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|  <b>CODE OF DISCIPLINE</b> | Revision No.: 1                  |
|   | Volume No.:                      |
| APPROVED BY:<br>ARMANDO S. MACALINO<br>EVP/COO  | Effective Date:<br>June 15, 2018 |
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**1. POLICY STATEMENT:**

***It is company policy to:***

- 1.1. Employ the corporate values and virtues to serve as a guide in the behavioral manifestation and conduct of all employees. Human Resource Division (HRD) shall ensure that the Code of Discipline is anchored on such values;
- 1.2. Guide employees' conduct and behavior in the performance of their duties and responsibilities. Thus, it has set forth the Code to preserve discipline in day-to-day activities of employees towards harmonious working relationships;
- 1.3. Encourage and support employees towards excellence through recognition of efficient accomplishments;
- 1.4. Enforce company policies, established procedures, customarily practiced modes of behavior, rules and regulations, and ensure compliance therewith;
- 1.5. Penalize violations of any of company policies, established procedures, and customarily accepted modes of behavior, rules and regulations; and
- 1.6. Correct and rehabilitate the employees, the intention of this Code being reformative and not vindictive.


**2. OBJECTIVES:**

- 2.1. To allow employees to project and exhibit behavioral qualities such as professionalism, entrepreneurialism, and easy-to-deal-with attitude in order to ensure the development and enhancement of the Company Vision;
- 2.2. To impose proper discipline to achieve harmonious working relationship and efficiency of business operations; and
- 2.3. To provide equitable and fair treatment upon all employees.

**3. DEFINITION OF TERMS:**

When used in this Code, the following terms shall, unless the context otherwise indicates, have the following respective meaning:

- 3.1. **Employee** - refers to any person employed by the Company, regardless of rank or status.
- 3.2. **Immediate Head/Supervisor** - refers to any person who, in relation to another employee, is higher in rank and exercises direct functional and administrative supervision but limited authority over another employee.
- 3.3. **Department Head** - refers to any person exercising direct control and supervision over a particular field of operation.
- 3.4. **Human Resource Manager** - refers to the person in-charge of all HR operations for each business unit.
- 3.5. **Discipline Committee** - refers to the panel or a small group of professionals (consisting of managers or key personnel) who resolves cases involving major or grave infractions and employees' appeals.
- 3.6. **Mitigating Circumstances** - shall mean those conditions or happenings by virtue of which the penalty to be imposed on an employee who has committed an infraction is reduced or made less severe.

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- 3.7. **Aggravating Circumstances** - shall mean those conditions or happenings by virtue of which the penalty to be imposed on an employee who has committed an infraction is increased or made more severe.
- 3.8. **External Clients** - refers to a person or persons representing a company who patronizes products and services offered by the Company.
- 3.9. **Internal Clients** - refers to employees and other persons inside company premises regularly dealing business with the Company.

#### 4. GENERAL GUIDELINES:


##### 4.1. Company Philosophy on Discipline

- 4.1.1. The best form of discipline is SELF-DISCIPLINE, in which there is a total setting of oneself towards the highest level of performance in the midst of limiting boundaries.
- 4.1.2. A culture of performance and operational excellence is the ultimate objective of VALUECARE HEALTH SYSTEMS INC (as "Company") among its employees, where such performance is duly recognized and rewarded in accordance with the policies, rules and regulations of the Company.
- 4.1.3. Every employee in the Company is mandated to actively participate in achieving the objectives of TOTAL CUSTOMER SATISFACTION. Accordingly, the employees are expected to observe the highest standards of honesty and integrity, professionalism, courtesy, punctuality, teamwork and cooperation.
- 4.1.4. The Company seeks to establish and nurture an environment that recognizes and rewards achievement. Discipline will be instilled through constant recognition of accomplishments rather than putting employees under threat of punishment. Nevertheless, enforcement of discipline is still acknowledged in the Company's continuing search for INNOVATION, GROWTH AND PROFITABILITY, and LEADERSHIP. While the reward system is intended to increase the productivity level of the Company as well as its profitability, the disciplinary system will ensure consistency in performance.
- 4.1.5. The Code of Discipline is being implemented by the Company in view of the need to be transparent in all dealings concerning violations of its policies, established procedures and customarily practiced modes of behavior, rules and regulations. Discipline among employees and the appropriate sanctions for violations will be guided by this Code, without prejudice to prevailing and/or future legislation.

##### 4.2. General Provisions

- 4.2.1. **Procedural Due Process:** Investigations shall be expeditiously conducted, at times without need for any formal hearing in accordance with the Labor Code. The technical rules of procedures found in judicial proceedings shall not find any application in this Code.
- 4.2.2. **Conclusions/Resolutions of Proceedings:** Conclusions on findings of facts shall be based on the evidence presented by the Company and the employee charged of an infraction. Resolutions shall be grounded on substantial evidence.
- 4.2.3. **Imposition of Penalties:** Disciplinary action or penalties may only be imposed after due process and in accordance with and as sanctioned by this Code. However, insofar as minor infractions the commission of which is indisputable



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and/or supported by evidence, the appropriate sanction may **IMMEDIATELY** be imposed.


