



A Company Manual / Employee Handbook

Revised

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SECTION 1

INTRODUCTION

The VECTOR OUTSOURCING SOLUTIONS PHILS., INC. (VECTOR, INC) considers its human resources as its prime and key asset. Thus, it seeks to promote and support its employee's well-being and protection. To ensure attainment of this objective, this Manual has been drawn to acquaint you with VECTOR OUTSOURCING SOLUTIONS PHILS., INC. and provide you with information about working conditions, benefits, and policies affecting your employment.

The information contained in this Manual applies to all employees of VECTOR OUTSOURCING SOLUTIONS PHILS., INC.. Following the policies described in this Manual is considered a condition of continued employment. However, nothing in this Manual alters an employee's status. The contents of this Manual shall not constitute nor be construed as a promise of employment or as a contract between the Company and any of its employees. The Manual is a summary of our policies, which are presented here only as a matter of information.

You are responsible for reading, understanding, and complying with the provisions of this Manual. Our objective is to provide you with a working environment that is constructive to both personal and professional growth.

1.1 CHANGES IN POLICY

This manual supersedes all previous employee manual and memos that may have been issued from time to time on subjects covered in this Manual

However, since our business and our organization are subject to change, we reserve the right to interpret, change, suspend, cancel, or dispute with or without notice all or any part of our policies, procedures, and benefits at any time. We will notify all employees of these changes. Changes will be effective on the dates determined by the Company, and after those dates all superseded policies will be null.

No individual supervisor or manager has the authority to change policies at any time. If you are certain about the any policy or procedure, speak with your direct supervisor.

1.2 EMPLOYMENT APPLICATIONS

We rely upon the accuracy of information contained in the employment application and the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

The company reserves the right to conduct background check of applicants.

1.3 EMPLOYMENT RELATIONSHIP

You enter into employment voluntarily, and you are free to resign at any time for any reason. Similarly, VECTOR OUTSOURCING SOLUTIONS PHILS., INC., is free to conclude its relationship with any employee at any time for any reason. Following the probationary period, employees are required to follow the Employment Termination Policy.

SECTION 2

DEFINITIONS OF EMPLOYEES STATUS

“EMPLOYEES” DEFINED

An “employee” of VECTOR OUTSOURCING SOLUTIONS PHILS., INC., is a person who regularly works for VECTOR OUTSOURCING SOLUTIONS PHILS., INC. on a wage or salary basis. “Employees” may include regular full-time, regular, part-time, and temporary persons and other employed with the Company who are subject to the control and direction of VECTOR OUTSOURCING SOLUTIONS PHILS., INC. in the performance of their duties.

REGULAR FULL –TIME

Employees who have successfully completed the six (6) months probationary period and who are regularly scheduled to work 40 or more hours per week. Generally, they are eligible for the Company’s benefit package, subject to terms, condition, and limitations of each benefit program.

REGULAR PART - TIME

Employees who have completed the six months probationary period and who are regularly scheduled to work less than 40 hours per week.

TEMPORARY (FULL-TIME or PART-TIME)

Those whose performance is being evaluated to determine whether further employment in a specific position or with the Company is appropriate or individuals who are hired as interim replacements to assist in the completion of a specific project or vacation relief. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain the status until they are notified a change. They are not eligible for any of the Company’s benefit programs.

PROBATIONARY PERIOD FOR NEW EMPLOYEES

A new employee whose performance is being evaluated to determine whether further employment in a specific position or with VECTOR OUTSOURCING SOLUTIONS PHILS., INC., is appropriate. When an employee completes the probationary period, the employee will be notified of his/her new status with VECTOR OUTSOURCING SOLUTIONS PHILS., INC.

SECTION 3

3.1 NON – DISCRIMINATION

In order to provide equal employment and advancement opportunities to all individuals, employment decision at VECTOR OUTSOURCING SOLUTIONS PHILS., INC.. does not discriminate in employment opportunities or practices because of race, color, religion, sex, national, age or disability

VECTOR OUTSOURCING SOLUTIONS PHILS., INC. will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Employees with questions or concerns about discrimination in the workplace are encouraged to bring these issues to the attention of their supervisor. Employees can raise concerns and make reports without fear of refusal. Anyone found to be engaging in lawful discrimination will be subject to disciplinary action, including termination of employment.

3.2 NON – DISCLOSURE/CONFIDENTIALITY

The protection of confidential business information and trade secrets is vital to the interests and success of VECTOR OUTSOURCING SOLUTIONS PHILS., INC. Such confidential information refers to those matters that give the Company an

advantage over other firms, protect over-all Company interests, or any other matter that may have substantive impact on the Company's operation and/or corporate images. This includes, but not limited to the following examples:

- Compensation data
- Financial information
- IT Security policies and process
- Marketing strategies
- Pending projects and proposals
- Proprietary production processes
- Personnel/payroll records, and
- Conversations between any persons associated with the company.

All employees are required to sign a non-disclosure agreement as a condition of employment.

Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

All employees must be HIPAA Certified. All Employees undergo training to educate them on HIPAA rules and regulations. Personnel receive training and development in system confidentiality and security concepts and issues.

3.3. NON-COMPETE AND NONSOLICITATION

All employees are required to sign a Non-Competition and Non Solicitation Agreement as part of a condition of employment.

3.4 NEW EMPLOYEE ORIENTATION

Orientation is a formal welcoming process that is designed to make the new employee feel comfortable, informed about the company, and prepared for their position. New employee orientation is conducted by a Human Resources representative, and includes an overview of the company history, an explanation of the company core values, vision, and mission; and company goals and objectives. Part of the orientation also includes security awareness and IT Security policies of the company. In addition, the new employee will be given an overview of benefits, tax, and legal issues, and complete any necessary paperwork.

Employees are presented with all codes, keys, and procedures needed to navigate within the workplace. The new employee's supervisor then introduces the new hire to staff throughout the company, reviews their job description and scope of position, explains the company's evaluation procedures, and helps the new employee get started on specific functions.

3.5 OFFICE HOURS

VECTOR OUTSOURCING SOLUTIONS PHILS., INC. office is open for business from 6 a.m. Monday to 6 a.m Saturday., except for Holidays.

The Company currently enforces a two shift schedule as follows: from 6:00 a.m. - 3:00 p.m.; 9:00p.m.- 6a.m. Mondays to Fridays.

The Company, however, may schedule work hours as circumstances warrant, subject to limitations provided by law.

- a. Three (3) shift schedule: 6:00 a.m. – 2:00 p.m., 2:00 p.m. – 10:00p.m. and 10p.m. – 6am
- b. Four day work week schedule: 6:00 am – 5pm for the day shift

The standard workweek is 40 hours of work. In the computation of various employee benefits, the employee workweek is considered to begin on Monday (starting at 6:01 a.m.) through Saturday (ending at 6:00 a.m.), unless a supervisor makes prior arrangement with the employee.

All employees/officers must strictly observe the schedule of work hours that the Company has established or shall establish whenever necessary. It is the responsibility of all department heads/supervisors to inform/advise their respective staff of the work schedules or any changes thereof.

If the nature of the work of the employee demands for an irregular time schedule (including rest days), the matter shall be brought to the attention of the Operations Manager by the department heads/supervisors. The Operations Manager shall approve the Department Head/Supervisor's request for change in time schedule (including rest days) as needed and submit the same to the General Manager on the very same day.

Change of working hours for reasons other than the one mentioned shall require the evaluation and endorsement of the Administration Committee subject to the approval of the Managing Director.

3.5 MEAL PERIODS

MEAL BREAK is prescribed for the general well being of the employees. It is designed to provide employees/officers respite from their daily chores. The Company allows a sixty-minute (one hour) break for regular meals.

Meal breaks generally are taken between the prescribed hours of the shift on a staggered schedule so that your absence does not create a problem for co-workers or clients

- a. Day Shift:
Regular Lunch Break 10:00 a.m. – 11:00 a.m.
- b. Night Shift:
Regular Evening Break 1:00 a.m. – 2:00 p.m.

In the case of a three-shift shortened schedule, authorized lunch breaks are as follows:

- a. Day-Shift 10:00 a.m. – 10:30 a.m.
- b. Mid-Shift 6:00 p.m. – 6:30 p.m.
- c. Night-Shift 2:00 a.m. – 2:30 a.m.

