

# **WESTERN GUARANTY CORPORATION EMPLOYEE CODE OF CONDUCT**

## **Policy Statement**

Western Guaranty Corporation is committed to ensure that its business is conducted, in all respects and at all times, according to the highest ethical, professional and legal standards. The Company is also committed at all times to create a workplace free from harassment and discrimination, where workers are respected, and to provide an appropriate environment so as to encourage good performance and conduct.

In order to preserve this commitment, this Company Code of Conduct has been developed to foster and maintain employee trust, confidence and professionalism thus, adhering to appropriate standards and enhancing the reputation of the Company.

This Company Code of Conduct enumerates the behavior that is expected of any employee of Western Guaranty Corporation but is not an exhaustive list of all legal or ethical matters. This is based on all the principles and values that the Company upholds.

## **Mandatory Provision**

It is the duty and responsibility of all employees to know and to familiarize themselves with the Company policies, rules and regulations.

## **Coverage**

This policy applies to all Employees of the Company regardless of rank, status or tenure of service.

## **Definition of Terms**

The following shall be understood to mean as follows:

- I. **“COMPANY”** shall mean **WESTERN GUARANTY CORPORATION**
- II. **“EMPLOYEE”** shall mean regular or permanent, probationary trainee, contractual appointment of individual with whom the Company has employee-employer relationship.
- III. **“COMPANY PREMISES”** shall mean offices and all other properties owned, controlled or designated by the Company.
- IV. **“PROPERTY”** shall mean all materials and equipment purchased and owned by the Company for the purpose of conducting its business.
- V. **“EMERGENCY”** shall mean any incident involving a threat to life, limb or property.
- VI. **“NARCOTICS”** shall mean prohibited drugs that produce a condition of insensibility and melancholy dullness of mind with delusions and may be habit forming. Included among these drugs are: methamphetamine hydrochloride, popularly known as

“shabu”, opium, cocaine, their derivatives and all preparations made from them or any of them, and such other drugs, whether natural or synthetic, having physiological action as a narcotic drug.

- VII. **“PORNOGRAPHIC MATERIAL”** shall mean obscene film, drawing, cut-out, writing, picture, websites, and material sourced/viewed/download from the internet, and the like.
- VIII. **“SUSPENSION”** is a temporary physical detachment from service. The suspended employee shall not earn his salary and any benefit he is entitled to during the period of suspension.
- IX. **“DISMISSAL”** is a dishonorable separation from service. A dismissed employee loses any Company initiated benefits accruing to him.

**Policy Guidelines**

- A. The Code of Conduct lists the unacceptable behavior, violations of Company policies, or the offenses subject to disciplinary action and their corresponding remedial action.
- B. The types of violations are classified into seven (7) categories as shown below in the attached Table of Offenses and Remedial Action.

Category 1	Offenses against conduct and decorum
Category 2	Offenses against Company productivity
Category 3	Offenses against property and security
Category 4	Offenses against health and safety
Category 5	Conflict of interest
Category 6	Neglect of duty by a supervisor / manager
Category 7	Acts considered as crimes under the law of the Republic of the Philippines other than those specifically penalized under this Code

The offenses / violations under each of the seven categories as shown above are further classified into five (5) levels of gravity (Class A to E) with their corresponding remedial actions prescribed as follows:

	Frequency of Offense	Remedial Action
Class A Offenses	1 <sup>st</sup> Offense	Verbal warning
	2 <sup>nd</sup> Offense	Written warning
	3 <sup>rd</sup> Offense	3-day suspension
	4 <sup>th</sup> Offense	7-day suspension
	5 <sup>th</sup> Offense	15-day suspension
	6 <sup>th</sup> Offense	Dismissal

Class B Offenses	Frequency of Offense	Remedial Action
	1 <sup>st</sup> Offense	Written warning
	2 <sup>nd</sup> Offense	3-day suspension
	3 <sup>rd</sup> Offense	7-day suspension
	4 <sup>th</sup> Offense	15-day suspension
	5 <sup>th</sup> Offense	Dismissal

Class C Offenses	Frequency of Offense	Remedial Action
	1 <sup>st</sup> Offense	7-day suspension
	2 <sup>nd</sup> Offense	15-day suspension
	3 <sup>rd</sup> Offense	Dismissal

