

HUMAN RESOURCE MANAGEMENT
OPERATIONS MANUAL FOR:

STARPORT ARMADA SOLUTIONS, INC.

OPERATING POLICIES AND PROCEDURES

Table of Contents

A. RECRUITMENT POLICY	6
I. MANPOWER PLANNING	7
II. REQUISITION OF ADDITIONAL/REPLACEMENT OF EMPLOYEE	8
III. SOURCING FOR APPLICANTS.....	9
IV. RECRUITMENT PROCESS/ APPLICATION	9
V. NEW EMPLOYEE BACKGROUND CHECK.....	10
VI. JOB OFFER	11
VII. PRE-EMPLOYMENT REQUIREMENTS	12
VIII. ON-BOARDING OF NEW EMPLOYEE/S.....	13
IX. PERFORMANCE EVALUATION OF PROBATIONARY EMPLOYEE	14
X. REHIRING OF EMPLOYEE/S	14
XI. EMPLOYEE REFERRAL PROGRAM	15
XII. ON THE JOB TRAINING PROGRAM	17
B. 201 FILE MANAGEMENT POLICY	18
I. IMPLEMENTING GUIDELINES	18
II. PROCEDURES	19
C. ATTENDANCE POLICY.....	21
I. GENERAL GUIDELINES	21
II. WORKING DAYS PER YEAR	22
III. WORKING HOURS	22
IV. TARDINESS	23
V. SOLO PARENT WORK SCHEDULE	25
VI. OFFICIAL BUSINESS (OB) or FIELD WORK (FW)s	25

VII. NON-WORKING DAYS.....	26
VIII. ABSENCES.....	28
IX. OVERTIME	29
X. EXTENDED HOURS AND WORK OFFSETTING	31
D. GENERAL RULES AND REGULATIONS.....	33
I. CONFIDENTIALITY CLAUSE.....	33
II. CONFLICT OF INTEREST.....	35
III. PROPER OFFICE ATTIRE	37
1. General.....	37
2. Prohibited Clothing	38
3. Acquiring an Office Attire	38
4. Maintenance	38
IV. PROBATIONARY PERIOD	39
1. Policy.....	39
2. Procedure.....	41
V. EMPLOYMENT STATUS.....	43
VI. EMPLOYEE EXIT POLICY (RESIGNATION/TERMINATION/RETIREMENT).....	46
VII. OFFICE EQUIPMENT POLICY.....	52
E. COMPENSATIONS AND BENEFITS.....	56
I. PAYROLL.....	56
II. TIMEKEEPING	56
1. Enforcement	56
2. Time Worked.....	56
3. Time Not Worked.....	57
4. Hours of Work.....	57
5. Overtime and Additional Hours	57
6. Lateness for Work.....	58
7. Reimbursement of Expenses	58
III. 13 th MONTH PAY	59

IV. MANDATORY BENEFITS.....	62
V. SICK LEAVES AND VACATION LEAVES.....	62
1. Procedure.....	64
1. SPECIAL PRIVILEGE LEAVE (SPL)	65
2. MATERNITY LEAVE	65
3. PATERNITY LEAVE.....	66
4. SOLO PARENT LEAVE.....	66
5. SPECIAL LEAVE FOR WOMEN.....	67
6. LEAVE FOR VICTIMS OF VIOLENCE AGAINST WOMEN AND CHILDREN.....	68
VI. OTHER BENEFITS	70
1. Birthday Leave:	70
2. Cash Advance	70
F. PERFORMANCE MANAGEMENT POLICY	72
I. Purpose	72
II. Scope	72
III. Definition of Terms	73
IV. Procedure	74
1. STAGE 1: Preparing for the Performance and Development meeting	75
2. STAGE 2: Discuss and Develop PDP	76
3. STAGE 3: Ongoing Feedback, Support and Development	80
4. STAGE 4: Evaluation, Assessment and Review	80
G. PERFORMANCE IMPROVEMENT PLAN POLICY.....	82
I. Purpose	82
II. Scope	82
III. Implementing Guidelines	82
IV. Procedure.....	84
1. Stage 1: Early Intervention and Support.....	84
2. Stage 2: Performance Improvement Plan (PIP) Process.....	88
3. Stage 3: Assessment by the HR Delegate	92
4. Stage 4: Decision by the CEO and Legal Counsel	93

H. TRAINING POLICY	94
I. Policy.....	94
1. Procedure for External Trainings:	96
2. Training Attendance.....	96
3. Training Agreement	96

HUMAN RESOURCE OPERATING PROCEDURES

A. RECRUITMENT POLICY

OBJECTIVE:

This policy aims to standardize the required procedures in the recruiting and hiring activities for THE COMPANY through a planned and systematic process to hire the most qualified applicants and provide proper orientation to new employees.