Extended break period at regulation time is not allowed and is a violation of this policy.

3.6 BREAK PERIODS

VECTOR OUTSOURCING SOLUTIONS PHILS., INC. provides for employees to break during production activities at the following times:

- a. Day Shift:
Short breaks 8:00a.m. – 8:15 a.m. & 1:00 p.m. – 1:15p.m.
- b. Night Shift:
Short breaks 12:00mn. – 12:15a.m. & 4:00 a.m. –45:15a.m.

There are no 15-minutes break periods on a three-shift schedule due to the shortened working hours of each shift compared to a regular work schedule.

If employees have unexpected personal business to take care of, they must notify their direct supervisor to discuss time away from work and make provisions as necessary. Personal business should be conducted on the employee's own time.

Employees who do not adhere to the break policy will be subject to disciplinary action, including termination.

3.7 PERSONNEL FILES

Employee personnel files include the following: job application, job description, résumé, Transcript of records, clearance certificate from Gov't offices (NBI, Police and Barangay clearances), medical records at the time of employment and

subsequent annual physical/medical results, records of participation in training events, salary history, records of disciplinary action and documents related to employee performance reviews, coaching, and mentoring. The file should also include a HIPAA Certificate that would signify that they have completed and understood the HIPAA law.

Personnel files are the property of VECTOR OUTSOURCING SOLUTIONS PHILS., INC., and access to the information is restricted. Management personnel of VECTOR OUTSOURCING SOLUTIONS PHILS., INC. who have a legitimate reason to review the file are allowed to do so.

Employees who wish to review their own file should contact their supervisor. With reasonable advance notice, the employee may review his/her personnel file in Company's office and in the presence of their supervisor.

3.8 PERSONNEL DATA CHANGES

Updating Personal Data and Status

For purposes of keeping an accurate and updated records system, it is important that all personnel promptly give written notice to the Administration Committee not later than one week of any change in personal data such as, but not limited to;

- a. Civil status
- b. Additional dependents
- c. Home address and/or telephone number
- d. Educational attainment
- e. Government examinations passed
- f. Courses/seminars taken
- g. Person/s to notify in case of emergency

The updated report should be accompanied by pertinent documents, such as:

- a. Marriage Contract
- b. Certificate of Live Birth
- c. Diploma or Completion Certificate

Personnel files, documents/records or other were property of the Company and must not be removed from their place unless with prior approval of the department head concerned.

3.9 INCLEMENT WEATHER / EMERGENCY CLOSINGS

At times, emergencies such as severe weather, fires, or power failures can disrupt company operations. The decision to close the office will be made by the Administration Committee.

When the decision is made to close the office, employees will receive official notification from their supervisors.

Time off from scheduled work due to emergency closings will be unpaid for all non-exempt employees. However, if employees would like to be paid, they are permitted to use vacation time if it is available to them.

3.10 OUTSIDE EMPLOYMENT

As a matter of policy, employees may be allowed to hold outside jobs, but only as a part-time assignment, provided that it is in non-related businesses or professions outside the company and that the employee ensures that he/she meets the performance standards of their job description with VECTOR OUTSOURCING SOLUTIONS PHILS., INC. and prevents conflict of interest

Outside employment shall mean any other gainful undertaking with another firm/company at the time of employment with VECTOR OUTSOURCING SOLUTIONS PHILS., INC.

The policy shall cover all regular, probationary or contractual employees of the Company.

Guidelines:

- a) Outside employment shall be allowed only when endorsed by the department head and approved by the Managing Director.
- b) Request should contain the extent of time and efforts to be devoted on said employment and the justifications.
- c) Those already holding outside employment prior to joining the Company shall submit to the Administration Committee written compliance to this policy or before their first day of work.
- d) Should immediate termination be not possible due to valid reasons, the prospective employee is advised to submit a written request for extension of said outside employment. In no way, however, should said request extend to more than three (3) months.
- e) Professionals may be allowed to practice their respective professions only if it involves their immediate relatives, that is, their parents, spouse, children, sisters, brothers or parents-in-law, subject to proper approval.

Failure to observe above guidelines shall subject employee/officer concerned to severe disciplinary action and/or dismissal.

VECTOR OUTSOURCING SOLUTIONS PHILS., INC.'s office space, equipment, and materials are not to be used for outside employment.

3.11 CORRECTIVE ACTION

VECTOR OUTSOURCING SOLUTIONS PHILS., INC. holds each of its employees to certain work rules and standards of conduct. When an employee deviates from these rules and standards, VECTOR OUTSOURCING SOLUTIONS PHILS., INC. expects the employee's supervisor to take corrective action.

Corrective action at VECTOR OUTSOURCING SOLUTIONS PHILS., INC. is progressive. That is, the action taken in response to a rule infraction or violation of standards typically follows a pattern increasing in seriousness until the infraction or violation is corrected.

The usual sequence of corrective actions is the following:

- VERBAL WARNING:** This is a verbal notice given an employee for having committed an infraction of a rule, calling his attention that repetition of the offense will be dealt with more severely. Details of this will be noted in the employee's personnel record.
- WRITTEN WARNING:** A formal written notice issued for the violation of the Company rules and regulations. Succeeding infraction of the same nature merits a possible suspension. Copy of this will be filed in the employee's personnel record.
- SUSPENSION:** A disciplinary action for grave or repeated violation of the Company rules and regulations where an employee is sent on a forced leave without pay from one (1) to five (5) regular working days.
- DISCHARGE:** Termination of an employee for cause and for inability to meet work performance standards. Commission of serious violation of a Company rule or regulation by an employee would result in discharge for the employee.

Though committed to a progressive approach to corrective action, VECTOR OUTSOURCING SOLUTIONS PHILS., INC. considers certain rule infractions and violations of standards as grounds for immediate termination of employment. These include but are not limited to: theft in any form, insubordinate behavior, vandalism or destruction of company property,

being on company property during non-business hours, the use of company equipment without prior authorization by the Administration Committee, **divulging Company business practices, and misrepresentations of VECTOR OUTSOURCING SOLUTIONS PHILS., INC. to a customer, a prospective customer, the general public, or an employee.**

For offenses subject to Discharge, whether on the first offense or not, the Company reserves the right to put an employee on preventive suspension while the case is being investigated. Much so, if the continuous presence of concerned employee poses great danger to the life or property of the Company and/or its employees.

Any employees under suspension shall be barred from entering Company premises and shall not be entitled to benefits during the period of suspension (e.g. leave benefits, proportionate 13th month)

3.12 EMPLOYMENT TERMINATION

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are a few examples of some of the most common circumstances under which employment is terminated:

- Resignation – voluntary employment termination initiated by an employee.
- Termination – involuntary employment termination initiated by VECTOR OUTSOURCING SOLUTIONS PHILS., INC..
- Layoff – involuntary employment termination initiated by VECTOR OUTSOURCING SOLUTIONS PHILS., INC.. for non-disciplinary reasons.

When an employee intends to terminate his/her employment with VECTOR OUTSOURCING SOLUTIONS PHILS., INC., he/she shall give VECTOR OUTSOURCING SOLUTIONS PHILS., INC. at least one (1) month prior written notice.

Any employee who terminates employment with VECTOR OUTSOURCING SOLUTIONS PHILS., INC. shall return all files, records, keys, and any other materials that are property of VECTOR OUTSOURCING SOLUTIONS PHILS., INC.. No final settlement of an employee's pay will be made until all items are returned in appropriate condition. The cost of replacing non-returned items will be deducted from the employee's final paycheck. Furthermore, any outstanding financial obligations owed to VECTOR OUTSOURCING SOLUTIONS PHILS., INC.. will also be deducted from the employee's final check.

Employee's benefits will be affected by employment termination in the following manner. All accrued vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense if the employee elects to do so. The employee will be notified of the benefits that may be continued and of the terms, conditions, and limitations.

3.13 SAFETY

VECTOR OUTSOURCING SOLUTIONS PHILS., INC. provides information to employees about workplace safety and health issues through regular internal communication such as:

- Team meetings
- Bulletin board postings
- Memorandums
- Other written communications

Each employee is expected to obey safety rules and exercise caution and common sense in all work activities. Employees must immediately report any unsafe conditions to their supervisor. Employees who violate safety standards, cause hazardous or dangerous situations, or fail to report, or where appropriate, remedy such situations, may be subject to disciplinary action including termination of employment.