Class D Offenses	Frequency of Offense	Remedial Action
	1 <sup>st</sup> Offense	Dismissal

Class E Offenses	Frequency of Offense	Remedial Action
	1 <sup>st</sup> Offense	Verbal Reprimand to Dismissal depending on the gravity of the offense

- C. The Company shall administer all rules and regulations with fairness, justice and reason. The rules and regulations are anchored on the provisions of the law. Violations of these rules shall be dealt with immediately, fairly and consistently.
- D. Except for just cause(s) and after due process, as provided for in the Labor Code of the Philippines and/or the Company Code of Conduct no employee shall be dismissed or suspended.
- E. Any employee who commits any of the offenses described in the Code of Conduct and Discipline shall be subject to disciplinary action. The employee shall of course be afforded ample opportunity to answer the allegations or charges against him and/or be subjected to a formal investigation, if necessary, in which case he shall have the right to appear and defend himself in person and/or by counsel.
- F. The responsibility to maintain discipline primarily belongs to the line supervisors and managers. Likewise, it is the duty of the line supervisors and managers to report to Company Management any infraction of which he has knowledge for appropriate action, monitoring and recording in the employee's 201 file.
- G. Failure to do so shall render the supervisor or manager liable, especially if he is capable of preventing such infraction. Failure of the supervisor or manager to report any infraction does not waive the right of the Company to implement the provisions of this Code of Conduct and exact compliance with its policy, rules and regulations.
- H. The Department Head shall consult with the Head of HR regarding the nature of the administrative case, the interpretation of the provisions of the Code of Conduct, the remedial action prescribed, previous similar cases, etc. The objective is to ensure consistency in the interpretation and application of remedial action.

- I. Management, at its own discretion, may impose a remedial action higher than that prescribed for a particular violation after due consideration of all circumstances surrounding the case especially if the offense has caused damage to persons and/or property or both. The offender may also be required to pay the amount of the damage or loss caused by his act or omission.
- J. When reprimand or warning is considered ineffective or insufficient, taking into account the gravity of the offense and the surrounding circumstances, the remedial action of suspension or dismissal may be imposed even on the first infraction, as and when authorized under labor laws, rules and regulations.
- K. An employee whose violation(s) pose(s) a threat to the Company, to life and/or property may be placed under preventive suspension pending investigation and final decision of the case.

L. Application of Remedial Action

- 1. For violations where a specific remedial action is not given but rather call for a remedial action ranging from reprimand to dismissal, management may consider the following factors in determining the appropriate remedial action:
  - Past records of disciplinary action of the employee
  - Length of service and performance
  - Extent or amount of damage or injury caused by the act or omission of the employee
  - Degree of adverse effect of the violation on Company operation, maintenance and implementation of discipline, external relations and goodwill of the Company.

M. Successive or Multiple Violations

- 1. Progressive remedial action shall be applied to successive violations of the same rule other than in those cases where a single violation of a rule warrants immediate dismissal. In other words, any repeat violation of the same rule shall be penalized one (1) degree higher as prescribed in the remedial actions of each offense, unless the new violation requires heavier remedial action in which case such remedial action shall be imposed.
- 2. If at any time of the commission of the latest offense, the employee has previously violated at least two (2) other separate rules embraced in this code, the latest offense shall be punishable by the next higher step or degree of the remedial action prescribed by the said offense, or dismissal depending on the gravity of the offense.
- 3. When a single act constitutes two or more offenses under this code, or when an offense is necessary means for committing the other, such act shall be counted as multiple violations and the remedial action for the more/most serious offense shall be imposed.

## N. Administration and Amendment

1. The proper remedial action as provided for in this code shall be imposed by the Department directly supervising the employee concerned and the Head of HRD.
2. This Code is not all-inclusive. That is, any act, conduct or behavior prejudicial to the interests of the Company, but not specifically included in this Code, shall also be punishable, the remedial action to be imposed depending on the gravity of the offense.
3. Management reserves the inherent right to amend, alter, modify or change this Code as the exigencies of the time, business or circumstances may warrant.

