suspension  
Fifth and Subsequent Offense - Fifteen (15) days Suspension

If the smoking was done in a place where smoking poses a threat to the safety and security of company, the penalty shall be as follows:

First Offense - Fifteen (15) days suspension  
Second Offense - Dismissal

ART. 27. Gambling – Any employee who indulges in gambling in any form at any time within the company premises shall be penalized as follows:

First Offense – Written Reprimand  
Second Offense - Fifteen (15) days suspension

Third Offense - Dismissal

ART. 28. Failure to Report Loss Incident Occurrence – Failure to report a loss incident occurrence, such as motor vehicle accident involving a service vehicle of the Company, property damage, etc. by an employee entrusted therewith or in physical possession thereof, shall be penalized as follows:

First Offense - Seven (7) days suspension  
Second Offense – Fifteen (15) days suspension  
Third Offense - Dismissal

### **CHAPTER III ANTI-CUSTOMER OFFENSES**

ART. 29. Discourtesy Against Customers – Discourtesy towards any customer, in any form or aspect, including, but not limited to rudeness, arrogance, insolence, impoliteness, disdain, contentiousness, ungraciousness, incivility, or inconsiderateness in word or action, shall be penalized as follows:

First Offense - Three (3) days suspension  
Second Offense – Seven (7) days suspension  
Third Offense - Fifteen (15) days suspension  
Fourth Offense - Dismissal

ART. 30. Unauthorized Disclosure of Information - Divulging the customer’s personal information, call details, billing statement, account and history, and other confidential matters without appropriate authorization, shall be penalized as follows:

First Offense - Fifteen (15) days suspension  
Second Offense - Dismissal

ART. 31. Misinformation – Giving false, inaccurate, misleading, incomplete, delayed, or no information to customers, when the employee knows, should know or is in a position to obtain such information, resulting in inconvenience, discomfort, dissatisfaction, or expense to customer, shall be penalized as follows:

First Offense - Verbal Warning  
Second Offense - Written Reprimand  
Third Offense - One (1) day Suspension  
Fourth Offense - Seven (7) days Suspension  
Fifth Offense - Fifteen (15) days Suspension  
Sixth Offense - Dismissal

ART. 32. Neglect of Customer – Failure or refusal to respond, assist or attend to the concerns of a customer or failure or refusal to provide prompt, efficient, and courteous service to a customer shall be penalized as follows:

First Offense - Verbal Warning  
Second Offense - Written Reprimand  
Third Offense - One (1) day Suspension

Fourth Offense - Seven (7) days Suspension

Fifth Offense - Fifteen (15) days Suspension

Sixth Offense - Dismissal

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

ART. 33. Mishandling a Customer – Disengaging or dropping the customer’s call, transferring the customer’s call to an invalid channel thereby leaving the customer’s concern unresolved, leaving the workstation for a long period of time, causing the customer to terminate his call, or setting the Automatic Call Distribution on “busy” mode resulting in unanswered calls, shall be penalized as follows:

First Offense - Verbal Warning

Second Offense - Written Reprimand

Third Offense - One (1) day Suspension

Fourth Offense - Seven (7) days Suspension

Fifth Offense - Fifteen (15) days Suspension

Sixth Offense - Dismissal

#### **CHAPTER IV OFFENSES AGAINST JOB PERFORMANCE**

ART. 34. Failure on the Job – Any employee who demonstrates his refusal or inability without justifiable reason to perform his duties and responsibilities; or to accomplish the performance and productivity standards thereof shall be meted a penalty depending upon the gravity or frequency of the offense and on whether the situation is temporary or remediable or permanent and incurable. Where the acts amount to gross and habitual neglect of duty or analogous to it, it shall be meted with outright dismissal.

ART. 35. Non-Observance of Standard Operating Procedures – Willful or intentional non-observance of standard operating procedures for direct or indirect personal gain shall be meted a penalty depending upon the gravity of the offense.

