



EMPLOYEE CODE OF CONDUCT

A Brown Company, Inc.

MESSAGE FROM THE PRESIDENT

As befitting God's masterplan over man's purpose on earth, a sanctification of oneself through work, man is capable of lifting his eyes from the ground – from the limited search for food- to the stars, so that he may see beauty, love and truth, and take one's reserved place in heaven. Since work is something that we deal with everyday, it is actually something that we can use as a means to realize our destiny.

Conscious of this reality, management strives to help all its employees by creating a healthy work environment so that each employee may take care of one's everyday needs and also to realize one's full potential.

Our company is committed to the responsible and creative use of all company resources, especially the human resource – at all levels. Each of us plays a vital role in the attainment of our company objectives.

The primary objective of the Code is to correct and not to punish. It is meant to improve one's performance. This provides each employee with a road map. It is designed to equip us with a thorough knowledge of our corporate culture as well as our rules and regulations. It is our hope and belief that this handbook shall guide us on how we can act and behave in the workplace. By its faithful observance, each employee can look forward to the realization of his fondest dreams for himself and family. It will bring him closer to his aspiration for a dignified and sanctified life.

True to these values and work ethics, we always strive for the best we can to serve our customers- both internal and external. The economic gains that we earn from all our businesses are product of our resilient work attitude- that of doing good in the work place, notwithstanding the many challenges we face as one united, happy family.

Let us all be committed to family spirit, passion for excellence and integrity- values which define our company's future- now and in the years to come.



Robertino E. Pizarro
President

THE COMPANY PROFILE

A Brown Company, Inc. is a publicly listed corporation with major interests in property development, agribusiness, and investments in listed and non-listed companies. Through its subsidiaries, it is into oil palm plantation, oil palm nursery and seedling distribution, palm oil milling, and operation of hotels.

The company was the result of the merger of EPIC Holdings, Brown Chemical Corporation, and Brown Chemical Sales Corporation prior to its listing in 1994. ABCI is committed to the responsible and creative utilization and management of resources for the development of products, services, and properties that contribute to the common good.

BACKGROUND

Our Group of Companies, being committed to the responsible and creative use of resources, pays particular attention to its Human Resource. Thus we endeavor to define the conduct of our most important resource, our employees, who, we believe, are the key to our companies' continuing comparative advantage in all the business fields we operate and will operate in.

In answering the question of what would make our employees vital to our success, we are guided by our Corporate Culture, KAISA (Kultura sa Isip, Salita at Aksiyon). Our culture in thoughts, words, and deeds is the conduct of behavior that we aspire for all our employees to manifest in their day-to-day undertakings in our companies.

CORPORATE VISION

An enterprise working towards enlightened and happier communities for the common good.

CORE BUSINESSES VISION

Property: Making dreams come true for happier families.

Agribusiness: To be the country's leader in producing basic products sustainably for the world.

Energy and Utilities: Energizing the country's development.

CORPORATE MISSION

We commit to deliver excellent products and services that will exceed customers' expectations and ensure growth, financial stability, and sustainability by:

Thinking innovatively, building lasting relationships, and acting with genuine concern for all our stakeholders and the environment;

Responsibly utilizing and managing the resources for the development of products and services for love of the common good;

Incessantly providing means for its workers to develop their potentials to the fullest; and

Living the company's shared values of integrity, passion for excellence, and family spirit in everything we do.

CORPORATE CORE VALUES

LOVE FOR WORK and PASSION FOR EXCELLENCE

Order & Discipline
Initiative, Innovativeness and
Enterprising Sound
Judgment Optimism &
Efficiency Competence
& Professionalism

INTEGRITY

Love for GOD and others
Moral Integrity
Honesty
Fairness
Credibility
Prudence

FAMILY SPIRIT

Unity
Loyalty and Concern
Respect and Humility
Cheerfulness

CODE OF CONDUCT

Although the following statements of our Code are stated in the negative form of "offenses" (for practical and legal reasons), it must be made clear that the behavior we are after are those guided by the virtues (as incorporated in our mission statement) that project the positive outlook seeking the good rather than evil.

SCOPE

This Code of Conduct shall apply to ALL employees of the Brown Group of Companies. This Code supersedes all current policies, rules, and regulations not in accordance with or

contrary to it. Specific policies that are peculiar or not covered by this Code must be established by each respective company based on its actual needs and organizational setup.