O. This code supersedes the Company Code of Conduct previously released.

## **Procedural Guidelines**

- A. When an infraction has been committed, the immediate superior shall document such infraction by submitting an **Incident Report** stating only the facts surrounding such infraction for appropriate action, monitoring and recording in the employee's 201 file.
- B. An employee who has been caught or reported to have violated any rule or policy shall be sent a **Notice to Explain** (NTE) by his immediate superior, copy furnished the HR Department, asking him to explain within a reasonable time why no disciplinary action should be taken against him for such violation. For dismissible or grave offense, the employee shall be given five (5) calendar days to submit his explanation.
- C. The Department Head shall review the explanation letter and if necessary, shall schedule an administrative hearing (formal investigation) of the case assisted by the HR Head. The **Notice of Disciplinary Action** shall be served by the Department Head if the remedial action is lighter or lower than suspension.
- D. If the remedial action is suspension or dismissal, the case shall be elevated to the **Committee on Employee Discipline** (COED) for review and final decision. When warranted by circumstances, the members of the COED may sit during the administrative hearing. The Notice of Disciplinary Action shall be signed and served by the Department HR Heads. Distribution of copies shall be as follows:
  1. Original – Employee's copy
  2. Duplicate – 201 File (confidential file)

Copies of the employee's explanation letter, evidences, the minutes of the formal investigation, notice of decision and other pertinent information shall be kept in a separate file under the custody of the HR Department.

- E. The Department Head may consult with the HR Head regarding the nature of the administrative case, the interpretation of the provisions of the Code of Conduct, the remedial action prescribed, previous similar cases, etc. The objective is to ensure consistency in the interpretation and application of remedial action.

**Table Of Offenses and Remedial Action**

**Category 1 OFFENSES AGAINST CONDUCT AND DECORUM**

CLASS A OFFENSES	REMEDIAL ACTION
<p>1. Failure or refusal to wear the prescribed uniform and/or Company identification card</p> <p>2. Failure to register at biometrics/punch time card or failure to properly accomplish the time log when reporting for work or completing a work period</p> <p>3. Unruly conduct such as horseplay, scuffling, catcalls, unnecessary shouting around while at work or within Company premises.</p> <p>4. Wearing of slippers, shorts, undershirt and other inappropriate attire including long hair, earrings and ripped pants.</p>	<p>1<sup>st</sup> Offense – Verbal warning</p> <p>2<sup>nd</sup> Offense – Written warning</p> <p>3<sup>rd</sup> Offense – 3-day suspension</p> <p>4<sup>th</sup> Offense – 7-day suspension</p> <p>5<sup>th</sup> Offense – 15-day suspension</p> <p>6<sup>th</sup> Offense - Dismissal</p>
CLASS C OFFENSES	REMEDIAL ACTION
<p>1. Horseplay and disorderly conduct resulting in a minor injury of a person or in the destruction of property belonging to the Company or fellow employees, or to any third party.</p> <p>2. Rumor-mongering. Deliberately spreading malicious/false rumors against the Company, employees or Company officials concerning personal affairs, or deliberate distortion of facts or statements in such a way as to enhance one’s status or endanger another employee or the Company.</p> <p>3. Scandalous acts or use of profane, obscene or slanderous language in addressing, another employee and/or person within the Company’s premises.</p> <p>4. Giving one’s Company ID to another person(s) or assisting non-employee(s) to enter Company premises and restricted areas</p>	<p>1<sup>st</sup> Offense – 7-day suspension</p> <p>2<sup>nd</sup> Offense – 15-day suspension</p> <p>3<sup>rd</sup> Offense – Dismissal</p>

<p>without permission from authorized officers.</p> <p>5. Punching time card for others or having one's time card punched by somebody else.</p> <p>6. Bullying, threatening, intimidating, coercing, or provoking a fight with a fellow employee or an outsider within Company premises.</p> <p>7. Unauthorized mention of/ reference to the Company, any employee, client or third party doing business with the Company via any form of media (print, radio/TV, internet/social media facilities, etc.) which maligns the reputation, creates scandal or causes loss of confidence to the Company or person concerned.</p> <p>8. Frequenting places or establishments that are considered socially immoral or of ill repute to a point where such behavior gives occasion for scandal or loss of confidence in the Company.</p>	
CLASS D OFFENSES	REMEDIAL ACTION
<p>1. Gambling, betting or taking part in a lottery or any game of chance or other similar acts on Company time, premises or property.</p> <p>2. Drinking of alcoholic beverages inside the Company premises or entering the Company Premises under the influence of intoxicating beverage or alcohol.</p> <p>3. Insubordination</p> <p>4. Stubborn and/or discourteous behavior. Without any valid reason, ignoring, disregarding and/or refusing to comply with or obey official orders or specific instructions given by the immediate supervisors and/or any Company authority.</p> <p>5. Unauthorized alteration, tampering and/or falsification of any Company form, documents, records, including furnishing false or misleading information about the Company, one's official tasks, and/or oneself.</p>	<p>1<sup>st</sup> Offense – Dismissal</p>