In the case of an accident that results in injury, regardless of how insignificant the injury may appear, employees should notify their supervisor

3.14 HEALTH-RELATED ISSUES

Employees, who become aware of any health-related issue, including pregnancy, should notify their supervisor of health status. This policy has been instituted strictly to protect the employee.

A written “permission to work” from the employee’s doctor is required at the time or shortly after notice has been given. The doctor’s note should specify whether the employee is able to perform regular duties as outlined in his/her job description.

A leave of absence may be granted on a case-by-case basis. If the need arises for a leave of absence, employees should notify their supervisor

3.15 EMPLOYEE REQUIRING MEDICAL ATTENTION

In the event an employee requires medical attention, whether injured or becoming ill while at work, the employee’s personal physician must be notified immediately. If it is necessary for the employee to be seen by the doctor or go to the hospital, a family member will be called to transport the employee to the appropriate facility. If an emergency arises requiring Emergency Medical Services to evaluate the injury/illness of an employee on-site, the employee will be responsible for any transportation charges. Furthermore VECTOR OUTSOURCING SOLUTIONS PHILS., INC.’s employees will not be responsible for transportation of another employee due to liabilities that may occur.

A physician’s “return to work” notice may be required.

3.16 VISITORS IN THE WORKPLACE

To provide for the safety and security of employees, visitors, and the facilities at VECTOR OUTSOURCING SOLUTIONS PHILS., INC., only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps ensure security, decreases insurance liability, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

SECTION 4

STANDARDS OF CONDUCT

The work rules and standards of conduct for VECTOR OUTSOURCING SOLUTIONS PHILS., INC. are important, and the Company regards them seriously. All employees are urged to become familiar with these rules and standards. In addition, employees are expected to follow the rules and standards faithfully in doing their own jobs and conducting the Company’s business. Please note that any employee who deviates from these rules and standards will be subject to corrective action, up to and including termination of employment

While not intended to list all the forms of behavior that are considered unacceptable in the workplace, the following are examples of rule infractions or misconduct that may result in disciplinary action, including termination of employment.

- Theft or inappropriate removal or possession of property;
- Falsification of timekeeping records;
- Working under the influence of alcohol or illegal drugs;
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace;

- Fighting or threatening violence in the workplace;
- Boisterous or disruptive activity in the workplace;
- Negligence or improper conduct leading to damage of company-owned or customer-owned property;
- Insubordination or other disrespectful conduct;
- Violation of safety or health rules;
- Smoking in the workplace;
- Sexual or other unlawful or unwelcome harassment;
- Excessive absenteeism or any absence without notice;
- Unauthorized use of telephones, or other company-owned equipment;
- Using company equipment for purposes other than business (i.e. playing games on computers or personal Internet usage);
- Unauthorized disclosure of business “secrets” or confidential information;
- Violation of Security policies and processes;
- Violation of personnel policies; and
- Unsatisfactory performance or conduct.

4.1 ATTENDANCE AND PUNCTUALITY

The Company expects that every employee will be regular and punctual in attendance. This means being in the office, ready to work, at their starting time each day. Absenteeism and tardiness creates a vacuum that distorts operational efficiency. By consistently being available during the prescribed work schedule, an employee facilitates productive contribution to the organization’s success.

- a. Tardiness is the arrival in one’s place of work later than the prescribed time schedule.

Tardiness caused by difficulty of transportation, distance of residence and other similar circumstances are not considered excused. However, tardiness caused by events that disable the employee to report on time and which cannot be foreseen or inevitable are excused and exempted from penalties.

Tardiness not in excess of five (5) minutes from the assigned starting time will be considered part of the worked time. However, tardiness of more than five (5) minutes from the assigned starting time will no longer be considered part of the worked time.

Any tardiness starts on the 1st minute. If one is late for 5 minutes, there will be no deductions on the payslip. If, however, one is late for 6 minutes, then the deduction on the payslip will be equivalent to 6 minutes.

Tardiness on the first one and a half (1 ½) hours shall be deducted based on the employee’s hourly rate. On the other hand, tardiness after the first one and a half hours, without any valid excuse, a deduction equivalent to half-day pay shall be subtracted from his/her pay

Offenses on tardiness are cleared and cumulative on a monthly basis. Refer to Addendum No. 1 for reference on corresponding disciplinary actions to be taken.

- b. Absences

Employees **with leave credits are required to file** a leave and secure approval from their immediate supervisor before taking vacation from work. For leaves of emergency nature, permission must be secured at least one (1) hour before the scheduled work for the day. For a scheduled leave of less than five (5) days, the employee is required to file a leave for approval at least two to the date of intended leave; leaves of five or more days, however, should be filed one month weeks prior prior to date.

Employees on vacation leave have the responsibility of regularly informing the Company of their status/condition and are expected to immediately report back for work after their approved leaves. Otherwise, they may be charged with absence without official leave or work abandonment (whichever is applicable) and be subject to corrective action.

An employee, who is absent from work because of illness, injury, or emergency cases as herein defined, shall notify (through a phone call) his/her immediate supervisor of his absence and of the reason/s at least one (1) hour before his work schedule. Should this not be possible, he shall, at the earliest possible time, notify his immediate supervisor of his whereabouts, the reason/s for his absence and his failure to comply with the above-mentioned notice requirement. Otherwise, his absence shall be considered as an unexcused and unauthorized absence without official leave. In case the illness/injury is prolonged, the employee will report his condition by calling his immediate supervisor daily.

Employees are required to present a medical certificate to Human Resources for sick leave of two (2) successive workdays. Failure to present the medical certificate will invalidate the employee's claim to avail of sick leave credits warranting an unexcused absence (AWOL) and consequential deduction of pay.

- c. Under-time is departure from the place of work earlier than the prescribed quitting time and shall not be allowed unless it is requested due to emergency cases. Neither can under-time be offset by coming in to work earlier in exchange for earlier departure from work.

Undertime, whether authorized or unauthorized, shall be considered as an outright deduction for payroll against an employee's pay with a minimum of half-day deduction. For emergency cases, however, it may be reasonable to file an SL or a VL, provided that the employee meets the following criteria:

1. Employee worked for 50% or more of the working time
2. For undertime requests due to health reasons, this may be considered as an SL and for other reasons other than this may be tagged as VL.

Under-time taken without meritorious approval from immediate superior shall merit corrective action.

- d. Notification is the act of giving information or advice which is received and acknowledged by the immediate superior or in his absence may be acknowledged by the Shift Supervisor/Department Head and Operations Manager only. The notice should be received at least one (1) hour before the work schedule where NO text messages shall be entertained or accepted. Notice is intended only for the day of absence or tardiness, unless duration of absence is specified.

Even if the employee gives such notice or advice, but in the opinion of the Company, the cause is not justified, the absence will be considered absence without official leave.

- e. Unexcused and/or unauthorized absence shall constitute an AWOL or absence without official leave and will consequently be deducted from pay. Each AWOL is considered to be a separate offense.

All unapproved time away from work shall be deducted from pay under the no work, no pay policy.

Unauthorized and unexcused absences from work, for four (4) consecutive working days, shall constitute Work Abandonment and justify the maximum penalty of discharge.

The employee's immediate Supervisor shall recommend, upon concurrence of the immediate Manager, whether or not to excuse an unauthorized absence from work. Excused absences shall be charged against the employee's vacation leave, if any, otherwise they shall be considered as absences with permission but without pay.

Feigning illness or falsification of leave upon filing (e.g. sick leave filed should have been vacation leave) shall be meted the maximum penalty of discharge.

Each day of absence is considered one offense. Offenses are cumulative. However, if an employee has no record of AWOL within a period of one (1) year from the date of the last absence without official leave, his next offense will commence as first offense.

Refer to Addendum No. 1 for reference on corresponding disciplinary actions to be taken.

4.2 PERFORMANCE OF DUTIES

VECTOR OUTSOURCING SOLUTIONS PHILS., INC. relies on all employees to accomplish their assigned tasks and discharge their responsibilities with diligence and care. They are expected to meet the time, quality, and quantity standards of work prescribed by the Company.