GENERAL POLICIES

1. Any and all acts violating, and/or constituting a violation of the comprehensive policies detailed in the foregoing section will be considered a violation, and liable to disciplinary action. This will be in accordance with the appropriate provision of this Code.
2. Ignorance of the policies declared in this Code, as well as notices or memoranda that may be promulgated in the future, shall not excuse or exempt an employee from non-observance nor from the disciplinary action to be imposed thereon.
3. All disciplinary actions shall be imposed following the process enumerated in this Code.
4. All actions to resolve or settle grievances shall abide by the relevant provisions of any mechanism installed for such purpose.
5. Administration of disciplinary action on erring employees shall not hinder the company from filing criminal and/or civil charges in accordance with the applicable laws of the State.
6. In cases where the infractions or offenses committed violate more than one provision of this Code, these shall be dealt with separately.

GUIDELINES FOR IMPLEMENTATION

The task of ensuring that this Code will be understood and religiously complied with is collectively entrusted to both the Human Resource and Development Division and the department or division where the employee is affiliated.

A. Human Resource and Development will be responsible for the following:

1. Making sure that those suitable measures are continually taken to educate all employees on the policies of this Code;
2. Making sure those suitable measures are continually taken to ensure that the policies of this Code are updated and consistent with the requirements of all operating units;
3. Making sure that suitable control measures are established to assist in the progress of the implementation of corrective actions, to assist erring employees, and to continually forewarn department and division heads on the negative standing, if any, of employees under them; and
4. Preparing all documents and reports as may be needed to efficiently implement provisions of this Code.

B. All line managers and supervisors of each department or division shall be responsible for:

1. Administering the policies made known in this Code, including the enforcement of disciplinary action against erring employees;
2. Facilitating in the resolution or settlement of any grievance that may come to light relating to this Code; and
3. Preparing and submitting to HRD the required reports and documentation on cases investigated and/or disciplinary action meted out for proper recording and control.

MECHANICS OF IMPLEMENTATION

In order to effectively implement the provisions of this Code, offenses that call for/ merit disciplinary action are classified under five types of heading: TYPE A, TYPE B, TYPE C, TYPE D, and TYPE E. This classification is made in accordance with the disciplinary action that the offense merits. The corresponding disciplinary actions for each of the above are the following:

TYPES OF OFFENSES	LEVELS OF OFFENSE	DISCIPLINARY ACTION
A (light)	1 st	Written Warning
	2 nd	Stern Warning Reprimand with warning for Suspension
	3 rd	2 Working- Day Suspension
	4 th	4 Working- Day Suspension
	5 th	6 Working- Day Suspension
	6 th	15 Working- Day Suspension with warning For Dismissal
	7 th	Dismissal
B (minor)	1 st	Stern Warning Reprimand with Warning for Suspension
	2 nd	4 Working- Day Suspension
	3 rd	6 Working- Day Suspension
	4 th	15 Working- Day Suspension with Warning for Dismissal
	5 th	Dismissal
C (serious)	1 st	6 Working- Day Suspension
	2 nd	15 Working- Day Suspension with Warning for Dismissal
	3 rd	Dismissal
D (grave)	1 st	30 Working- Day Suspension with Warning for Dismissal
	2 nd	Dismissal
E (capital)	1 st	Dismissal (Include in Type E offenses are those covered by law as just cases for termination of employment.)

The aforesaid penalties, after being served in whatever level of offenses, shall be stricken out from company records based on the following periods:

Below suspension	1 year
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Suspension

2 years

Despite the schedule of penalties, a penalty of dismissal may be commuted by the President to suspension of thirty (30) days, depending on the mitigating circumstances present in each case. In the same manner, a penalty may be increased depending on the aggravating circumstances present.

TABLE OF OFFENSES

ARTICLE I

OFFENSES AGAINST PERSON

Founded on the principle of Love for People, the rules that follow are intended to encourage everybody towards friendship, respect, and humility, as well as the practice of cheerfulness. All of these are geared towards establishing smooth interpersonal relationships in the work place, in our families, and in the community.