ART. 36. Failure of Management – Failure of an employee holding people manager/line manager positions to maintain and uphold proper discipline by way of tolerating and consenting to any inappropriate or illegal activities is a clear neglect of his duties and can result to management’s loss of trust and confidence in his ability as a leader. He or she can be meted with appropriate



disciplinary action with penalty ranging from suspension to dismissal depending on the gravity of the offense.

ART. 37. Failure to Provide Guidance – Failure of a superior to provide basic orientation, training or guidance to subordinates in discharge of their duties and responsibilities, leading to violation of company policies or existing laws, shall be penalized depending on the gravity of the offense.

ART. 38. Sleeping While on Duty – Sleeping while on duty shall be penalized as follows:

First Offense - Verbal Warning

Second Offense - Written Reprimand

Third Offense - Seven (7) days Suspension

Fourth Offense - Fifteen (15) days Suspension

Fifth Offense - Dismissal

ART. 39. Absence Without Leave - Any employee who absents himself from work without the previous notice to his immediate superior shall be penalized as follows:

First Offense - Three (3) days Suspension

Second Offense - Seven (7) days Suspension

Third Offense - Fifteen (15) days Suspension

Fourth Offense - Thirty (30) days Suspension

Fifth Offense - Dismissal

Absence without leave for five (5) days or more shall be considered as gross and habitual neglect of duty, for which the penalty of DISMISSAL shall be imposed.

ART. 40. Tardiness – Any employee who reports for work late for two (2) times, or accumulates one (1) hour tardiness, within a 7-day attendance monitoring cycle, shall be penalized as follows:

First Offense - Verbal Warning

Second Offense - Written Reprimand

Third Offense - Three (3) days Suspension

Fourth Offense - Seven (7) days Suspension

Fifth Offense - Fifteen (15) days Suspension

Sixth Offense - Dismissal

For the above sixth offense to merit dismissal, the first up to the sixth offense must be committed within one calendar year, i.e., January to December of the same year.

ART. 41. Unauthorized Undertime – Any employee who leaves his workplace during his work time or prior to the expiration of his work schedule, or leaves his workplace for more than one (1) hour thereof without the approval of his superior, shall be penalized as follows:

First Offense - Verbal Warning

Second Offense - Written Reprimand

Third Offense - Seven (7) days Suspension

Fourth Offense - Fifteen (15) days Suspension

Fifth Offense - Dismissal

ART. 42. Limiting Work Output – Any employee who deliberately spends more time than reasonably necessary to perform his job or task, or incites, others to do the same shall be penalized depending on the gravity of the offense.

ART. 43. Loitering and Abandonment of Post – An employee who idles away his time within or outside of the company premises, or abandons his post during working hours, shall be penalized as follows:

First Offense - Verbal Warning

Second Offense - Written Reprimand

Third Offense - Seven (7) days Suspension

Fourth Offense - Fifteen (15) days Suspension

Fifth Offense - Dismissal

ART. 44. Malingering – Any employee who feigns illness or disability for purposes of avoiding work, duty or service, or for other personal reason, shall be penalized as follows:

First Offense - Fifteen (15) days Suspension

Second Offense - Dismissal

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

ART. 45. Improper Use of Sick Leave – An employee who: (a) avails of his sick leave without informing his superior about the nature of his illness; (b) extends his approved sick leave without prior notification; or (c) refuses to be examined by the company-designated physician while on sick leave, shall be penalized as follows:

First Offense - Written Reprimand

Second Offense - Seven (7) days Suspension

Third Offense - Fifteen (15) days Suspension

Fourth Offense - Dismissal

ART. 46. Culpable Delay in Disposing Disciplinary Cases – Any official who unreasonably delays the resolution of disciplinary cases shall be meted out the following penalty:

First Offense - Seven (7) days Suspension

Second Offense - Fifteen (15) days Suspension

Third Offense - Thirty (30) days Suspension

Fourth Offense - Dismissal

## **CHAPTER V OFFENSES AGAINST TEAMWORK**

ART 47. Insubordination – All Company rules and regulations are intended to be complied with by all employees, and any direct order given by a superior relating to work assignment must be promptly obeyed.