While not intended to list all the forms of behavior that are considered unacceptable in the workplace under performance of duties, the following are examples of rule infractions or misconduct that may result in disciplinary action, including termination of employment.

MINOR VIOLATIONS:

- a. Failure to punch time-in and time-outs
- b. Loafing, loitering, or leaving of work assignment or company premises during working hours without permission and approval from
- c. Unauthorized change of work shift/rest day/work schedule
- d. Simple negligence, failure to observe the degree of diligence demanded by the situation, thereby exposing the company to unnecessary cost or risks

MAJOR VIOLATIONS:

- a. Quitting work without permission before time-off (work abandonment)
- b. Performing work of personal nature during official work hours *This includes personal internet surfing and emails done during the employee's prescribed working hours*
- c. Sleeping during working hours
- d. Holding back, slowing down, hindering or limiting work output
- e. Keying in time in/time out for someone else
- f. Gross and/or habitual negligence, blatant disregard to perform the required care or diligence demanded by the job amounting to wanton or reckless disregard of established rules and regulations
- g. Acts of negligence or carelessness committed during or outside official work hours resulting to damage to Company and other's property and/or injury to third party or otherwise causing the company to incur undue expense. *If extent of damage to property is significant, it MUST be compensated at replacement value.*
- h. Losing or misplacing Company records or materials, which slow down work process or causes prejudice to the company
- i. Willful refusal/disobedience in carrying out reasonable instructions of a superior
- j. Gross insult or willful disrespect to immediate superior or any official of the Company during or outside working hours whether within or outside Company premises
- k. **Gross violation of the set IT security policies and processes.**

Refer to Addendum No. 1 for reference on corresponding disciplinary actions to be taken.

4.3 PROFESSIONAL CONDUCT AND DEPORTMENT

Employees are expected to observe proper decorum in the conduct of their personal and official affairs, courtesy and honesty in dealing with the Company, its customers, stakeholders, other employees, and the general public.

While not intended to list all the forms of behavior that are considered unacceptable in the workplace under professional conduct and deportment, the following are examples of rule infractions or misconduct that may result in disciplinary action, including termination of employment.

MINOR VIOLATIONS:

- a. Engaging in horseplay or unruly conduct as to cause disorder, disrupt work or create scandal
- b. Frequently entertaining visitors or making telephone calls of personal nature during official work hours
- c. Use of abusive language during or outside official work hours within Company premises
- d. Failure to observe proper dress code, causing insult to the general sense of decency

MAJOR VIOLATIONS:

- a. Any act of vandalism that damages, deforms or defaces Company property. *If extent of damage to property is significant, it MUST be compensated at replacement value.*

- b. Engaging/provoking or instigating a fight with another employee or other employees during or outside working hours within Company premises
 - c. Gambling, betting, or any similar acts during or outside official work hours within Company premises
 - d. Falsification of documents, company records or materials either application for employment or during the course of employment
 - e. Failure to keep in proper custody confidential or classified information causing it to be divulged and/or divulging of confidential or classified information that may lead to the disadvantage of the company. *(See Section 3.2)*
 - f. Reporting to work or working under the influence of alcohol and/or prohibited drugs. This covers possession, bringing-in of alcohol, narcotics, and drugs within company premises.
 - g. Unauthorized possession, use, and lending of Company facilities and/or resources for personal gain
 - h. Sabotage: Deliberate acts causing damage to company property and materials intended to disrupt operations or cause losses to the Company
 - i. Deliberately causing personal injury or assaulting another person within Company premises during or outside official work hours
 - j. Immoral conduct or indecent acts: Unbecoming conduct violating common decency and morality including sexual harassment, and/or exhibition, distribution, custody or hosting of pornographic materials in company owned PCs and the like.
 - k. Stealing or attempting to steal company property or materials, or another person's property during or outside official work hours
 - l. Having or Harboring Conflict of Interest: Direct or indirect participation or involvement in any transaction involving any firm or business enterprise with which the company has commercial or competitive relationship
- Refer to Addendum No. 1 for reference on corresponding disciplinary actions to be taken.

4.4 HARASSMENT, INCLUDING SEXUAL HARASSMENT

VECTOR OUTSOURCING SOLUTIONS PHILS., INC. is committed to providing a work environment that is free of discrimination and unlawful harassment. Actions, words, jokes, or comments based on an individual's sex, race, ethnicity, age, religion, or any other legally protected characteristic will not be tolerated.

If you believe you have been the victim of harassment, or know of another employee who has, report it immediately. Employees can raise concerns and make reports without fear of reprisal.

Any supervisor who becomes aware of possible harassment should promptly advise their supervisor who will handle the matter in a timely and confidential manner.

4.5 PUBLIC IMAGE

A professional appearance is important anytime that you come in contact with customers or potential customers. Employees should be well groomed and dressed appropriately for our business and for their position in particular.

The following items are considered inappropriate working attire for VECTOR OUTSOURCING SOLUTIONS PHILS., INC.:

- Slippers
- Spaghetti-strapped shirts
- Tank tops or revealing shirts
- Short mini skirts
- Sheer clothing
- T-shirts with inappropriate or offensive gestures or advertising

Management reserves the right to grant exemptions to these guidelines. If management occasionally designates "casual days," appropriate guidelines will be provided to you.

4.6. HOUSEKEEPING

The Company recognizes that good housekeeping is the trademark of a well-organized corporation.

Reminders/tips on housekeeping are issued to meet the following objectives:

- a. To safeguard company assets, prevent losses and preserve confidentiality particularly of highly delicate documents/files.
- b. To enhance presentability and ensure a well-maintained working environment.
- c. Housekeeping guidelines:
 - a.i. The company and its employees adhere to a “Clean as You Go” policy. This refers not only to cleanliness but also neatness of the workplace. Eating is not allowed at the workstation.
 - a.ii. Every employee shall be responsible for the conditions of the office furniture/equipments assigned to him/her.
 - a.iii. Copies of letters, forms or any other matters no longer useful should either be shredded or torn up.
 - a.iv. Envelopes must be opened first before being thrown in the wastebasket. Old envelopes may be re-used.
 - a.v. Books, records and documents should be properly stacked. All filed folders/papers must be returned to the filing cabinets after each use at the end of the day.
 - a.vi. Employees are not allowed to take out or bring home any official documents.
 - a.vii. Desks and other office furniture should be kept and arranged in an orderly fashion. When not in use, desk calculators, electric typewriters and other electronically operated office equipment should be turned off.
 - a.viii. When malfunctioning is observed, this must be reported immediately to the Administration Committee including defects of office machines/equipment and cabinets.
 - a.ix. At the end of the day or after office hours:

Tables/working areas, in/out trays and top of filing or storage cabinets must be cleared of folders/papers, records, documents, non-consumable supplies and other files. These items must be kept inside locked tables, filing or storage cabinets.

All filing and storage cabinets must be closed or locked.

Department head or designated staff ensures that all incoming/outgoing papers, documents, records or in/out trays are properly handled/kept or attended to in case an employee or officer is absent.

All office equipment such as desk calculation, typewriters, computers, printers, Xerox machines and the like must be unplugged at the end of the day.

Lingering and utilizing company equipment such as computers for the purpose of personal net surfing and email are restricted and discouraged.

All lights must be switched off. The Administration Committee shall have the responsibility of ensuring that all lights are turned off.

The Administration Committee shall conduct surprise checking on the compliance to the foregoing guidelines.

4.7 SUBSTANCE ABUSE

The Company is committed to providing a safe and productive workplace for its employees. In keeping with this commitment, the following rules regarding alcohol and drugs of abuse have been established for all staff members, regardless of rank or position, including both regular and temporary employees. The rules apply during working hours to all employees of the Company while they are on Company premises or elsewhere on Company business.

The manufacture, distribution, possession, sale, or purchase of controlled substances of abuse on Company property is prohibited.

Being under the influence of illegal drugs, alcohol, or substances of abuse on Company property is prohibited.
Working while under the influence of prescription drugs that impair performance is prohibited.

So that there is no question about what these rules signify, please note the following definitions:

Company property: All Company owned or leased property used by employees.

Controlled substance of abuse: Any substance listed in Schedules I-V of Section 202 of the Controlled Substance Act, as amended.