Therefore, behaviors that do not conform to these virtues are as follows:

SECTION 1 Commission of a crime or offense by the employee against the person of his employer or any immediate member of his family or his duly-authorized representative. (Type E)

SECTION 2 Inflicting physical injury on any employee or person, or having in fact inflicted physical injury while within or outside company property or premises or job sites where such outside incident has relation to work or company activities. (Type D)
Otherwise, if the act merely constitutes an attempt to inflict such physical injury, the offense may be reduced to Type C depending on the nature or gravity of the attempted offense.

SECTION 3 Any act constituting threat, intimidation, or coercion against any person, or in any manner unduly interfering with or obstructing plant or company operations or other employees from performing their work while within company property or premises or job sites. (Type D)

SECTION 4 Fighting or actually engaging another in a fight while within or outside company property or premises or job sites provided such outside incident has relation to work or has arisen while inside company premises. (Type D)

SECTION 5 Inciting or provoking a fight under the circumstances described in Section 4 above, but where a fight does not actually occur. (Type C)

SECTION 6 Persistently telling smutty jokes that are found offensive by others within office premises. (Type C)

SECTION 7 Any immoral act by the employee either by himself or with another person; including but not limited to sexual harassment committed within company property or premises or job sites or during company activities. (Type E)

ARTICLE II

OFFENSES AGAINST PROPERTY

Our Responsible Dominion Over Material Goods requires us to always practice honesty in its highest sense. This also asks us to practice justice by respecting the rightful property of our fellow workers and that of the companies we work with.

The following do not conform to the above mentioned virtues:

SECTION 1 Theft, robbery or appropriation for personal gain, benefit or profit of any the property of the company or of a fellow employee or a client or customer of the company, regardless of the amount involved. (Type E)

SECTION 2 Swindling or malversation (estafa) of funds or property of the company or of a fellow employee or of a client or of a customer of the company. (Type E)

SECTION 3 Obtaining supplies or materials on fraudulent orders. (Type E)

NOTE: This implicates any other person conniving or in collusion with the employee doing it.

SECTION 4 Unauthorized substitutions of company material or equipment with another or of poorer quality, or of lesser value. (Type E)

SECTION 5 Alteration or removal, without authorization, of any property of the company, government or of other employees resulting in irreparable damage thereto. (Type E) If damage is reparable, the penalty is mitigated to Type D.

SECTION 6 Using company time, material and/or equipment to do unauthorized work within or outside premises, for personal gain which includes using company time and facilities in personal dealership, selling, and other non-work related activities. (Type D)

SECTION 7 Neglecting or refusing after due demand or notice, or as provided by existing policies without justifiable reason, to remit, pay, reimburse, or liquidate any money, collection or cash advance, or return and/or deliver goods, stocks, or other properties entrusted to him by the company, or received by him from a customer or client or business associate or affiliate or their representative for his administration, or under any other obligation to make delivery of, or return the same. (Type B)

SECTION 8 Malicious or willful destruction or misuse of company property or that of any employee, any client or customer of the company. If the destruction, damage, or misuse is committed through recklessness or imprudence, the same shall be classified as Type D offense.

ARTICLE III

OFFENSES AGAINST COMPANY INTEREST AND POLICY

This section seeks a behavior that manifests Love for Truth. This includes the practice of such virtues as honesty, concern, and loyalty towards our company which should go beyond self-interest. This hopes to instill a true spirit of service with a high sense of responsibility.

The following do not conform to the foregoing:

SECTION 1 Falsification of documents relating to personal records or data or misrepresentation of any information concerning personal circumstances and qualification. (Type E)

SECTION 2 Falsification or unauthorized alteration of personnel or company records and/or using said falsified records for personal gain or benefit (Type E)

SECTION 3 Any attempt to falsify or pad expense reports, receipts, invoices, or any other document, upon which reimbursement is based (Type E)

SECTION 4 Favoring suppliers, media, customer, or any other person in consideration of kickbacks, personal rebates or any valuable consideration. (Type E)

SECTION 5 Offering or accepting anything of value in exchange for a job, work assignment, work location, or favorable condition of employment (Type E)

SECTION 6 Directly or indirectly requesting or receiving any gift, present, share, percentage, or any form of benefit or favor, for himself or for any other person in connection with any business, contract, application, or transaction between the company and any other party, wherein the employee in his official capacity has to intervene. (Type E)