Penalty shall be suspension or outright dismissal depending upon the gravity of the offense.

ART. 48. 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 to oppress, harass, and otherwise prejudice another shall be penalized either by suspension or outright dismissal, depending upon the gravity of the offense.

ART. 49. Sowing Intrigues – Any employee who spreads or disseminates false, inaccurate, misleading information about an employee with the intent of damaging, tarnishing or besmirching his reputation or standing within the Company, or weakening or destroying the trust and confidence of others in him, or undermining or destroying the authority of his superior over others shall be penalized as follows:

First Offense - Fifteen (15) days

Suspension Second Offense - Dismissal

ART. 50. Withholding of Cooperation – Any employee who refuses or fails to cooperate with, or who deliberately withholds cooperation from, or who refuses or fails to help, assist and provide team support to fellow employees, whether peers, superiors, or subordinates, when such cooperation and teamwork are needed to ensure the performance or completion of any company operation or to protect Company’s interests, shall be penalized as follows:

First Offense - Fifteen (15) days Suspension

Second Offense - Dismissal

ART. 51. Withholding of Information – Any employee who refuses or fails without justifiable reason, to communicate with or provide information to a fellow employee when such information or communication is authorized or 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 shall be penalized as follows:

First Offense - Fifteen (15) days Suspension

Second Offense - Dismissal

ART. 52. Giving False Information - Any employee who has the responsibility to give correct information who deliberately or through culpable negligence, gives false, inaccurate, misleading, incomplete, or delayed information to a fellow employee which results in: damage to the quality of the Company’s products and services; customer dissatisfaction; errors, delays, inefficiencies, higher costs, and similar disruptions or irregularities in operations; losses or foregone revenues; lowering of employee productivity or morale; wrong or unsound decisions; or any other disruption or damage to the Company’s effectiveness and efficiency in achieving its goals, objectives and standards in any area of its operations, shall be penalized as follows:

First Offense - Seven (7) days Suspension

Second Offense - Fifteen (15) days Suspension

Third Offense - Dismissal

## **CHAPTER VI**

### **OFFENSES AGAINST THE GOOD NAME AND SECURITY OF THE COMPANY**

ART. 53. Injuring Company Reputation – Any employee who causes damage or injury to the reputation and image of the Company in the eyes of other people, such as by spreading false rumor about the Company, embarrassing, ridiculing, or mocking the Company by word and/or action in the presence of other people, whether employees or not, or criticizing the Company in public, shall suffer the following penalty:

First Offense - Fifteen (15) days Suspension

Second Offense - Dismissal

ART. 54. Revelation of Confidential Information – Revealing or releasing confidential information pertaining to the Company (including, but not limited to trade secrets, marketing or financial data); or assisting any person to access such confidential information, shall suffer the penalty of DISMISSAL.

ART. 55. Concealing or Withholding Information - Concealing or withholding from the appropriate authorities within the Company any information any

wrongdoing, or threat/danger to the well-being or safety of the Company's personnel, customers, property, interests, or to the profitability of the company's operations shall be penalized depending upon the gravity of the offense.

ART. 56. Damage to Company Property – Any employee who causes damage to company property shall suffer the following penalty:

First Offense - Fifteen (15) days Suspension

Second Offense - Dismissal

If the damage to company property was deliberately done or was caused by the employee's deviation from standard operating procedures, the penalty shall be DISMISSAL.