- 4.2.4. **Uniformity of Penalties:** Penalties shall be applied consistently and uniformly to offenders similarly situated regardless of rank, race, sex or belief.
- 4.2.5. **Mitigating/Aggravating Circumstances:** The penalty to be imposed shall depend on the infraction committed, taking into consideration the mitigating and/or aggravating circumstances as provided in this Code which justify the imposition of a penalty less or more severe than that provided herein.
- 4.2.6. **Habitual Commission of Infractions:** The penalty to be imposed for recent infractions shall consider the past infractions committed by the offender as found in the records or the absence thereof. Due regard shall, however, be given to determine whether the employees' conduct shall actually indicate habitual lapses that may give rise to a heavier penalty.
- 4.2.7. **Infractions Not Listed in the Code:** This Code is not intended to and cannot cover every possible set of circumstances. For infractions not listed in this Code, the penalty (ies) imposed in such instance is/are deemed incorporated herein and shall govern future infractions for such or like infractions.

**4.3. Discipline Committee**

- 4.3.1. **Functions:** The Committee shall have the following functions:
  - 4.3.1.1. Conduct proceedings on first instance of cases involving major or grave to heavy infractions, and to render decisions thereon;
  - 4.3.1.2. Resolve cases;
  - 4.3.1.3. Promulgate rules necessary for speedy disposition of the cases before it.

**4.4. Guidelines in the Imposition of Disciplinary Action**

- 4.4.1. **Right to be Heard:** Every employee charged of a company infraction shall be afforded ample opportunity to be heard.
- 4.4.2. **Procedures:**
  - 4.4.2.1. Upon discovery of the infraction, the Immediate Head shall immediately conduct an informal inquiry, to be completed before the employee is allowed to log out.
  - 4.4.2.2. After completion of informal inquiry, the Immediate Head shall issue a memo- Notice to Explain (NTE) requesting the employee to submit a written explanation/statement.
  - 4.4.2.3. The employee charged of the infraction may be placed under preventive suspension by the HR Department on grounds provided by this Code supplemented by the Labor Code.
  - 4.4.2.4. If the infraction is light to less grave the case shall be resolved by the Employee Relations (ER) Department.
  - 4.4.2.5. Endorsement shall be made within forty-eight (48) hours from the time the employee is formally informed in writing of the charges.

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4.4.2.6. Cases involving grave to heavy infractions shall automatically be endorsed to the Discipline Committee.

4.4.3. **Preventive Suspension:** Where the employee's continued employment poses a serious and imminent threat on the life or property of the Company and/or his/her co-employees, preventive suspension may be imposed.

4.4.4. **Waiver:** The imposition of disciplinary action corresponding to the infraction committed shall neither be waived, cancelled, nor delayed for any reason, whether for operational exigencies or otherwise.

#### 4.5. Coverage

4.5.1. This Code shall apply to all employees of the Company regardless of rank or position, whether on probationary or contractual, seasonal basis, or for fixed or project employment, or regular (on a full-time) or part-time basis. Further, this Code shall apply whether the infraction is committed:

4.5.1.1. Inside the company premises while on or off duty;

4.5.1.2. Outside the company premises while performing official duty; and

4.5.1.3. Outside the company premises even while off duty if the incident is connected with or will affect the employee's work with the Company.

4.5.2. Persons under the employ of an agency or independent contractor shall be covered by this Code only to the extent of his/her civil and/or criminal liability as may be found herein and as provided by law.

#### 4.6. Responsibilities of Officers and Employees

4.6.1. **Responsibilities of Management:** Management, in the implementation of this Code, shall exercise its discretion and, therefore, has full responsibility for its decisions. Those who condone commission of infractions shall be subject to disciplinary action as provided herein.

4.6.2. **Responsibilities of Employees:** All employees are enjoined to review and familiarize themselves with this Code and must strictly observe the provisions herein. **IGNORANCE OF OR UNFAMILIARITY WITH THE PROVISIONS OF THIS CODE WILL NOT EXCUSE INFRACTIONS THEREOF.**


#### 4.7. Relationships with Department

4.7.1. **Departmental Rules:** Provisions of this Code not included in policies adopted by various departments and other existing organizational units of the Company shall be deemed incorporated in the said policies and made integral parts thereof.

4.7.2. **Conflicting Rules:** In case of conflict between this Code and policies of departments/units of the Company mentioned in the preceding section, the more severe provisions in regard to definition of an infraction and/or the penalties prescribed therefore shall apply.