Drug: Any chemical substance that produces physical, mental, emotional, or behavioral change in the user.

Drug paraphernalia: Equipment, a product, or material that is used or intended for use in concealing an illegal drug, or otherwise introducing into the human body an illegal drug or controlled substance.

Illegal drug:

- a. Any drug or derivative thereof whose use, possession, sale, transfer, attempted sale or transfer, manufacture, or storage is illegal or regulated under any federal, state, or local law or regulation.
- b. Any drug, including – but not limited to – a prescription drug, used for any reason other than that prescribed by a physician
- c. Inhalants used illegally.

Under the influence: A state of not having the normal use of mental or physical faculties resulting from the voluntary introduction into the body of an alcoholic beverage, drug, or substance of abuse.

Consistent with the rules listed above, any of the following actions constitutes a violation of the Company's policy on drugs and may subject an employee to disciplinary action, up to and including immediate termination.

Using, selling, purchasing, transferring, manufacturing, or storing an illegal drug or drug paraphernalia, or attempting to or assisting another to do so, while in the course of employment.

Working or reporting to work, conducting Company business or being on Company property while under the influence of an illegal drug or alcohol, or in an impaired condition.

4.8 INTERNET USE

VECTOR OUTSOURCING SOLUTIONS PHILS., INC.. employees are allowed use of the Internet and e-mail when necessary to serve our customers and conduct the Company's business.

Employees may use the Internet when appropriate to access information needed to conduct business of the Company. Employees may use e-mail when appropriate for Company business correspondence.

Use of the Internet must not disrupt operation of the company computer network. Use of the Internet must not interfere with an employee's productivity. Employees are responsible for using the Internet in a manner that is ethical and lawful.

Internet messages are public and not private. VECTOR OUTSOURCING SOLUTIONS PHILS., INC. reserves the right to access and monitor all files and messages on its systems.

4.9. CLIENT CUSTOMER RELATIONS

Courtesy should be observed in dealing with clients/customers. Telephone calls should be answered promptly and inquiries handled courteously.

4.10 IMPLEMENTATION OF DISCIPLINARY ACTION

It shall be every Supervisor and Manager's duty to implement the intent and strict observance of this policy and to report any violation hereof. The responsibility to serve notices in all cases rests upon the immediate supervisor unless the sanction is discharge.

1. For verbal reminder or warning, the immediate Supervisor admonishes/reprimands the employee.
2. For written warning, the immediate Supervisor signs the notice.
3. For notices to explain prior to suspension, both the immediate supervisor and the Operations Manager sign the notice.
4. For actual suspension notice, the immediate supervisor schedules the suspension based on regular working days. The Supervisor and the Operations Manager signs the notice.
5. If the action is discharge, the Operations Manager and Managing Director sign the notice to the employee.

To ensure that the objective of the disciplinary action is met, team leaders/supervisors should implement it immediately after the decision has been rendered, subject to operational requirements.

4.11 PROCEDURES FOR REPORTING/FILING DISCIPLINARY CASES

1. Any employee violating the Company's rules and regulations shall be reported to or by his immediate supervisor.
2. The immediate supervisor with the assistance of the Supervisor shall sufficiently notify the employee of the charges made against him and give him the opportunity to explain his side in writing within 24 hours from receipt of notice.
3. The charge shall be set for hearing or conference during which the employee concerned, is given the opportunity to respond to the charge, present his evidence or rebut the evidence presented against him. The conference/investigation report must state the facts, accompanied by supporting documents, and the recommended disciplinary action to be submitted to the Operations Manager. Such facts and evidences surrounding the case will be the basis for deciding on whether or not to impose a penalty, and if warranted, the nature and extent of penalty.
4. Upon receipt of the report, the Operations Manager shall review the facts and recommendations of the supervisor to ensure consistency and appropriateness of the offense and disciplinary action. If necessary, he may call for a separate investigation to substantiate the facts of the case.
5. A written notice of the decision shall be served upon the employee indicating that upon due consideration of all circumstances, grounds have been established to justify the disciplinary penalty or termination, as may be the case. The immediate supervisor, upon receipt of the decision, shall enforce the action and explain to the employee the nature of the offense committed and the rationale of the disciplinary action.

4.12. EMPLOYEES RECOURSE: THE APPEAL PROCESS

It is the company's objective to listen to the problems or feedback of its employees. In this regard, the Company has provided an appeal process to govern the fair and equitable application of this policy and to ensure that everyone is given the right to be heard. An employee who feels aggrieved or unjustly treated may course his appeal through the proper channels.

1. The immediate superior should be the first person with whom the employee should discuss the problem. He should know the employee more than anybody else since everyone under his supervision is his concern and responsibility.
2. The Supervisor and the Operations Manager are the next levels to approach, if the employee is not satisfied with the answer or resolution of his/her immediate supervisor.
3. The Managing Director can be approached if all possible channels have been exhausted and still employee feels he/she has not been given fair treatment. The Managing Director or authorized deputy will give his/her decision within 7 working days of the grievance being received. The Managing Director's decision is final

SECTION 5

WAGE AND SALARY POLICIES

5.1 WAGE OR SALARY INCREASES

Each employee's monthly wage or annual salary will be reviewed at least once each year. The employee's review date will usually be conducted on or about the anniversary date of employment or the date of the previous compensation review. Such reviews may be conducted more frequently for a newly created position, or based on a recent promotion.

Increases will be determined on the basis of performance, adherence to company policies and procedures, and ability to meet or exceed duties per job description and achieve performance goals. Although the Company's salary ranges and hourly wage schedules will be adjusted on an ongoing basis, VECTOR OUTSOURCING SOLUTIONS PHILS., INC. does not grant "cost of living" increases. Performance is the key to wage increases in the Company.

5.2 TIMEKEEPING

Accurately recording time worked is the responsibility of every employee. Time worked is the time actually spent on job(s) performing assigned duties. TIME RECORDS are to be accomplished by all employees/officers to record their daily attendance.

- a. All officers/employees are required to register their daily work attendance through the appointed work attendance sheets.
- b. An employee should log his own name only. Anyone who violates this rule shall be subject to disciplinary measures.
- c. An employee who commits mistakes in logging his time attendance should immediately report the matter to his immediate superior/department head and secure initials.
- d. If the log is not available for one reason or another, employees are required to inform Administrative personnel concerned.
- e. Officers shall log their time in the monthly attendance sheets daily.
- f. Logbook and attendance sheets signed by the employees/officers and department heads shall be kept by the Administration personnel at all times.

5.3 OVERTIME

OVERTIME work shall be understood to mean work rendered in excess of the regular working time set by the Company. It is the Company's desire to provide our employees respite from a full day's work to promote health and well being and, at the same time, properly monitor overtime work.

- a. Overtime work must be rendered only if necessary and upon prior written approval of the department head/higher superior.
- b. The overtime Authority must contain the name of the employee who will render overtime work together with the nature of work to be done and shall indicate the actual start and end of approved overtime work rendered.
- c. Overtime work rendered shall be compensated accordingly with reference to the rates prescribed by law.
- d. Employee overtime work shall register their time in the logbook. No overtime compensation applies within the first eight (8) hours for regular workdays. Overtime premium starts only after completion of 8 hours work.
- e. Overtime work rendered in a given month shall be paid not later than the end of the succeeding month.
- f. There are no allowed breaks during the OT period. Any breaks taken during this period shall be deducted from the total overtime hours rendered by the employee.
- g. No claim for overtime pay shall be honored unless the overtime work was previously approved in writing by the department head or higher superior.
- h. No employee is allowed to work on overtime on the same day he undertimed or was tardy. The regular working time will have to be completed first before the service of any employee who has been tardy or absent shall be considered overtime. OT hours is net of thirty (30) minute grace period computed after their regular eight hour normal working schedule.
- i. For work in excess of eight hours performed on working days, plus 30% of the hourly rate. In computing for overtime pay, the following formula shall be used:

$$130\% \text{ of Daily Rate} = 1.30 \times \text{daily rate}$$

Night Differential Pay, if applicable, shall be compensated accordingly with reference to the rates prescribed by law. In computing for night differential pay, the following formula shall be used:

112% of Daily rate = 1.12 x daily rate

5.4 PAYDAYS

The Company shall disburse the payroll every 15th and 30th of the month for those that are on a monthly salary basis.