## **CHAPTER VII**

### **OFFENSES AGAINST SECURITY, SAFETY, HEALTH AND ENVIRONMENT**

ART. 57. Refusal to Cooperate With Security Personnel - Any employee who refuses to cooperate with security personnel in the performance of their duties shall be penalized as follows:

First offense - Verbal Warning

Second Offense - Written Reprimand

Third Offense - Seven (7) days Suspension

Fourth Offense - Fifteen (15) days Suspension

Fifth Offense - Dismissal

ART. 58. Unauthorized Use of Company Property – Company facilities and/or equipment are to be used as may be required by the regular work of the employee and as the nature of work may require. No company facility and/or equipment maybe used other than that for company purposes without the previous authorization of the company official concerned. Any employee who uses company property for personal purposes, or takes or removes company property from the usual area, shall be penalized as follows:

First offense - Verbal Warning

Second Offense - Written Reprimand

Third Offense - Seven (7) days Suspension

Fourth Offense - Fifteen (15) days Suspension

Fifth Offense - Dismissal

ART 59. Carrying Deadly Weapons – Unless authorized by the Company, employees are not allowed to carry within company premises, including

company sponsored events, firearms, knives, explosives, and other deadly weapons. Violation of this rule shall subject the employee to suspension or outright dismissal, depending upon the gravity of the offense.

ART. 60. Failure to Wear Prescribed Uniform – Any employee who does not wear the prescribed uniform while on duty shall be penalized as follows:

- First Offense - Written Reprimand
- Second Offense - Three (3) days suspension
- Third Offense - Six (6) days suspension
- Fourth Offense - Dismissal

ART. 61. Improper Wearing of Company ID – While inside the company premises, employees should wear his Identification Card on his chest for immediate security identification. Failure to comply with this rule shall subject the employee to the following penalties:

- First offense - Verbal Warning
- Second Offense - Written Reprimand
- Third Offense - Three (3) days Suspension
- Fourth Offense - Seven (7) days Suspension
- Fifth Offense - Fifteen (15) days suspension
- Sixth Offense - Dismissal

ART. 62. Unauthorized Use of Another Employee's ID – Any employee who uses the Identification Card of another employee for the purpose of gaining entry to the company premises or offices shall be penalized as follows:

- First Offense - Seven (7) days Suspension
- Second Offense - Fifteen (15) days Suspension
- Third Offense - Dismissal

ART. 63. Unauthorized Use of Another Employee's System and Network Access – Any employee, who uses the system or profile network of another employee for the purpose of modifying, adjusting, re-classifying, tampering systems, accounts or applications shall be penalized either by suspension or outright dismissal depending upon the gravity of the offense.

ART. 64. Allowing Other Employee to Use His System and Network Access – Any employee who allows his own System and Network Accesses to be used by another employee shall be penalized either by suspension or outright dismissal depending upon the gravity of the offense.

ART. 65. Allowing Another Employee to Use His ID – Any employee who allows his Identification Card to be used by another employee shall be penalized as follows:

- First Offense - Seven (7) days Suspension
- Second Offense - Fifteen (15) days Suspension
- Third Offense - Dismissal

ART. 66. Climbing Tower Without Authorization to Climb – Any employee who climbs a tower without an Authorization to Climb shall be penalized by either suspension or outright dismissal depending upon the gravity of the offense.

ART. 67. Tampering Safety Systems - Tampering Fire Protection Appliances and Life Safety Systems, such as fire alarms, fire extinguishers, smoke detectors, etc., shall be penalized either by suspension or by outright dismissal depending upon the gravity of the offense.

ART. 68. Commission of Unsafe Acts – Commission of unsafe acts and hazards that endanger co-employees and company property shall be penalized either by suspension or by outright dismissal depending upon the gravity of the offense.

ART. 69. Failure to Act on a Preventive/Corrective Action Request (PCAR) –All operating units of the Company, including employees involved in operations and maintenance of buildings, facilities or sites; or those involved in the implementation of projects, i.e., construction and telecom works; and those involved in other activities relating to site management, are obliged to strictly comply with Safety, Health & Environmental Management policies and procedures of the Company. Any Preventive/Corrective Action Request (PCAR) must be acted upon with dispatch.