SECTION 7 Directly or indirectly having financial or pecuniary interest in any business, contract or transaction in connection with which he intervenes or takes part in his official capacity. (Type E)

SECTION 8 Unauthorized actions clearly in excess of one's authority such as but not limited to, acts of disbursing, releasing or authorizing disbursement of company funds without written authority by one's superior or similar acts that go beyond or outside his authority or responsibility, where the interest of the company is prejudiced. (Type D)

SECTION 9 Giving a company ID or identification material to any person not entitled to it, or assisting non-employees to enter the company premises and restricted areas without the company's permission (Type E)

SECTION 10 Failure to wear the ID and uniform, or wearing altered, deformed, or mutilated uniform. (Type A)

SECTION 11 Giving away or unauthorized disclosure of company trade secrets and/or trade practices or trade processes or any valuable information acquired by his office, or by him on account of his position, to unauthorized persons, or making available such information in advance of its authorized release date and where in the process, the interest of the company is prejudiced (Type E)

SECTION 12 Loitering, wasting time, leaving place of work during working hours without permission from his/her supervisor, or department head or any designated person or leaving the company compound without permission at any time before the end of the employee's work shift (Type B)

SECTION 13 Malingering or feigning illness to avoid doing assigned work or reporting for work. (This includes absence due to Sick Leave but employee is neither at home nor at any medical institution) (Type B)

SECTION 14 Sleeping on company while on duty. (Type B)

SECTION 15 Failure to follow written or oral instructions made by Company superiors, as well as Company memorandum and circulars, or failure to perform assigned work due to negligence. (Type B)

SECTION 16 Persuading, inducing, or influencing another employee to perform an act constituting a violation of this Code or other existing rules and regulations or policies on an office in connection with the duty or function of the latter allowing himself to be persuaded, induced, or influenced to commit such violation or offense. Penalty for the violation committed shall likewise be imposed on the person who employed persuasion, inducement, or influence. (Type C)

ARTICE IV

OFFENSES AGAINST SAFETY, HEALTH, SECURITY & PUBLIC ORDER

To foster the responsible use of resources given to us stewards, our behavior should show proper concern and care for our welfare, that of others, for properties we own or those placed under our care and the general public whom we directly or indirectly influence.

The following do not conform to the foregoing:

SECTION 1 Unauthorized possession and carrying of firearms, explosives, or other deadly weapon while on company premises (Type E)

SECTION 2 Forced or unauthorized entry into an office or premises of the company during off-hours without committing acts punishable under sections 1,4,5 and 8 of Article II hereof. (Type C)

NOTE: *Type E penalty shall however be imposed if the entry thereof has been done in order to cover up or attempt to cover up any violation of the rules or commission of felonies.*

SECTION 3 Entering restricted areas without permission. (Type C)

SECTION 4 Creating or contributing to unsafe and unsanitary conditions inside company premises. (Type A)

SECTION 5 Violation or failure to follow a general safety rule and/or practice. (Type A)

SECTION 6 Littering inside the company premises and immediate surrounding area. (Type A)

SECTION 7 Unauthorized and/or unjustified use of fire protection equipment. (Type C)

SECTION 8 Operating and/or tampering of switches, controls, installations, machines or equipments without authorization. (Type C)

SECTION 9 Failure to report immediately a personal injury occurring on company time or property. (Type A)

SECTION 10 Willful disregard of office directive relating to sanitary conditions, cleanliness, and orderliness of the office, security of office supplies, and equipment or performing any act contributing to unsanitary condition or practice on company premises or job sites. (Type A)

SECTION 11 Reporting for work while having a serious contagious disease which may endanger the health of other employees, knowing about it, yet failing to report or willfully withholding information thereof from company authorities. (Type D) If the contagious disease is not of a serious nature, Type C penalty will be meted out.

SECTION 12 Failure to undergo Annual Physical Examination as scheduled by the company and failure to obey doctor's order or advice as directed or ordered by the company. (Type B)

SECTION 13 Scuffling, "horsing around," or throwing things or otherwise wasting time during work hours. (Type B)

ARTICLE V
OFFENSES AGAINST DECENCY, GOOD CUSTOM, HONOR
AND MORALITY

We would like Respect for Human Sexuality to pervade in our work areas. This is a divine gift given to every man and woman whose purpose in marriage is definite-love and procreation only in marriage. Alongside this virtue is the observance of modesty, chastity, and decency.