#### 4.8. Infractions and Penalties - General Provisions

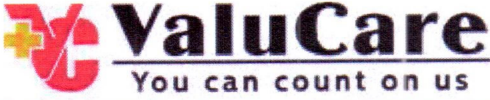


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- 4.8.1. **Non-exclusivity:** This Code does not contain all existing policies of the Company. Every employee is bound to comply with the applicable rules as issued and promulgated by the Company through duly authorized representatives. Violations thereof shall be punishable under this Code.
- 4.8.2. **Supplementary Rules:** If and when warranted, the Company may issue rules that serve to amplify the provisions of this Code or to find specific application to the operations of various departments. Said rules shall be deemed part of and incorporated in this Code and shall have the same full force and effect among employees.
- 4.8.3. **Modifications/Amendments:** The Company reserves the right to amend, alter, modify, change or add pertinent provisions in this Code, as conditions may warrant.
- 4.8.4. **Standards:** The Company declares that compliance with company standards is mandatory and not merely just a directory. Unless otherwise specified, culpable or inexcusable non-compliance therewith shall be punishable in accordance with this Code.
- 4.8.5. **Punishable Infractions:** Any infraction committed by an employee shall be subject to appropriate penalty after considering any mitigating or aggravating circumstances. Unless explicitly stated, malicious intent and/or actual damage are not necessary to make an infraction punishable herein.
- 4.8.6. **Conspiracy or concerted actions:** The commission of an infraction punishable under this Code by a group of employees acting in concert, whether or not there is prior agreement to commit such infraction, shall be considered a conspiracy. Every employee who participated in the commission of the infraction shall be punished with the penalty prescribed for the most serious infraction resulting from such concerted action. Further, no mitigating circumstances shall be considered in the imposition of the said penalty.
- 4.8.7. **Tolerance and Condonation:** Any employee who is clearly in a position, acting along and without any risk of harm or cost to himself/herself, to prevent the commission of an infraction punishable in this Code, or in a position to take any measure to solicit or obtain the assistance of others when needed to prevent the commission of such infraction, or duty bound to inform authorities who are in a position to prevent the occurrence of the infraction, but fails to do so, shall be meted the most severe penalty for the infraction tolerated or condoned. Further, no mitigating circumstances shall be considered in the imposition of the said penalty.
- 4.8.8. **Failure to Report:** It is the duty of employees to report to the proper authorities with reasonable dispatch any information in their possession about any infraction which has been, or is being or is about to be committed. Failure to do so will subject the employee to the most severe penalty for the infraction not reported. Further, no mitigating circumstances shall be considered in the imposition of said penalty.
- 4.8.9. **Instigation:** Any employee who instigates, influences, persuades, forces, coerces, or otherwise causes another to commit an infraction shall be deemed to have committed the infraction and shall be subject to the most severe penalty for the infraction committed by the employee instigated, etc. Further, no mitigating circumstances shall be considered in the imposition of said penalty.

**4.9. Infractions and Penalties - Classification of Infractions**

- 4.9.1. **Classification:** Infractions found herein are classified according to the following categories:

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4.9.1.1. **Infractions against Company Interest**

4.9.1.2. **Infractions against Attendance/Punctuality/Timekeeping**

4.9.1.3. **Infractions against Conduct/Behavior and Discipline**

4.9.1.4. **Infractions against Company Property**

4.9.1.5. **Infractions arising from Performance of Work**

4.9.1.6. **Infractions against Safety/Security/Sanitation Regulations**

4.9.1.7. **Infractions against Customers**

4.9.2. **Type of Infractions:** Infractions or violations, depending on their seriousness are classified as type A, B, C, D, E and F infractions with a corresponding scale of penalties that ranges from verbal "warning" to "dismissal".


#### 4.10. Infractions and Penalties - Schedule of Penalties

| DEGREE OF OFFENSES        | PENALTY               |
|---------------------------|-----------------------|
| FIRST DEGREE              |                       |
| 1 <sup>st</sup> violation | Final written warning |
| 2 <sup>nd</sup> violation | 10-days suspension    |
| 3 <sup>rd</sup> violation | 15-days suspension    |
| 4 <sup>th</sup> violation | 25-days suspension    |
| 5 <sup>th</sup> violation | Dismissal with cause  |
| SECOND DEGREE             |                       |
| 1 <sup>st</sup> violation | 10-days suspension    |
| 2 <sup>nd</sup> violation | 15-days suspension    |
| 3 <sup>rd</sup> violation | 25 days suspension    |
| 4 <sup>th</sup> violation | Dismissal with cause  |
| THIRD DEGREE              |                       |
| 1 <sup>st</sup> violation | 15-days suspension    |
| 2 <sup>nd</sup> violation | 25-days suspension    |
| 3 <sup>rd</sup> violation | Dismissal with cause  |
| FOURTH DEGREE             |                       |
| 1 <sup>st</sup> violation | Dismissal with cause  |

#### 4.11 Infractions Against Company Interest – 4<sup>th</sup> degree infractions


**4.11.1 Conflict of Interest and Failure to Declare or Divulge:** It is the obligation of every employee to declare and divulge in writing to the Company of his/her own involvement in any conflict of interest.



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- 4.11.1.1 After an employee makes such a declaration, the Company shall make a declaration whether the conflict poses an actual or mere potential danger to the Company. If so, the Company shall take measure to protect itself from any harmful effects that may arise from the conflict and impose the penalty as circumstances may warrant.
- 4.11.1.2 **"Conflict of Interest"** exists when an employee engages, participates or involves himself/herself in any transaction or undertaking, whether directly or indirectly, where such engagement, participation or involvement, among others: (a) is with any firm or establishment in the same line of business as the Company; (b) affects the interest of the Company; and (c) opposes or affects the efficient and faithful performance of the duties of the employees.
- 4.11.2 **Illegal Meetings/Assemblies:** Any employee who holds unauthorized or illegal meetings or assemblies within the company premises during business hours.
- 4.11.3 **Circulation of Subversive/Obscene Materials:** Any employee who distributes or circulates audio visual, written, printed and/or electronic materials within the company premises, characterized as subversive and/or obscene.
- 4.11.4 **Unauthorized Use of Company Name:** Any employee who uses the Company name without prior authority, whether or not for personal gain.
- 4.11.5 **False Representation:** Any employee who falsely represents himself/herself to be an officer or lawful agent or representative of the Company or performs acts pertaining to any person in authority in the Company without being officially entitled to whether or not done in exchange for a consideration.
- 4.11.6 **Unauthorized Giving of Company Information and/or Transactions:** Any employee who divulges restricted/confidential information or transactions of the Company to a third party, or to any person who is unauthorized to possess the same, for personal gain or not.
- 4.11.7 **Illegal Concerted Actions:** Any employee who incites or participates in illegal concerted actions, that shall include but not limited to work stoppage, slowdown, mass leave, sit-down, riot or other similar disruptive activities.
- 4.11.8 **Kickbacks, Service Tips or Personal Rebates:** Any employee who favors suppliers or providers in consideration of kickbacks or personal rebates.
- 4.11.9 **Influence Solicitation:** Employee movements within the company (e.g. promotions, increase in salary or transfers, et al) shall be done strictly on the basis of performance, merit and legitimate requirements of the Company in pursuing its goals and objectives. Accordingly, any employee who solicits the recommendations or endorsement of third parties, whether verbal or written, for favorable movement.
- 4.11.10 **Influence Peddling:** Any employee who offers to solicit the recommendation or endorsement of a third party for any favorable movements of a fellow employee, whether or not for any consideration whatsoever.
- 4.11.11 **Giving False Statements:** Any employee who gives false statements where the same are officially recorded in the company, with intent to mislead or misrepresent or conceal some incriminatory information, in order to seek or qualify for any preference or benefits from the Company, or for any illegal and/or unauthorized purpose.