Failure to act or close a Preventive/Corrective Action Request (PCAR) on a matter relating to non-compliance with standard operating procedures resulting in business interruption, loss of service or fatal accident shall be penalized with DISMISSAL. If the omission did not result in business interruption, loss of service or fatal accident, the penalty shall be as follows:

First Offense - Written Warning

Second Offense - Ten (10) days suspension

Third Offense - Dismissal

ART. 70. Poor Housekeeping and Sanitation – Clean and healthy surroundings is conducive to work and appealing to customers. All employees, therefore, are obliged to be safety conscious and concerned with the preservation of health and good housekeeping. Spitting, throwing papers, cigarette butts, trash, etc. on the floor, including improper use of toilet facilities are strictly prohibited.

Violation thereof shall be penalized as follows:

First Offense - Verbal Warning

Second Offense - Written Reprimand

Third Offense - Three (3) days Suspension

Fourth Offense - Seven (7) days Suspension

Fifth Offense - Fifteen (15) days Suspension

Sixth Offense - Dismissal

**TITLE IV**  
**RULES OF DISCIPLINARY PROCEEDINGS**  
**RULE I**  
**PRELIMINARY PROVISIONS**

SECTION 1. Responsibility of Line Management - The maintenance of order and discipline is basically a Line Management responsibility. Thus, enforcement of rules, including the conduct of disciplinary proceedings, is a Line Management function. He or she shall be assisted by HR, Internal Audit, Legal and/or Security as may be warranted by the circumstances of each case.

SECTION 2. Nature of Disciplinary Proceedings – Disciplinary proceedings or administrative investigations shall be summary in nature. The rules of procedure and evidence as applied in judicial proceedings shall not be controlling. The Company shall use all reasonable means to ascertain the facts in each case speedily and objectively, all in the interest of due process.

**RULE II**

**FACT-FINDING INQUIRY**

SECTION 1. Gathering of Evidence - Upon receipt of a report, verbal or written, signed or unsigned, that a violation of company rules and regulations has been committed or is being committed, the Immediate or Next Level Superior concerned shall immediately cause a fact-finding inquiry to be conducted for the purpose of determining the veracity of the report and gathering the necessary evidence, which may be in the form of documents or sworn statements of witnesses. For this purpose, the Immediate Superior shall be assisted by Security, Internal Audit, HR and/or Legal Divisions.

**RULE III**

**ADMINISTRATIVE PROCEEDINGS**

SECTION 1. Notice of Administrative Charge – If the evidence gathered shows that an infraction has been committed, the Immediate or Next Level Superior, in close coordination with the Division Head / Group Head, shall issue a Notice of Administrative Charge against the employee concerned.

The Notice of Administrative Charge should pass thru HR-Employee Relations for review before issuing to concerned employee. HR-Employee Relations may, as necessary involve Legal Department in the review of the administrative charge/s.

SECTION 2. Contents of the Notice of Administrative Charge – The Notice of Administrative Charge shall be signed by the Immediate Superior and noted by the Division Head / Group Head, and shall:



- a) Specify the particular acts or omissions committed by the employee; and
- (b) Direct the employee to explain within twenty-four (24) hours from receipt why no disciplinary action should be taken against him.

If the continued presence of the employee poses a serious and imminent threat to the property of the Company or to the life of co-employees, the employee concerned shall be placed under preventive suspension, and this matter shall be stated in the Notice of Administrative Charge.

Further, preventive suspension may be imposed if Management deemed that there is sufficient and compelling evidence that a fraud or significant infraction may have occurred and may have involved the employee.

SECTION 3. Period of Preventive Suspension – The preventive suspension shall last for thirty (30) days only. The disciplinary proceedings should be terminated within this 30-day period. If the disciplinary proceedings could not be terminated during the 30-day period due to a cause attributable to the fault of the employee, such period of delay shall not be considered in reckoning the 30-day period.

SECTION 4. Non-Accrual of Salaries and Benefits During Preventive Suspension - During the 30-day period of preventive suspension, the employee is not entitled to salaries and benefits, unless he is later exonerated of the charge.

To ensure that the employee is not paid any salaries and benefits during the period of his preventive suspension, the Immediate Superior shall notify Payroll and Timekeeping about the preventive suspension of the employee. HR-LR will arrange all the necessary communication with Security Group and Line in retrieving all tools of work. The Immediate Superior shall likewise notify the Security Division about the preventive suspension to enable it to retrieve the Identification Card and other company-issued property.