The following do not conform to the foregoing:

- SECTION 1** Reporting for work while under the influence of liquor and/ or intoxicating drinks (Type C) and/or prohibited drugs. (Type E)
- SECTION 2** Drinking or bringing in any liquor, intoxicating drinks into company premises or on company- sponsored activities (Type C); Use of or bringing in prohibited drugs inside the company premises or during company- sponsored activities (Type E).
- SECTION 3** Making false, vicious, or malicious statement concerning any employee. (Type C)
- SECTION 4** Any act constituting offense against honor (libel, defamation, slander) committed while in company premises or in relation to work. (Type D)
- SECTION 5** Conduct of grossly scandalous or indecent nature or using profane or indecent language in addressing another person on company time or on company property. (Type C)
- SECTION 6** Any and all act constituting sexual harassment and/or any motives committed against co-employees regardless of position, rank, or gender. (Type E)
- SECTION 7** Failure to undergo Drug Test upon instruction/required of management without justifiable reason. (Type C)

The following are acts of sexual harassment:

1. Persistently telling smutty jokes to a co- employee who has indicated that he/ she finds them offensive (Type C);
2. Taunting a co-employee with constant talk of sex or sexual innuendoes (Type C);
3. Displaying offensive pictures or publications in the workplace (Type C);
4. Asking co-employee intimate questions on his/ her sexual activities (Type C);
5. Making offensive hand or body gestures at a co- employee (Type C);
6. Making obscene phone calls to a co- employee during and outside work hours, etc. (Type C);
7. Pinching, unnecessarily brushing up against a co- employee's body (Type C);
8. Requesting for dates or favors in exchange for a job, favorable working conditions, or assignments, etc. (Type D);

9. Touching a co-employee in sensitive parts of his/ her body to threats of a sexual nature and actual sexual assault (Type E);
10. Directing or inducing another to commit any act of sexual harassment as herein defined, or who cooperates in the commission thereof by another without which it would not have been committed shall also be liable under these rules. Penalty shall likewise be imposed on the person who employed inducement or cooperated. (Type C)

SECTION 8 Attempt to commit or committing any crime against chastity while in company premises or at job sites or committing any act constituting immorality of such scandalous proportions as to offend the moral sensibilities of the community. (Type E)

SECTION 9 Taking part in any gambling, unauthorized lottery, loaning of money with excessive interest rates, or any other game of chance during company time or while within the company premises. (Type C)

SECTION 10 Conviction of any crime punishable under the Revised Penal Code of the Philippines and other existing laws of the country. (Type E)

ARTICLE VI

OFFENSES AGAINST ADMINISTRATION

As being subject to authority, we need to understand that each one of us is a part of something bigger-the enterprise (Unity and Subsidiary) of which we have the responsibility to support and the obligation to conform in order to reach its stated goals and vision.

This will require the practice of Order, Self-discipline, Industriousness, and Loyalty, among other virtues necessary to uphold our institution's right and mandates.

The following do not conform to the foregoing:

SECTION 1 Habitual Tardiness. This is defined as ten or more instances of tardiness or combined tardiness resulting in a total loss of 120 minutes or more within one month. (Type A)

NOTE: For this purpose, tardiness of up to five (5) minutes will not be counted.

SECTION 2 Overbreak. Taking coffee or snack breaks of more than 15 minutes at a time, for five or more instances or a total loss of thirty minutes or more in one calendar month. (Type A)

SECTION 3 Absence without official leave (AWOL). Each day of absence without official is a separate offense. (Type A)

NOTE: *For an employee not to be considered AWOL, the following procedures must be strictly followed:*

- A. An employee who wishes to be absent on a certain date or dates must file an application for leave of absence for approval of his immediate superior and Department Head, at least two (2) days before his intended leave(s) of absence.
- B. If, because of extraordinary circumstances like sudden serious illness of the employee or an immediate member of his family, preventing him or her to secure prior leave of absence, the employee or his representative must telephone, text, e-mail, or submit a written notice within the first 4 hours of his or her shift to his or her superior or Department Head or any other person authorized by the company to approve or disapprove the absence retroactively.