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4.11.12 **Sabotage:** Any employee who commits any acts of sabotage, whether it caused damage to the Company or not.

**4.12 Infractions Against Attendance, Punctuality & Biometric Timekeeping**

**4.12.1 Absence Without Official Leave:**

4.12.1.1 Any employee who fails to report for work or extends his/her leave without securing prior written notice from his/her Immediate Head, unless determined unavoidable or justifiable by the HR Manager. Each day of absence shall be considered as one count of infraction: **2<sup>nd</sup> degree**.

4.12.1.2 Six (6) consecutive days of absence without leave: **4<sup>th</sup> degree**

4.12.2 **Job Abandonment:** In case of unauthorized absence of six (6) consecutive days or more from the date the employee was notified in a written form in his/her absence without leave and fails to reply within the given period: **4<sup>th</sup> degree**

4.12.3 **Malingering:** Any employee who, for the purpose of avoiding work, duty or service, feigns illness, physical disability, mental lapse or derangement, or intentionally inflicts self-injury, or who gives false excuses: **2<sup>nd</sup> degree**

4.12.4 **Unauthorized Change in Work Schedule or Change in Shift.** Any employee who changes his/her work schedule or reports for work in another shift without prior approval of his/her Immediate Head: **1<sup>st</sup> degree**

4.12.5 **Unauthorized Overtime** – Any employee who renders overtime work without prior approval of the Immediate Head: **1<sup>st</sup> degree**

4.12.6 **Tardiness:** For purposes of this Code, tardiness shall be deemed to have been committed when an employee comes to work late.

4.12.6.1 Tardiness of five (5) times in one (1) month in any given calendar year, when the tardiness does not exceed fifteen (15) minutes for each of the incident: **1<sup>st</sup> degree**

4.12.6.2 Tardiness of five (5) times in one (1) month in any given calendar year, when the tardiness exceeds fifteen (15) minutes for each of the incidents: **2<sup>nd</sup> degree**


**4.12.7 Time Record / Biometric Irregularities:**

4.12.7.1 Any employee who alters or tampers with his/her time record or that of another employee, or checks in/out for another employee, or knowingly or causes or allows another employee to check in/out for himself/herself: **4<sup>th</sup> degree**

4.12.7.2 If any employee requests, allows or in any way causes another employee to check in/out for himself/herself, the acts of both employees shall be punishable as stated in the preceding paragraph. **4<sup>th</sup> degree**

4.12.8 **Failure to Log in/out in Biometrics:** Any employee who fails to check in/out, before and after office hours, without any justifiable reasons, thrice (3x) or more within any given cut-off period: **3<sup>rd</sup> degree**




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- 4.12.9    **Intentional Obscurities:** Any employee who repeatedly check in/out as to render the time illegibly obscure: **4th degree**
  
- 4.12.10   **Leaving Company Premises During Working Hours:** Any employee who leaves the company premises during working hours without prior written approval from his/her Immediate Head, regardless of whether there is intent to report back to work: **2nd degree**
  
- 4.12.11   Failure to fill out the field itinerary, Travel Order Form, or Gate Pass, upon leaving the company premises, or failure to comply any given written schedule, without any justifiable or valid reason: **2nd degree**
  
- 4.12.12   **Sleeping During Working Hours:** Any employee who is found sleeping during business hours or while on duty: **2nd degree**
  
- 4.12.13   **Loitering or Abandonment of Post:** Any employee who idles away his/her time within or outside the company premises or abandons his/her post during working hours without authority or valid cause: **2nd degree**
  
- 4.12.14   **Refusal/Failure to Work Overtime** (as sanctioned by the Labor Code and Company Policy) Any employee who refuses to work overtime, without valid reason, after being scheduled to work on said specific time in accordance with the Company's overtime policy and applicable laws: **2nd degree**

**4.13    Infractions Against Behavior and Discipline – 4<sup>th</sup> degree infractions**

- 4.13.1    **Employing Threats:** Any employee who threatens to inflict harm on the person, property or reputation of the Company stockholder, director or officer, fellow employees or any person who may be found within the company premises.
  
- 4.13.2    **Intimidation, Coercion, Harassment, Exploitation:** Any employee, who intimidates, coerces, harasses, or exploits a fellow employee or any person who may be found within company premises.
  
- 4.13.3    **Engaging in Fights or Provoking or Instigating Fights:** Any employee who fights, provokes or instigates a fight within the company premises, or who engages in said acts during working hours, whether within the company premises or not, for any reason other than the legitimate exercise of reasonable self-defense.
  