All overtime pay, night differential computations and deductions for tardiness and/or absences and other adjustments shall be disbursed on the payroll every 15th of the succeeding month.

SECTION 6

BENEFITS AND SERVICES

VECTOR OUTSOURCING SOLUTIONS PHILS., INC. offers a benefits program for its employees. However, the existence of these programs does not signify that an employee will necessarily be employed for the required time necessary to qualify for the benefits included in and administered through these programs.

6.1 SSS / PHILHEALTH / PAG-IBIG

VECTOR OUTSOURCING SOLUTIONS PHILS., INC.. withholds income tax and contributions from all employees' earnings and participates in Social Security, PhilHealth, and Pag-Ibig withholding and matching programs as required by law.

6.2 VACATION LEAVES

The Company considers the taking of vacation leaves as a necessary component to maintaining good health of all employees of the Company. The Company therefore grants a vacation leave of twelve (12) working days with pay to all permanent employees for every year of service. This shall be creditable only after accorded a regular status and it shall accrue at the rate of 1 day every month.

The Company shall allow accrual of vacation leaves up to maximum of twelve (12) days at any given time. All employees must therefore take their vacation leaves during the year. Any vacation leave in excess of 12 days not taken by the employee shall be forfeited except with the prior approval of the President in cases where the workload is such that the employee is unable to take a vacation leave.

- a. Vacation leaves must be taken for a period of at most five (5) working days per availment.
- b. Fifty percent (50%) of all unused VL's is commuted to cash, where the basis of the computation would be the employee's current salary rate and the remaining 50% is available for use up to the second quarter of the following year only. Failure to use this on the following year will automatically forfeit accumulated leaves.
- c. Payment for unused VL's is given at the end of the year but not later than April of the subsequent year.
- d. In the event that an employee resigns or retires, unused VL up to the last day of service of the current year only is converted into its cash equivalent based on the current salary rate and will be included in their last pay.
- e. In computing for vacation leave cash conversion, the following formula shall be used using as a basis for computing the employee's last salary for the month prior to such resignation, retirement, or termination.

Cash Value of VL = (Basic Monthly Salary x 12 MOS. /261 days) x 50% of Unused Leave Credits

- f. Should an employee get sick during his vacation leave period, the days spent while ill cannot be charged against sick leaves. However, if the employee's sickness goes beyond the approved vacation leave period, his absence shall then be charged against his sick leave credits.
- g. If an official public holiday (non-working) is declared while the employee is on vacation leave, the period of vacation leave shall be adjusted to compensate for the official public holiday.
- h. Prior to taking a vacation leave, an employee must prepare and file the Vacation Leave Application form, which must be approved by his immediate superior and the Operations Manager. The filing of the VL form must be submitted at least two (2) weeks before the scheduled leave. In order that vacation leaves shall be properly scheduled during the year, all employees must submit to the Operations Manager their preferred vacation leave dates during the month of January of each year. After review and consultations, the schedule of vacation leaves of employees shall be drawn up and shall serve as the vacation leave plan for the year.

6.3 REST DAYS AND HOLIDAYS

- a. Rest days normally considered are Saturdays and Sundays, unless a different day is designated to meet exigency of service.
- b. Rest days are not considered paid and thus, work rendered on such days shall be paid with the applicable daily rates and corresponding overtime premiums.
- c. Legal holidays, whether working on non-working, are observed by the Company and are considered paid.
- d. All covered employees shall be entitled to holiday pay when they are on leave of absence with pay. Employees who are on leave of absence without pay on the day immediately preceding a regular holiday may not be paid the required holiday pay if they have not worked on such regular holiday.
- e. An Employee is entitled to additional overtime premium applicable to non-working holidays if he has been required to report for work.
 - a.1. Special holidays declared by the government as working or the Company likewise observes non-working days.
 - a.2. These special holidays are exclusive of the legal holidays and are considered paid.
 - a.3. Employees who are required to work shall be entitled to appropriate overtime premium.

6.4 SICK LEAVES

All regular employees shall be entitled to twelve (12) days sick leave with pay for every year of service. This shall be creditable after six (6) months of service from date of hiring and it shall accrue at the rate of 1 day every month thereafter.

- a. The employee shall prepare and submit a Sick Leave Application form immediately after taking a sick leave. His immediate superior must approve it and countersigned by the Administration Committee.
- b. Sick leaves taken for more than three (3) days shall require a Doctor's Certification stating the reason for the leave.
- c. The employee must notify his immediate superior about his illness in the morning of the first day of absence. Failure to comply with this requirement shall warrant a denial of sick leave benefit and his absence will be treated as absence without leave or without pay, or will be charged against his vacation leave.
- d. If the employee gets seriously ill and has exhausted all his sick leave credits, he may utilize his earned vacation leaves and emergency leave and, after which, he may apply for and go on leave without pay (LWOP).
- e. LWOP shall be availed in case of serious illness of the employee that would require long periods of treatment/recuperation like acute tuberculosis, major operations, and other illness that may endangered the employee's life or the life of his co-employee, not to exceed one hundred eighty (180) calendar days.
- f. Fifty percent (50%) of all unused SL is commuted into cash where the basis of computation will be the employee's current salary rate. The remaining 50% is then forfeited and cannot be used by the employee anymore.
- g. Payment for unused leaves at the end of the year but not later than April of the following year.
- h. Upon resignation, unused SL up to the last day of service of the current year is converted into its cash equivalent based on the current salary rate and is included in their last pay.

6.5. OTHER INCENTIVES

- a. All regular employees are entitled to a PhP 4,000.00 / month for those with perfect attendance. This incentive will decrease to PhP 750.00 for a three (3) tardiness or (1) day absence, two (2) absences, will still merit a PhP 500.00 allowance.
- b. All operations personnel, save the Ops and the Assistant Managers, and Department Supervisors are qualified to receive the attendance incentive.
- c. Two instances of tardiness are equivalent to 1 absence. This, however, is not considered as an absence in computing for payroll. This will only apply in computing for the attendance incentive.
- d. Vacation leaves, provided that they are availed of and filed properly and in advance, would not be tagged as an absence in computing for the attendance incentive.
- e. Sick leaves will still be considered as an absence in computing for the attendance incentive.

6.6. MATERNITY LEAVES

Any permanent employee who has rendered at least one (1) year of service who gives birth shall be entitled to maternity leave with pay equivalent to the number of days provided by the Social Security System Law for maternity leave.

- a. The leave is also granted to employees who suffer miscarriage. The maximum days shall be the maximum allowed by the SSS Law for normal delivery.
- b. The employee shall file his application for maternity leave to be recommended by his immediate superior and approved by the Operations Manager.
- c. The maternity leave shall start from the date the employee gives birth unless the employee opts to take an earlier leave, which shall likewise be charged against her maternity leave.
- d. Maternity benefits are granted to employees in lieu of wages and therefore, may not be included in computing the employee's 13th month pay for the calendar year.

6.5 PATERNITY LEAVES

Any permanent employee who has rendered at least one (1) year of service whose spouse gives birth shall be entitled to paternity leave with pay equivalent to the number of days provided by the Social Security Law for paternity leave.

- a. The employee shall file his application for paternity leave two weeks before effectivity to be recommended by his immediate superior and approved by the Operations Manager.
- b. The paternity leave shall start from the date the employee's spouse gives birth unless the employee opts to take the leave later after birth, which shall likewise be charged against his paternity leave.
- c. Availment of the paternity leave may be after the delivery.

SECTION 7

PERSONNEL MOVEMENTS

The basic policy is to maintain a motivated and productive workforce with a high morale. Within this context, employees/officers will be assigned to position where they can most effectively achieve company and personal objectives.

7.1 BASIS FOR SELECTION

- a. Educational Background
 - 1. The company would seek to hire employees who have medical or allied medical educational background vis-à-vis graduates of other baccalaureate or graduate degrees.
 - 2. Acceptable performance in oral and written exams designed to test the applicant's mental, intellectual, psychological and technical capacity and knowledge.
- b. The applicant should be deemed to have good moral character and should present character references when needed.