SECTION 4 Denied permission to be absent. If an employee's request for leave of absence is denied and he nevertheless absents himself he shall be subject to immediate discharge unless he is able to present valid and acceptable reason which he could not have presented to management before incurring the absence. (Type E)

SECTION 5 Gross and habitual neglect by the employee of his duties. Abandonment of job is a form of neglect of duty. This constitutes (1) failure to report for work or absence without valid or justifiable reason and (2) a clear intention to sever the employer-employee relationship, with the second element as the more determinative factor and being manifested by some overt acts. (Type E)

SECTION 6 Failure to return to work on the working day immediately following the expiration of leave of absence, unless such leave is extended with proper approval. (Type A)

NOTE: *To be treated as an absence without official leave as manifested in Section 3 above.*

SECTION 7 Failure to report for overtime work after having been duly advised and scheduled to work according to overtime policy, or doing overtime work, in lesser time than sought to be charged, without justifiable reason. (Type A)

SECTION 8 Deliberately punching or swiping the time card of another employee or having one's card punched or swiped by a fellow employee while the other is actually inside the premises. (Type B) If the owner of the time card is not actually inside the premises, such action shall be considered as falsification of time card. (Type C)

SECTION 9 Failure to punch or swipe out his time card or unauthorized removal of time card from designated racks. (Type A)

SECTION 10 Posting of any derogatory articles, prints or drawings on any company property or premise be it against any fellow employee or removal of any company matter or

information from Bulletin Board at any time unless specifically authorized. (Type C)

SECTION 11 Unauthorized defacing of any company property or willful defacing, tampering, smudging, printing or “dirtying” of walls or façade of any company property of any form of vandalism committed on company properties owned by the Brown Group of Companies. (Type C)

SECTION 12 Willfully holding back, slowing down, hindering or limiting work output, or otherwise “feather bedding” or giving instructions to fellow employees to hold back, slow down, hinder, or limit output. (Type E)

SECTION 13 Causing loss of company time or money because of unauthorized use, operation or possession of machines, tools, vehicles or equipments or while performing work other than those assigned to him or her (Type D). Where the unauthorized use resulted in irreparable damage to the property, Type E shall be imposed.

SECTION 14 Causing loss of time and money to the company because of negligence in the performance of official duties, neglect of duty, or persistently doing unsatisfactory work. This includes violation of standard operating procedures. (Type C)

SECTION 15 Making false, vicious, or malicious statement concerning the company or its products.
(Type C)

SECTION 16 Selling, soliciting, collecting contributions for any purposes whatsoever or conducting private business during office hours on company premises or job sites without proper authorizations from the company. (Type C)

SECTION 17 Holding any position or employment with or without compensation in any other business firm which is engaged in any similar line of business with the company.
(Type E)

SECTION 18 Allowing unauthorized rider(s) or passenger(s) in the company vehicles (Type C offense; however, may be reduced to Type B depending on the circumstances).

SECTION 19 Tardiness during the Flag Ceremony. The flag ceremony shall be held every Monday or the next working day if Monday is a holiday, at exactly 7:35am. Employees who arrive at the convocation site/ venue after the start of the flag ceremony at 7:35am are considered tardy. (Type A)

SECTION 20 Failure to attend the Flag Ceremony without justifiable reason. (Type B)

ARTICLE VII

OFFENSE AGAINST AUTHORITY (INSUBORDINATION)

An encompassing trait to elicit the correct behavior under this category is that of respect for Authority coupled with our correct understanding of unity, subsidiary and responsibility.

The following do not conform to the foregoing:

SECTION 1 Refusing to accept job assignments without justifiable reason. (Type D)

SECTION 2 Willful disobedience of the lawful orders of the company and any of its officers. (Type E)

SECTION 3 Any act constituting disrespect and disregard of authority of company superiors and officers. (Type D)

SECTION 4 Any act which constitutes resistance, threat, intimidation, or assault against a person of authority in the company or any of his agent. (Type D)

SECTION 5 Any other act constituting insubordination not included in the preceding sections. (Type D)

ARTICLE VIII

OTHERS

SECTION 1 Disciplinary actions for offenses of infractions made by an employee not yet covered or prescribed in the above rules shall be at the division head's discretion.