6. Stealing or attempting to steal from employees, contractors, customers and/or clients or bringing in/selling stolen items inside the Company.

7. Bribing or offering money, gift, service or anything of value to any employee in exchange for a favor.

8. Committing or attempting to commit fraud either through false testimony, false certificate or alteration or suppression/tampering of records, reports and/or required information, or assisting or causing another to commit fraud.

9. Dishonesty in any form.

10. Willful infliction of physical injuries upon another employee or any other person(s) within the Company premises.

11. Unauthorized use or possession of prohibited/regulated drugs.

12. Accepting any sum of money, commission, gift of inordinate or excessive value, service or anything of value in consideration of any act, contract, decision or services connected with the discharge of the employee's duties.

13. Harboring criminal or wanted persons within the Company premises.

14. Extortion or any form of oppressive exaction of money or anything of value from co-employees.

15. Use of Company name in a personal transaction or business for personal gain or profit. Unauthorized representation of the Company in any transaction.

16. Indiscreet, scandalous or immoral relationship with a co-employee.

17. Sexual harassment in accordance with the provisions of the law.

1<sup>st</sup> Offense – Dismissal



18. On the part of the superior, deliberately condoning, tolerating or participating in an offense committed by a subordinate or a peer.

19. Abuse of position for personal gain or advantage over other employees.

20. Uttering words, doing acts or making gestures to a superior/other employees, which are insulting, disrespectful, and which words, actions or gestures may be taken as a threat by the other person.

21. Swindling, malversation / misappropriation, embezzling and/or kiting Company funds or property of other employees, client(s) and customer(s) of the Company.

22. Connivance with co-employees or abetting the actions of others in matters prejudicial to the interests of the Company.

23. Obscene acts or acts of lasciviousness or immoral conduct or conduct grossly indecent in nature within Company premises.

24. Allowing non-employees to sleep in the Company premises.

25. Attempt to commit or committing any crime against chastity within the Company's premises or committing any act constituting immorality of such scandalous proportions as to offend the moral sensibilities of the community.

26. Encouraging, coercing, initiating, or bribing or otherwise inducing any employee(s) to engage in any practice in violation of the Company rules and regulations.

27. Willful neglect or refusal to remit pay, reimburse or liquidate collections or cash advance, or return and/or deliver goods, stocks, properties entrusted by the Company for his/her administration.

CLASS E OFFENSES	REMEDIAL ACTION
1. Improper conduct and acts of flagrant discourtesy or disrespect to fellow employees, visitors, guests at anytime within Company premises.	Reprimand to dismissal depending on the gravity of the offense.

### Category 2 OFFENSES AGAINST COMPANY PRODUCTIVITY

CLASS A OFFENSES	REMEDIAL ACTION
1. Being late for more than 4 times in a calendar month or accumulation of total tardiness of 120 minutes, whichever comes first.	1 <sup>st</sup> Offense – Verbal warning
2. Abuse of authorized breaktime.	2 <sup>nd</sup> Offense – Written warning
3. Unauthorized and unexcused absence for one day were there is no refusal to return to work as directed (If there is, it can be a case of Absence Without Official Leave – AWOL)	3 <sup>rd</sup> Offense – 3-day suspension
4. Failure to attend a scheduled seminar.	4 <sup>th</sup> Offense – 7-day suspension
	5 <sup>th</sup> Offense – 15-day suspension
	6 <sup>th</sup> Offense - Dismissal