7.2 PERMANENCY/REGULARIZATION

- a. Newly hired employees are required to undergo a probationary period of six (6) months during which time their efficiency and suitability to their positions are gauged.
- b. If performance of employee is found to meet Company standards through the Performance Appraisal Report, his/her status will be changed to permanent and regular.
- c. If a probationary employee does not measure up to the requirements of the job, his services may be terminated. Termination shall be for a just cause or when authorized by existing laws, or when he fails to qualify as a regular employee in accordance with reasonable standards prescribed by the Company and without prejudice to Company interest.
- d. A month before the end of the probationary period, the Operations Manager with the concurrence of the Managing Director shall decide whether to regularize or terminate the employment of the employee.

7.3 TRANSFER

- a. Transfer involves the movement of an employee from one position or department/unit to another.
- b. Transfers are effected to meet operational needs such as:
 - 2. Job simplification
 - 3. Remedial/proper placement
 - 4. Absorption of excess personnel during slack seasons
 - 5. Employee development and advancement
 - 6. Maintenance of morale and upgrading of employee relations
 - 7. Business expansion
 - 8. Job rotation
- c. A request for transfer may be approved by Management provided that subject employee meets the qualifications for the vacant positions as evaluated by the Administration Committee and acceptable to both department heads or higher superiors (the department where he comes from and the receiving department).
- d. Any proposed transfer made for the convenience of the Company and in which the initiative does not come from the employee must be well explained to the employee concerned by his head.
- e. Due to exigencies of the service, management may initiate transfer from one position/assignment to another, either temporarily or permanently.
- f. Any other cases not covered by these regular guidelines shall be referred to the Office of the President for proper action

7.4 JOB ROTATION

- a. It is the policy of the Company to expose the employees to different work areas as a means of enriching its human resources and, at the same time, providing additional knowledge, which can be utilized, for one's personal and professional advancement.
- b. Employees may be rotated to ensure knowledge of various work areas and provide flexibility in temporarily replacing absent employees without hampering the efficiency of the operations.

7.5 PROMOTIONS

- a. The Company recognizes professional and career advancement through promotions as an important incentive for improved and sustained high level of performance.
- b. Covered employees must have "Outstanding/Exceptional" performance rating.

- c. The Company, consistent with its effort towards providing employees opportunities for upward mobility endeavors, whenever possible, to promote from within.
- d. Promotions are recommended by the department heads within the established criteria for the approval of the President and/or if necessary Board of Directors.
- e. Employees slated for promotions must meet the requirements of the positions to which they are being groomed for.
- f. Recommendations for promotions shall be accompanied by the latest performance evaluation report on qualified employee.

7.6 RESIGNATIONS

It is policy of the Company to retain its employees who have rendered valuable service to the Company. However, while it exerts effort to demonstrate its desire to keep its good people, the Company also recognizes the individual desire of its employees to avail of another career and financial opportunities.

a. Notice

Any employee who wants to resign is required to submit to his/her immediate superior (copy furnished to the Administration Committee), a written notice of at least thirty (30) calendar days prior to the effectivity date of resignation. Upon acceptance of the Superior, the Administration Committee proceeds with processing. Any employee who fails to give notice shall not be given clearance and may be held liable for damages.

b. Exit Interview

Any employee who has signified his intention to sever relations with the Company is schedules for an exit interview with the Administration Committee. Such interview aims to:

- a.1. Foster good relations with the employee
- a.2. Determines the reasons for resignation and solicit suggestions for improvement
- a.3. Discuss employee's future plans and explore the Company's assistance for possible employment elsewhere.

c. Past Employment Documents

A resigning employee shall receive the following:

- 1. Clearing Certificate: original copy
- 2. Receipt of Payment & Release: duplicate copy
- 3. Certificate of Taxes Withheld on Compensation. in 3 copies
- 4. Quitclaim: duplicate copy

The human resource management system provides the human resources team with a list of newly terminated employees on a weekly basis. This listing is sent to the security administration team for deactivation. UserID's and passwords of terminated employees are immediately deactivated by the IT department upon termination.

SECTION 8 APPRAISAL AND MERIT RATING

As a policy, the Company recognizes that individual performance; attitudes and development are vital to the success of its operations. Towards this end, the Company periodically evaluates employee performance. This aims to promote a better understanding of the organizational objectives, to determine an employee's suitability of assuming permanent appointment, to justify personnel movement, to commend and reward the employee for outstanding performance and to identify improvement areas.

VECTOR OUTSOURCING SOLUTIONS PHILS., INC. directly links wage and salary increases with performance. Your performance review and planning sessions will have a direct effect on any changes in your compensation. For this reason, among others, it is important to prepare for these reviews carefully, and participate in them fully.

New employees will be reviewed at the end of their probationary periods. After the initial review, the employee will be reviewed according to the regular approved schedule.

8.1 OBJECTIVES

The results of the Performance Evaluation serve as useful guides in the following areas:

- a. Training and Development
- b. Counseling
- c. Personnel movements (e.g. Determining eligibility for promotion)
- d. Career pathing
- e. Salary increase
- f. Commendations from Management

8.2 RESPONSIBILITY AND ORGANIZATION

- a. The Administration Committee will see to it that the procedures relating to the Merit Rating are complied with and that all appropriate recommendations are carried out.
- b. The immediate superior, in consultation with the higher superior, is responsible for rating all employees under him/her.
- c. Employees working under different superiors will be rated jointly by all these superiors.
- d. The Administration Committee will monitor the program by periodically conducting review on the design of forms and procedures.

8.3 BASIC PROCEDURES

- a. Performance Review - A review of performance shall be conducted annually or as needed. It, however, does not necessarily mean an automatic increase in pay.

1. The Administration Committee will see to it that the procedures relating to Merit Rating are complied with and that all appropriate recommendations.
2. The Immediate Superior accomplishes the Employee Performance Evaluation Form and indicates his remarks and/or recommendations thereon. Discuss the evaluation to the employee concerned.
3. The Operations Manager / Department Head reviews the Accomplished Performance Evaluation Form. If he believes that the employee deserves recommendation, by reason of experience, increased productivity or skill, initiative or additional duties. Or if the employee is performing duties other than those called for in his position or make appropriate changes in his position title, the Department Head shall, specifying in any case the reasons for his recommendation.
4. Any action taken or recommendation made by the department head must be coursed through the Group Head/supervisors for endorsement or whatever action the latter may deem necessary.
5. All actions taken or recommendations made shall, after appropriate action by the Group Head, be forwarded to the Administration Committee.
6. The Administration Committee shall consolidate the information in the accomplished forms.
7. All recommendations shall then be forwarded to the Managing Director for final appropriate action.
8. After final action by the Managing Director, Payroll-in-charge shall prepare the necessary papers. A letter will be given to the employee indicating promotion, merit and/or salary increases.
9. Any recommendation that does not meet the approval of the President may be considered at the next performance review if the department head concerned so recommends. The department head concerned may be invited to explain further the recommendation.

b. Salary Review

1. The Company, at its discretion, grants salary increases to deserving employees based on performance.
2. The Department Head may propose a special performance/salary review due to special or meritorious circumstances or accomplishments or increase in responsibilities that deserve particular recognition. The special review and recommendation should be accompanied by detailed justifications.
3. In the event the Department Head desires to make a special review in favor of an employee, he shall request the Administrative Committee to prepare all necessary forms he should accomplish.
4. The same procedures outlines for performance review shall be observed in salary and special reviews.
5. Salary appraisal/increase is conducted based on a review of several factors, to wit:

- 5.i. Major contributions of the individual (refer to Performance Appraisal)
- 5.ii. Promotability/availability of position
- 5.iii. Evaluation of job/position
- 5.iv. Other considerations (company policies, economic factor, wage orders, etc.)

SECTION 9

TRAINING AND DEVELOPMENT

The Company shall provide opportunities for additional education and knowledge and Skills upgrading to qualified employees as part of its Manpower Training and Development Program.

Under our policy, training includes, but is not limited to, grants covering academic and operational or specialized courses.