SECTION 2 Other provisions outside of this Code may be formulated by any company of the Brown Group to address their particular condition of operation.

PROCEDURE IN HANDLING ADMINISTRATIVE CASES

1. All administrative cases must be reported formally to the employee's immediate superior.
2. The immediate superior of the reported employee shall review, study, and validate the report submitted to him within forty-eight (48) hours.

NOTE: *In checking the validity of the report submitted, the 5Ws (Who, What, Where, When, Why) and 1 H (How) fact finding method is a proven effective guide.*

3. After establishing the validity of the submitted report, the immediate superior must determine whether or not the case merits preventive suspension. If so, the immediate superior must issue the same. Preventive suspension must not exceed thirty (30) working days. However, should the company decide to extend beyond 30 working days because more time is needed for investigation, extension can be made but with pay.

Preventive Suspension. The employer may place the worker concerned under preventive suspension only if his continued employment poses a serious and imminent threat to the life or property of the employer or of his co-workers.

Period of Suspension. No preventive suspension shall last longer than thirty (30) days. The employer shall thereafter reinstate the worker in his former or in a substantially equivalent position or the employer may extend the period of suspension provided that during the period of extension, he pays the wages and other benefits due to the worker. In such case, the worker shall not be bound to reimburse the amount paid him during the extension if the employer decides, after completion of the hearing, to dismiss the worker.

Source: Section 8 and Section 9 of Rule XXIII, Book V, of the Omnibus Rules Implementing the Labor Code, as amended by Department Order No. 9, Series of 1997

4. The immediate superior must issue a Notice to Explain (NTE) to the reported employee stating clearly the charges, purpose, reason and basis of such.
5. The employee must receive and submit his response to his immediate superior within the allowable time provided as stated in the NTE.

NOTE: *An employee who fails to submit a written report as mandated in the NTE without any valid reason will lead to the waiving of his right to explain and be heard. This, therefore, would eventually mean IMPLIED ADMISSION on his part of the commission of acts constituting the charge brought against him.*

6. Upon receipt of the employee's explanation, the immediate superior studies it and makes his recommendation to the department manager either to excuse or impose Disciplinary Action (DA) on the reported employee. The basis of his recommendation must always be in consonance with the Code and the Philippine Labor Laws.
7. Where the immediate superior recommends the imposition of the DA and such recommendation is approved by the department manager, the decision will be issued to the reported employee, and explained to him or her.
8. Where the immediate superior makes recommendations to excuse the imposition of the DA and the same is approved by the department manager, the employee will receive a copy of the decision.
9. In cases where the recommendation of the immediate superior is disapproved, the decision of the department manager shall prevail.

10. The employee, after receiving the copy of the decision approving the imposition of disciplinary action imposed upon him, must review his or her stand about the matter. Should she or he feel aggrieved about the decision, he or she may appeal and elevate the matter to the Division Head. The Division Head may opt to consult the HRD in reviewing the case. The decision of the Division head will be final and executor. However, offenses that will impose dismissal however may be appealed to the President.

I acknowledge to have received a copy of the Brown Group EMPLOYEE CODE OF CONDUCT with the AMENDED COMPANY RULES AND REGULATIONS. I further acknowledge that the contents have been read and explained to me and that I understand all the provisions stated herein and that I will abide by the rules at all times.

Signature over Printed Name

Division/Department

Date

KAISA HYMN

**Tayo'y may nag-iisang pangarap
Iisa ang ating hinahanap
Iba't-iba man ang ating pinagmulan
Iisa pa rin ating patutunguhan**

II

**Gumagawa nang higit sa inaasahan
Nagmamahal at tunay na kaibigan
Naglilingkod hanggang sa makakayanan
Upang ang kulturang maka-Diyos ay makamtan**

REFRAIN Kasama ka

**ikaw ay kaisa
Kapit-kamay salubungin ang umaga
Dala ay sigla at bagong pag-asa
Sa puso ng bawat manggagawa**

BRIDGE

**Isang sanga isang ugat
Sama-sama tungo sa pag-unlad**

(Repeat Refrain)

Sa puso ng bawat manggagawa