#### Temporary Disconnection of System and Network Accesses

All employees being charged with offenses against honesty and integrity shall have their individual network IDs temporarily suspended (i.e., VPN, People Soft, Accesses to Information and Systems, Accesses in Processing Information and Documents)

#### Denial of Entry on All Company Premises

Employees under preventive suspension shall be denied entry to all Company premises, i.e., Stores, hub, cellsites, satellite offices, etc. further, any employee who interacts with suppliers, contractors, sub-contractors, distributors, creditors, subscribers shall no longer be allowed to negotiate, endorse, approve, procure and to do any transactions on behalf of the Company.

The immediate superior or next level superior shall be the one to ensure that the preventive suspension is known to the suppliers, contractors, sub-contractors, distributors, creditors and subscribers. HR shall inform Security Group to deny entry to all Company premises.

SECTION 5. Employee Response to Administrative Charges – Within twenty-four (24) hours from receipt of the Notice of Administrative Charge, the employee shall submit his written answer. Twenty Four (24) hours extension may be requested thru a formal memo by an employee as provided by law.

SECTION 6. Administrative Hearing - Upon receipt of the answer/explanation, or if the employee does not submit any answer/explanation, the Immediate Superior with HR shall determine whether or not there is a necessity to conduct administrative hearing.

If the Immediate Superior and HR deem it proper to conduct an administrative hearing, the IS shall send to the employee a written notice stating the date, time and place of hearing. In the conduct of the administrative hearing, the Immediate Superior shall be assisted by HR, Internal Audit, Legal and/or Security.

Cases involving sexual harassment shall be heard by a Committee on Decorum composed of representatives from:

- (a) HR;
- (b) Legal;
- (c) Security; and
- (d) Union, if a union member is involved.

The administrative hearing shall be summary in nature and shall be limited to factual issues not clear or ascertainable from the evidence at hand. The employee shall be given ample opportunity to be heard and if he so desires, he may be assisted by his lawyer or representative. However, the participation or presence of such lawyer or representative shall not be allowed to unduly delay or in any way detract from the summary nature of the proceedings.

SECTION 7. Decision – After the termination of the administrative hearing, the Immediate Superior or the Committee on Decorum, shall immediately render a decision imposing the appropriate disciplinary action or exonerating the employee, if the evidence does not establish any infraction.

The decision shall be rendered on the basis of substantial evidence, which means such relevant evidence which a reasonable mind might accept to support a conclusion and shall state the factual basis for exoneration or imposition of the disciplinary action.

The decision shall be signed by the Immediate Superior and noted by the Division Head/Group Head. In sexual harassment cases, the decision shall be signed by the Committee on Decorum.

SECTION 8. Implementation of the Decision - The Immediate Superior shall serve the Decision to the employee. Simultaneous with the service of the decision, the Immediate Superior shall notify and furnish a copy of the decision to:

- (a) Payroll and Timekeeping;
- (b) Security Division; and
- (c) Human Resources Group
- (d) Union; if a union member is involved

SECTION 9. Role of Payroll and Timekeeping - Upon receipt of the notice of disciplinary action, Payroll and Timekeeping shall immediately cut-off or adjust the salaries and benefits of the employee who was meted out the penalty of suspension, demotion, or dismissal.

SECTION 10. Role of Security Division - Upon receipt of the notice of disciplinary action, the Security Division shall retrieve the Identification Card and other properties issued to the employee who was meted out the penalty of suspension or dismissal.

SECTION 11. Role of the Human Resources Group – Any decision rendered in a disciplinary proceeding, whether for or against an employee, shall be filed by the Human Resources Group in the 201 Files of the concerned employee.

**SECTION 12.** *Pursuance of Criminal / Civil action by the company -* Human Resources Group and Legal will review, assess and decide administrative cases whether to pursue criminal/civil action against employees found to have violated our Code of Conduct.