CLASS B OFFENSES	REMEDIAL ACTION
1. Sleeping while on duty (depends on the extent of damage)	1 <sup>st</sup> Offense – Written warning
2. Loitering, leaving work while on duty, wandering around, wasting time or spending time away from one's job during working hours without proper permission from supervisor or Department Head or without an appropriate reliever.	2 <sup>nd</sup> Offense – 3-day suspension
3. Malingering or failure to report for work due to an alleged sickness which was proven false upon verification by an authorized Company representative	3 <sup>rd</sup> Offense – 7-day suspension
4. Refusal to render overtime / holiday work whenever required by authorized representative without any valid reason.	4 <sup>th</sup> Offense – 15-day suspension
5. Failure to submit supplemental personal data required by the Company without any valid reason.	5 <sup>th</sup> Offense – Dismissal
6. Unauthorized and unexcused absence for two to three days where there is no refusal to	

return to work as directed (If there is, it can be a case of Absence Without Official Leave – AWOL)	
<b>CLASS C OFFENSES</b>	<b>REMEDIAL ACTION</b>
<p>1. Abandonment of post</p> <p>2. Conducting private business on Company time without prior authority</p> <p>3. Absence Without Official Leave (AWOL).</p> <p>The following shall be considered as AWOL:</p> <p>a. Extending one’s previously authorized leave of absence without prior written authorization or justifiable reason.</p> <p>b. Failure to notify the immediate supervisor and secure prior written approval of such absence.</p> <p>c. Failure to file an application for leave of absence immediately upon reporting for work in case of sick leave or absence, which are emergency in nature.</p> <p>d. Leaving one’s work on account of illness without having first personally secured written authorization from immediate superior.</p> <p>4. Unauthorized and unexcused absence for four to five days where there is no refusal to return to work as directed (If there is, it can be a case of Absence Without Official Leave – AWOL)</p>	<p>1<sup>st</sup> Offense – 7-day suspension</p> <p>2<sup>nd</sup> Offense – 15-day suspension</p> <p>3<sup>rd</sup> Offense – Dismissal</p>
<b>CLASS D OFFENSES</b>	<b>REMEDIAL ACTION</b>
<p>1. Abandonment of work</p> <p>2. Work stoppage or unauthorized under time.</p> <p>3. Unauthorized and unexcused absence for more than 5 days where there is no refusal to return to work as directed (If there is, it can be a case of Absence Without Official Leave – AWOL).</p> <p>4. Refusing to accept work assigned by a superior without justifiable reasons.</p>	<p>1<sup>st</sup> Offense – Dismissal</p>

<p>5. Committing acts tending to damage the reputation of the Company.</p> <p>6. Failure of a resigning employee to serve advance written notice to the Company at least thirty (30) days before the date he intends to leave the service.</p> <p>The 30-day period shall start from the date the employee's immediate superior receives the written notice.</p> <p>7. Failure of a resigning employee to continue to work, or render actual service during the 30-day period covered by the advance written notice, except when the employee has secured approval to apply his/her unexhausted leave during the same period.</p>	
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**Category 3 OFFENSES AGAINST PROPERTY AND SECURITY**

CLASS D OFFENSES	REMEDIAL ACTION
<p>1. Unauthorized disclosure of confidential data, plans, and/or trade secrets and other classified information. This includes information acquired by the employee's office on account of his position, which may benefit any competitor or other party to the prejudice of the Company.</p> <p>2. Attempting to or bringing in explosives or firearms or deadly weapons into Company premises.</p> <p>3. Unauthorized possession, use, or lending of Company property, equipment, vehicle and/or materials.</p>	<p>1<sup>st</sup> Offense – Dismissal</p>

*Note : Company may implement severe remedial action depending on cost/extent of damage.*

**Category 4 NEGLECT OF DUTY BY A SUPERVISOR/MANAGER**

CLASS E OFFENSES	REMEDIAL ACTION
<p>1. Failure on the part of a supervisor/manager who has knowledge of any violation of this Code and of other Company rules to take steps to prevent and/or report the same.</p>	<p>Liable to the same or greater remedial action to be imposed to the offender.</p>

**Category 5 COMMISSION OF AN ACT CONSIDERED A CRIME UNDER THE LAWS OF THE REPUBLIC OF THE PHILIPPINES PENALIZED OTHER THAN THOSE SPECIFICALLY PENALIZED UNDER THIS CODE.**

CLASS D OFFENSES	REMEDIAL ACTION
1. Committed against Company or its employees or its clients, visitors or guests.  2. Committed outside Company premises not related to Company operations	1 <sup>st</sup> Offense – Dismissal