- 4.13.4    **Making Vicious Statements:** Any employee who makes vicious, offensive, malicious or disrespectful statements concerning any Company stockholder, director, or officer, co-employee, or any person, the Company and its products, and customers found within the company premises.
  
- 4.13.5    **Maltreatment of Immediate Head, Colleagues and Subordinates:** Any employee who treats her/his Immediate Head, colleagues and subordinates without respect or in a manner inconsistent with all applicable laws on human rights or contrary to accepted norms of justice, fairness and equity.
  
- 4.13.6    **Disrespect for Authority:** Any employee who treats, by word or deed, a superior or any other person in authority in a manner which indicates contempt or disrespect for the position held by such superior or persons-in-authority.
  
- 4.13.7    **Immoral and Scandalous Conduct:** Any employee who acts in a disorderly manner during working hours and/or while inside company premises, engages in indecent, immoral or lascivious behavior.




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- 4.13.8 **Gambling:** Any employee who indulges in gambling in any form at anytime, betting or taking part in any game of chance and skills, including lotteries, within the company premises or while on duty.
- 4.13.9 **Intoxication:** Any employee who becomes intoxicated by intake of alcohol or prohibited drugs, during business hours or while on duty, including occasions when such employee is engaged in official functions or who reports for work under the influence of drugs or alcohol.
- 4.13.10 **Takes or Attempts to take the life of Superiors, Colleagues, Subordinates, and Company's Visitor's and Customers:** Any employee who takes or attempts to take the life of his/her superiors, colleagues, subordinates, Company's visitors or customers, within or outside company premises, at any time.
- 4.13.11 **Inflicts or Attempts to Inflict Body Injury on Superiors, Colleagues, Subordinates, Company's Visitors and Customers:** Any employee who inflicts or attempts to inflict body injury, harms or assaults his/her superiors, colleagues, subordinates, Company's visitors and customers within or outside company premises, during business hours or while on duty.
- 4.13.12 **Giving False Testimony:** Any employee who gives false testimony during an official investigation (i.e administrative conference, initial investigation, security/audit investigations).
- 4.13.13 **Refusal to Cooperate in Any Investigation:** Any employee who refuses to cooperate in any investigation conducted or sanctioned by the Company.
- 4.13.14 **Acts of Dishonesty:** Any employee who commits acts of dishonesty against the Company that shall include but not limited to theft, unauthorized alteration, tampering, falsification of documents and records (i.e. receipts/false ID), bribery, misappropriation of Company funds, making false claims for disbursements/sales rebates.
- 4.13.15 **Commission of Crime:**
- 4.13.15.1 Any employee who commits a crime or offense against the person of his/her employer or any immediate member of his/her family or his/her duly authorized representative.
- 4.13.15.2 Any employee who is convicted in court of any crime or infraction involving moral turpitude or other crimes against person or property.
- 4.13.16 **Other Disorderly Conduct:** Other disorderly conduct shall include but not limited to, horseplaying, scuffling, shouting, or throwing things, making or insulting jokes to fellow employees, eating in a restricted areas; smoking, reading, watching television or playing electronic games, when the said acts are sufficient to give rise or even pose possible risk of injury or scandal, disorder or disruption of work or of customer service: **1st degree**


#### 4.14 Infractions Against Company Property

- 4.14.1 **Cause or Attempt to Cause Damage:** Any employee who causes damage or attempts to cause damage to company property or those belonging to any employee/person working in/for the Company: **4th degree**
- 4.14.1.1 If employee acted with malice or intent: **4th degree**



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- 4.14.2 **Unauthorized Use of Company Property and Premises:** Any employee who uses the company premises and property for illegal or unauthorized purposes (i.e. use of company telephone and mobile phone and/or email for overseas/long distance call, unauthorized use of service vehicle): **4<sup>th</sup> degree**
- 4.14.2.1 If done in exchange for consideration: **4<sup>th</sup> degree**
- 4.14.3 **Unauthorized Use of Company Time:** Any employee who uses the company time for unauthorized purposes, including but not limited to unnecessary chatting during working hours: **3<sup>rd</sup> degree.**
- 4.14.3.1 If purpose or use is for consideration: **4<sup>th</sup> degree**
- 4.14.4 **Misuse of Company Funds or Property: 4<sup>th</sup> degree.** By reason of assigned duty (ies) or position in the Company, an employee accountable for or is entrusted with the custody, control or handling of company funds or Property:
- 4.14.4.1 Appropriates, diverts or uses the said funds or property for his/her own benefit or the benefit of a third party without the approval of the Company;
- 4.14.4.2 Deliberately or through negligence permits another employee to misappropriate, divert the same;
- 4.14.4.3 Deliberately or through negligence loses, destroys, or causes damage to company property or records, or permits a co-employee to lose, destroy or damage the same.
- 4.14.5 **Unauthorized Possession of Company Property:** Any employee who is found in possession of company property without prior written authority, regardless of intention and of whether for personal gain or not: **4<sup>th</sup> degree.**
- 4.14.6 **Mishandling:** Any employee who knowingly or misuses or mishandles company property resulting to its loss or damage, permanent or temporary: **4<sup>th</sup> degree**
- 4.14.7 **Illegal or Unauthorized Substitution:** Any employee found to be substituting or attempting to substitute company property with another, regardless of quality or value, whether for personal benefit or not: **4<sup>th</sup> degree**
- 4.14.8 **Failure to Surrender:** Any employee who fails to surrender at the end of each project unused materials, tools, or equipment belonging to the Company: **4<sup>th</sup> degree**
- 4.14.9 **Failure to Observe Safety Measures:** Any employee who thru negligence fails to observe safety measure set by the Company and by existing law: **1<sup>st</sup> degree**
- 4.14.9.1 If however, damage to Company result therefrom, the penalty to be imposed shall be **4<sup>th</sup> degree**
- 4.14.10 **Failure to Remit:** Any employee who fails and delays in the remittance or liquidation of funds being a part of his/her obligation or a demand to remit or liquidate funds, that shall include but not limited to customer tips, gifts and other material consolation, shall give rise to presumption that the same was misappropriated. **4<sup>th</sup> degree**
- 4.14.11 **Vandalism:** Any employee who commits acts of vandalism, causing damages, deformation or changes: **3<sup>rd</sup> degree**