9.1 GUIDELINES

- a. Training in accordance with the Company's Program includes:
 - 1. Academic studies that are to be pursued in recognized educational institutions usually, but not necessarily, leading to an academic degree and/or lasting for a period of time sufficient to fulfill the requirements for a degree.
 - 2. Operational training programs that are undertaken primarily to enhance immediately the capacity of the trainees to perform their duties, such training should have direct bearing on the operations or functions of their respective offices.
 - 3. Specialized courses cover training that usually consists of short intensive courses on highly specialized subjects. These courses may be pursued in schools or other firms offering special courses.
 - 4. In-service training involves seminars within the Company premises designed to familiarize technical personnel with the work in their respective areas of otherwise improve their capabilities in the performance of their duties.
- b. Scholarships, fellowships or study grants may be secured, arranged or sponsored by the Company in the field of study of work allied to the personnel's official duties/functions.
- c. Criteria in Selection
 - 1. Selection of trainees shall be based on the following factors:
 - 1.i. Work experience and accomplishment. These shall include candidate's work experience and accomplishments relevant to the field of study, program or training course applied for.
 - 1.ii. Potential. The candidate's position, history or promotion and other factors affecting his further advancement in the service of the Company shall be considered.
 - 1.iii. Physical fitness and personality traits. The general health condition and moral character of the candidate should be such as to be reasonably sure that he can pursue the course to its conclusion. Personality traits refer to the sum total of the candidate's attitude towards his work and to certain aspects of his temperament and ability to learn.
 - 1.iv. Other factors. Prospective trainees for degree courses must have had at least two (2) years' residence in the Company. The trainees must hold permanent employment with at least a 'Very Good' performance rating.
 - 2. Selection of Programs shall be based on the following factors:
 - e.i. In-house seminars are subject to selections requirements in accordance with the Company's Manpower Training and Development Program.
 - e.ii. Outside programs must be conducted by a reputable organization handled by speakers or professors known in their respective fields of expertise.
 - e.iii. Choice of candidates for the academic or specialized courses shall be guided by the nature of the course, its relevance to the functions of the different departments of the Company and the qualifications of the candidates.
 - e.iv. The Administration Committee shall publish qualification requirements for admission to in-service training.

d. General Provisions

e.iv.1. Authority to Send Company Personnel for Training

- a.i. The department head, based on existing guidelines/criteria, may recommend the participation of a qualified employee to the Administration Committee in appropriate local seminars, training or study grants in the furtherance of the objectives of the Company's training and development program.
- a.ii. The President shall approve the seminar/training, scholarship or other study grants.

e.iv.2. Decorum During Training

With the acceptance of training, scholarship or study grant, the employee shall bind himself to the following conditions:

- i. Keep up the standards and requirements of the training, scholarship or grant.
- ii. Live up to the conditions of the grant or other training.
- iii. Return immediately upon the termination of the training.
- iv. Conduct himself properly; always remember that he carries the name of the Company wherever he goes and should endeavor to conduct himself in a manner that would uphold the dignity of the institution he represents.
- v. Serve the Company for a certain number of years from expiration of training as follows, for outside programs.
 - a) Non-degree courses – half year for every month of training but not to exceed a three (3) year service to the Company.
 - b) Degree course – two (2) years of every year of training.

e.iv.3. Requirements from the Trainees

The trainees shall assist in the transfer of knowledge and skills derived from the study/program or seminar to other employees of the Company through sharing, written and oral reporting or conducting and echo seminar.

e.iv.4. Refund of Training Expenses

Should the participants fail to serve the Company for reasons such as resignation or separation from the service after the program's completion, through his own fault, for just or other causes within its control, he shall be made accountable for the actual school or training fees and other incidental expenses relative to the said study grant/program or seminar. Accountability shall be proportionate to the length of service still to be served, including advances during such period on programs attended on a full-time basis.

He must refund in full such amount as may have been defrayed for tuition and school fees and other training expenses, including other expenses incidental to the training in the following areas:

- Resignation or termination at anytime while program in progress
- Recall following cancellation of the study grant, fellowship and training/program due to his own fault or willful neglect
- Violation of any provision of its policy

The provisions herein will not apply to observational tours or practical training that an employee/officer may undergo as part of preparing him for new work assignments.

Management reserves the right to grant exceptions to the above guidelines.

ADDENDUM No. 1
Table of Violations

Offenses on:	V					
Performance of Duties		First	Second	Third	Fourth	Fifth
a. Failure to punch time-in and time-outs		Verbal Reminder	Verbal Warning	Written Warning	1 Day Suspension	5 Days Suspension
b. Loafing, loitering, or leaving of work assignment or company premises during working hours without permission and approval from one's superior		Verbal Warning	Written Warning	1 Day Suspension	5 Days Suspension	Discharge
c. Quitting work without permission before time-off (work abandonment)		Written Warning	5 Days Suspension	Discharge		
d. Performing work of personal nature during official work hours <i>This includes personal internet surfing and emails done during the employee's prescribed working hours</i>		Verbal Warning	Written Warning	5 days Suspension	Discharge	
e. Unauthorized change of work shift/rest day/ work schedule		Verbal Warning	Written Warning	1 Day Suspension	5 Days Suspension	Discharge
f. Sleeping during working hours		Written Warning	1 Day Suspension	5 days Suspension	Discharge	
g. Holding back, slowing down, hindering or limiting work output		Written Warning	1 Day Suspension	5 days Suspension	Discharge	
h. Keying in time in/time out for someone else		Written Warning	1 Day Suspension	5 days Suspension	Discharge	

Offenses on:	V				
Performance of Duties	First	Second	Third	Fourth	Fifth
i. Simple negligence, failure to observe the degree of diligence demanded by the situation, thereby exposing the company to unnecessary cost or risks	Written Warning	1 Day Suspension	5 days Suspension	Discharge	
j. Gross and/or habitual negligence, blatant disregard to perform the required care or diligence demanded by the job amounting to wanton or reckless disregard of established rules and regulations	1 Day Suspension	5 Days Suspension	Discharge		
k. Acts of negligence or carelessness committed during or outside official work hours resulting to damage to Company and other's property and/or injury to third party or otherwise causing the company to incur undue expense <i>If extent of damage to property is significant, it MUST be compensated at replacement value.</i>	Discharge				
l. Losing or misplacing Company records or materials, which slow down work process or causes prejudice to the company	1 Day Suspension	5 Days Suspension	Discharge		
m. Willful refusal/disobedience in carrying out reasonable instructions of a superior	Discharge				
n. Gross insult or willful disrespect to immediate superior or any official of the Company during or outside working hours whether within or outside Company premises	Discharge				
o. * Encroachment on Non-Disclosure Agreement	Strict written Warning	Discharged			

Offenses on:	V					
Performance of Duties		First	Second	Third	Fourth	Fifth
p. <u>Sabotage</u> : Deliberate acts causing damage to company property and materials intended to disrupt operations or cause losses to the Company.		Discharge				
q. Deliberately causing personal injury or assaulting another person within Company premises during or outside official work hours:		Discharge				
p. Immoral conduct or indecent acts: Unbecoming conduct violating common decency and morality including sexual harassment, and/or exhibition, distribution, custody or hosting of pornographic materials in company owned PCs and the like.		Discharge				
q. Stealing or attempting to steal company property or materials, or another person’s property during or outside official work hours		Discharge				
r. Having or Harboring Conflict of Interest: Direct or indirect participation or involvement in any transaction involving any firm or business enterprise with which the company has commercial or competitive relationship		Discharge				

Offenses on:	V					
Department	i	First	Second	Third	Fourth	Fifth
9. Possession, bringing-in, use, and/or being under the influence of alcohol and/or prohibited narcotics and drugs within company premises; coming in to office intoxicated with prohibited drugs or liquor		Discharge				

Offenses on:	V					
Absences or Leaves	i	First	Second	Third	Fourth	Fifth
a. Unauthorized or unexcused absence from work or absence without official leave (AWOL)		Verbal Warning	Written Warning	1 day Suspension	5 days Suspension	Discharge
b. Work abandonment (four consecutive days of absence without approval)		Discharge				
c. Falsification of Leaves / feigning illness		Written Warning	2 nd Written Warning	1 Day Suspension	5 Days Suspension	

Offenses on:	V					
Punctuality & Tardiness	io	First	Second	Third	Fourth	Fifth
a. Tardiness		Verbal Reminder	Verbal Warning	Written Warning	1 day Suspension	5 days Suspension
b. Any accumulation of three (3) written warnings		5 Days Suspension				
c. Excessive Tardiness After the 5 th offense or anything in excess of three (3) written warnings		Discharge				