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#### 4.14.12 **Unauthorized Use or Misuse of Bulletin Boards: 3rd degree**

An employee who:

- 4.14.12.1 Removes, alters, or defaces notices/announcements officially posted by the Company;
- 4.14.12.2 Posts clippings and other forms of notices on the boards without prior written consent of the Company.

#### 4.14.13 **Loss or Damage of Company Identification Card:** Any employee who loses or deliberately causes damage on his/her or another's identification card for an illegal or unauthorized purpose. **3rd degree**

#### 4.14.14 **Attempted, Consummated Stealing or Connivance to Steal:** Any employee who actually or attempts to steal or connive to steal company property, and those belonging to fellow employees: **4th degree**

#### 4.14.15 **Solicitations or Acceptance of Gifts: 3<sup>rd</sup> degree** All employees are completely prohibited from soliciting, directly or indirectly, any gift, gratuity, favor or entertainment, loan or anything of monetary value from any person during the course of their employment.

- 4.14.15.1 All employees shall not accept, directly or indirectly, any cash payments, gifts, special considerations, discounts, or similar gratuities from any person doing, or seeking to do business with the Company.
- 4.14.15.2 Likewise, employees are duty bound to return to the Company all items received as: giveaways or raffle prizes during Conventions, Seminars and Training, Orientation, Product launching; Supplier's Raffle promo with Sales Efforts; Gifts for Christmas, Birthdays, or Special Occasions; Individual Participation in Contest; Promotions or Contest initiated by Suppliers
- 4.14.15.3 Penalty applied shall depend on the amount involved and/or gravity of the infraction.

### 4.15 **Infractions Arising from Performance of Work**


#### 4.15.1 **Serious Misconduct:** Any employee who commits serious misconduct having willfully and intentionally commits transgression of established and definite rule of action being forbidden and a dereliction of duty and not mere error of judgment. That the misconduct must be serious and relates to the employees performance of duty and the misconduct shows the employee is no longer fit to continue working for the employer: **4th degree**

#### 4.15.2 **Gross and Habitual Negligence:** Any employee who is found guilty of gross and habitual negligence in the performance of duties and responsibilities: **4th degree**

#### 4.15.3 **Fraud or Willful Breach of Trust:** Any employee who commits fraud or willful breach of the trust reposed in him/her by the Company: **4th degree**

#### 4.15.4 **Simple Negligence:** Any employee who commits, thru carelessness or oversight or simple negligence, wrongful acts in the performance of his/her duties: **3rd degree**



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4.15.5 **Interference:** Any employee who interferes with work of other employees and/or partners/affiliates resulting to losses or disruption to operations: **2nd degree**

**Insubordination:** Any employee who refuses or fails without justifiable cause to obey and/or implement any lawful rule, regulation, order, instruction, or policy issued by the Company, or inciting or urging fellow employees to commit such insubordination: **4th degree**

4.15.6 **Unauthorized Deviation of Standard Operating Procedures:** Any employee who is found to have deviated from the set standard operation procedures without prior consent from the management: **3rd degree**

4.15.7 **Non-observance of Standard Operating Procedures:** Any employee who violates or refuses or fails without justifiable reason to comply with the Company Standard Operating Procedure (SOP) or other related or similar programs, plans, or other rules, regulations, prescriptions, mandates and policies depending upon the gravity or frequency of the infraction: **2nd degree**

4.15.7.1 If the infraction or non-compliance results in loss of company funds or company property or damage: **4th degree**

#### 4.16 Infractions Against Safety/Health/Sanitation/Security Regulations

4.16.1 **Violation of Safety Regulations:** Any employee found to have committed any violation of safety regulations imposed by the Company (i.e, electrical/electronic, mechanical, engineering safety and the likes) that includes but not limited to smoking or lighting an open fire or flame within areas designated as "No Smoking" area which resulted to Company losses or damages: **4th degree**

4.16.2 **Violation of Health/Sanitation Regulations:** Any employee found to have committed any violation of Company imposed health and sanitation regulations that shall include but not limited to acts causing or contributing to unsanitary conditions, and poor personal hygiene: **3rd degree**

4.16.3 **Concealment of Contagious Disease:** Any employee who conceals or attempts to conceal the fact that he/she has contagious disease that shall endanger his/her health and that of his/her fellow employees, or any chronic injury that may be aggravated by work: **4th degree**

4.16.4 **Possession of Hazard Materials:** Any employee who is found to be in possession of firearms, ammunitions, explosives and other weapons, or fireworks and other fire hazard materials: **4th degree**


4.16.5 **Unauthorized Ingress or Egress to Restricted Areas:** Any employee who enters or exits restricted areas without prior written authorization, or allows unauthorized person to enter the same: **3rd degree**

4.16.6 **Failure to Use the Authorized Ingress and Egress:** Any employee who fails to use the authorized ingress and egress: **2nd degree**

4.16.7 **Unauthorized Person Entering Company Premises:** Any employee who pressures, assists, facilitates, or allows any unauthorized person to enter company premises with or without prior written approval: **3rd degree**

4.16.8 **Unauthorized Access to Company Premises:** Any employee who commits acts of lending or giving one's identification card or uniform or company keys for the purpose of gaining access to company premises: **4th degree**




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- 4.16.9 **Undue Interference or Refusal to Cooperate:** Any employee who interferes or refuses to cooperate with persons authorized to implement company security regulations in relation to or in connection with security protection and/or promotion: **3rd degree**
- 4.16.10 **Failure to Submit Medical Reports:** Any employee who fails to submit medical reports as required by management: **3rd degree**
- 4.16.11 **Refusal to be Subject to Frisking:** Any employee who refuses without justifiable cause to be frisked upon entry and exit from company premises: **2nd degree**
- 4.16.12 **Failure to Wear Proper Dress Code and Identification Card:** Any employee who fails to wear full complement of company prescribed uniform and identification card while on duty, or deliberately alters the prescribed cut/design of the company uniform (refer to dress code policy): **2nd degree**. Said employee shall also be denied access to company premises.

#### 4.17 Infractions Against Customers

- 4.17.1 Any employee who commits the following shall be meted the penalty of dismissal (**4th degree**):
  - 4.17.1.1 **Mishandling of Customers.** Culpable, unjustified and or avoidable errors in handling the customer transaction, service or need, particularly if such error results to customer service issues.
  - 4.17.1.2 **Failure to Provide Products as Demanded.** Culpable and unjustified failure to provide or deliver the products demanded by the customer, essential to the rendition of quality service.
  - 4.17.1.3 **Misinformation or Lack of Information.** Giving false, inaccurate, misleading, incomplete, delayed or no information to customers, when the employee knows, should know or in a position to obtain such information, thus resulting to inconvenience, discomfort, dissatisfaction, or expense to customers, or loss of revenue or additional cost to the Company.
  - 4.17.1.4 **Discourtesy.** Discourtesy towards the customer in any form or aspect.
  - 4.17.1.5 **Neglect.** Inattention or neglect of the legal and valid demands of any customer, or refusal or failure to assist such customer, or ignoring the presence of a customer, or performing non-work related tasks or engaging in non-work related activities, resulting to inconvenience or neglect of customers, or causing unnecessary delays in responding to customer needs or request or otherwise refusing or failing without justifiable cause to provide prompt, efficient and courteous service to customer.
  - 4.17.1.6 **Abuse, Maltreating or Abusing a Customer by Word or Action**
  - 4.17.1.7 **Preferential or Discriminatory Treatment.** Showing unwarranted preference for or prejudice or discrimination against any customer or class of customer unless allowed by the management.
- 4.17.2 **Grave Anti-Customer Infractions:** Any employee who commits any of the following shall be meted the penalty or dismissal. **4th degree**



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4.17.2.1 **Extortion/ Bribery.**

Bribery is defined as the offering, giving, receiving or soliciting of any item of value to influence the actions of an official or other person in charge of a public or legal duty.

Extortion is the act of obtaining money, property, or services from a person/ institution through coercion.

4.17.2.2 **Theft or Destruction.** Stealing, pilfering or deliberately or through culpable negligence damaging, destroying, misusing or wrongfully disposing the property of a customer.

4.17.2.3 **Indecency.** Engaging in indecent or offensive behavior towards customers either by word or action contrary to recognized standards of quality service.

4.17.2.4 **Use of Alcohol and Prohibited Drugs.** Serving customers while intoxicated or under the influence of any alcoholic beverage or any controlled or prohibited drug or hallucinogenic substance, unless prescribed by the physician for medical reasons and when the employee's duly authorized superiors extend permission for him/her to be on duty while in such condition.


#### 4.18 POLICIES ON INTERNET USAGE

Statement of Policy:

Value Care recognizes the use of the internet as a valuable office and business tool. Mis-use of this facility have negative impacts upon employee productivity and the reputation of the business.

General Policy:

1. Value Care owns the right to access all data and files on any computer, network, or other information system used in the Company. Internet use is not confidential and no rights to employee privacy shall be honored. The Company reserves the right to monitor the archive of conversations in the Skype Messenger and e-mails, as it occurs and in the form of account histories and their content.
2. Under no circumstances should the Company computers or other electronic equipment be used to obtain, view, or reach any pornographic, or otherwise immoral, unethical, or nonbusiness-related Internet sites. Doing so shall lead to disciplinary action.  
  
Viewing pornography or sending pornographic jokes and stories via Skype and email are considered immoral and will be addressed accordingly.
3. Electronic mail and business conversation over Skype messenger should reflect the professionalism of the Company and should not include language that could be construed as profane, discriminatory, obscene, sexually harassing, threatening, or retaliatory.
4. Use of Company computers, networks, and Internet access is a privilege granted by management and shall be revoked at any time for inappropriate conduct including, but not limited to:
  - Sending chain letters;
  - Engaging in private or personal business activities;
  - Misrepresenting oneself or the Company;
  - Engaging in unlawful or malicious activities;
  - Using abusive, profane, threatening, racist, sexist, or otherwise objectionable language in either public or private messages;

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- Becoming involved in partisan politics;
- Causing congestion, disruption, disablement, alteration, or impairment of Company networks or systems;
- Infringing in any way on the copyrights or trademark rights of others; to perpetrate any form of fraud, or software, film or music piracy.
- Using recreational games;
- Defeating or attempting to defeat security restrictions on company systems and applications.
- Hacking into unauthorized areas and websites.
- Publishing defamatory and/or knowingly false material about ValuCare Health Management Inc., your colleagues and/or our customers on social networking sites, 'blogs' (online journals), 'wikis' and any online publishing format
- Revealing confidential information about Value Care in a personal online posting, upload or transmission - including financial information and information relating to our customers, business plans, policies, staff and/or internal discussions

#### **SKYPE MESSENGER (and other Internet Chat Medium)**

1. Use of Skype messenger is authorized only for the conduct of Company business transactions.
2. ICT's Network Administration Head and Department Managers shall be monitor all Skype activities and shall assign respective passwords for each account. Users cannot change password without the knowledge of ICT Network Administrator and ICT Department Manager.
3. Skype messenger shall only be used by the following:
  - a. MANCOM and Selected Supervisors
  - b. VC Branches with internet access
  - c. Others (as recommended and assigned by the department managers)
4. Only assigned Skype Messenger account shall be used during office hours.
5. Once logged in, user should be at all time in "visible" mode.
6. Users will be responsible in adding and deleting of clients, suppliers and other correspondents in their respective Skype Messenger.


#### **INTERNET SURFING**

1. Visiting social media sites such as Facebook, Instagram, Tweeter, LinkedIn, Snapchat and other similar sites is strictly prohibited unless approved by management for company marketing/promotional/campaign purposes.
2. Visiting sites with audio and video streaming features such as Facebook Video, Youtube, Vimeo and Spotify are prohibited unless company approves it for company marketing/promotional/campaign purposes.
3. Visiting internet sites that contain obscene, hateful, pornographic or otherwise illegal materials are strictly prohibited

#### **EMAIL**

1. The use of Value Care Internet and Email access is for company business and is to be used for authorized purposes only.



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2. The use of all capital letters, shorthand, idioms, unfamiliar acronyms, and slang when using electronic mail is not in accord with company professionalism.
3. Use stationary background for your email and insertion of photograph, or other images aside from the Logo of ValuCare on your email signature are prohibited. Below is the standard company email signature:

(Name)  
 Designation  
 Name of Department



#33 Meralco Avenue, Brgy. San Antonio, Pasig City 1600  
 Direct lines: 7023327 / 3174327  
 Mobile: 0917- 8137744  
 Email:  
 Website: [www.valucare.com.ph](http://www.valucare.com.ph)

#### 4.19 Application of Penalties


- 4.19.1 Preventive Suspension – where the employee has committed a serious offense and his continued presence poses serious or imminent threat to the life of his co-employees or property of the company, the HRD Manager may place the employee under preventive suspension. While under preventive suspension the employee shall be barred from entering into any of the company premises. The preventive suspension shall not exceed thirty (30) days.
- 4.19.2 In the resolution of the administrative case, the following circumstances may be considered in determining the appropriate penalty;
  - > the presence of aggravating or mitigating circumstances
  - > the employee’s past disciplinary record with the preceeding 12 month period
  - > Degree of adverse effect of the offense on Company operations, maintenance of discipline and effect on the reputation of the Company
- 4.19.3 Very grave and heavy infractions shall have no prescriptive period (the infractions are counted uninterruptedly and continuously from the date of the first infraction).
- 4.19.4 In any event where the Company sustained loss or damage due to the act that an employee punishable by this code, reimbursement or payment from the employees shall be made by him/her to restore the lost or damage fund and/or property.

#### 4.20 Analogous Infractions

- 4.20.1 All infractions not mentioned but analogous to the foregoing cases shall be given appropriate penalties taking into consideration the penalties accorded to the cases they are analogous with.

#### 4.21 Saving and General Clause

- 4.21.1 All existing rules and regulations issued by the Company not inconsistent with this Code shall be complementary and shall continue to remain in force and effect. Addendum to this Code, whether issued prior to the amendments, shall

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be deemed incorporated in this Code and any inconsistencies found therein shall be resolved to give effect to this Code and the Addendum, and that the more severe provision in regard to definitions of specific infractions and/or penalties described therefore shall apply.

**4.22 General Clause**

**4.22.1 Civil and Criminal Action**

4.22.1.1 The imposition of any of the penalties herein prescribed shall be without prejudice to any civil or criminal action that the Company may decide to take against the offender. All other acts committed by the employees which are inimical to the interest of the Company , his/her fellow employees, the customers and other stakeholders, and those which are considered detrimental to the productivity, morale, safety and well-being of the Company as a whole, which are not covered by the provisions of this Code, shall likewise be punishable. In the determination of the penalty to be imposed, the penalties prescribed for similar infractions that are specifically treated in this Code shall be taken into account.

**4.23 Amendment**

**4.23.1 Amendments/ Additions/ Modifications**

4.23.1.1 The Company reserves the right to add, amend, modify, delete, repeal, suspend in general or in particular, or otherwise change from time to time any or all provisions contained herein, when in the opinion of the management, attending circumstances, or prevailing conditions so warrant.

**4.24 Separability Clause**

**4.24.1 Separability Clause**

4.24.1.1 Any declaration by any competent authority that any part of this Code is null and void shall not validate or render ineffective the other provisions of this Code, which shall remain in full force and effect.

**4.24.2 Effectivity**

4.24.2.1 This Code shall take effect immediately upon approval of the Management Committee thru the Chief Operating Officer.