Note **that STARPORT ARMADA SOLUTIONS, INC.** abides by:

a) Equal Employment Opportunity

The Company strictly prohibits discrimination against any employee or applicant for employment for reasons such as age, race, color, religion, gender, sexual orientation, gender identity or expression, national origin, disability, veteran's status, marital or familial status (including pregnancy) or any other characteristic protected by law.

All employment decisions shall be made on the basis of individual skills, knowledge, abilities, job performance and other individual qualifications.

The Company, affirms that all employment decisions, including but not limited to those involving recruitment, hiring, promotion, training, compensation and benefits, transfer, discipline, and discharge, are free from unlawful discrimination.

The HRD will assure the potential employees are not subjected to unlawful discrimination in any aspect of the recruitment and selection process, including but not limited to online job postings, resume screening, interviews and offer of employment.

b) Employable Age Requirement

(1) The minimum employable/legal age is eighteen (18) years old.

- (2) The Company believes that children shall be protected from all forms of abuse including child labor hence, the company shall not employ minors.
- (3) A valid proof of age (i.e. birth certificate) shall be required prior to employment

IMPLEMENTING GUIDELINES:

I.

II. MANPOWER PLANNING

This ensures adequate staffing to meet The Company's organization operational goals, matching the right people with the right skills at the right time.

- a) Provided that the **Table of Organization (TO)** and **Job Descriptions (JD)** are lacking or undeveloped, the HR Generalist (HRG) therefore shall prepare TO and JD of all vacant positions reflected on the TO for approval.
- b) The HRG together with the other Authorized Personnel shall discuss and should come into agreement to approve.
- c) Approved TO shall be the basis for all manpower requisition/s.
- d) The HRG shall justify request for additional manpower from a requesting department considering various factors such as increase in the workload, planned expansion of the Organization/Department, employee movement, separation, etc.

NOTE: Prior the Manpower planning with management, HR Staff assigned must accomplish the Requisition of Additional/Replacement of Employee policy below.

- e) The CEO and COO must approve the requisition request for manpower prior to HR conducting the sourcing and recruitment process.

III. REQUISITION OF ADDITIONAL/REPLACEMENT OF EMPLOYEE

- a) The Department Head / authorized personnel must file a requisition for additional/replacement of staff form (**Requisition Form**) before the start of sourcing candidates. The reason for this request must be valid. Provided, that there is a resigned employee, AWOL, and/or approved management directive for additional manpower.
- b) Once the request is approved, the form must be forwarded to HRD to check for existing Job Description. Provided, that there is no existing Job Description for the said position, the requesting party must request from the HRG to develop Job Description template.
- c) Upon receiving the draft Job Description template from the requesting hiring manager, HRD must conduct comparison analysis of the job description outside of Starport Armada Solutions, Inc.
- d) HRD will have the right to modify as needed if the provided Job Description is not at par from industry standards.

NOTE: Modification of Job Description must be well coordinated by the requesting party and the HRD in charge, since roles and functions may differ from industry standards either through job level and salary level of the position to be hired. Both parties must agree to the modified Job Description before it is forwarded for final approval.

- e) Once the Job Description is provided the HR staff must present and justify the request for additional manpower request in the Manpower planning meeting with the CEO and COO.
- f) An approved requisition for manpower will initiate the sourcing and recruitment process of the HR Department.

NOTE: HR Staff must inform hiring department that their request for additional manpower was approved by management.

IV. SOURCING FOR APPLICANTS

- a) The Recruitment Specialist (RS) will utilize available job posting thru social media site (such as FB, IG, Twitter, etc.), jobs portal (such as Indeed.com), company websites, external sourcing events (such as school job fairs, municipality job fairs, etc.), and referrals. Provided of none availability, HR must request for budget to acquire services of job posting websites and/or external sourcing events. Budget allocation for HR job posting sites must be approved at the start of the year.
- b) Job posting must be done immediately. Let posting accumulate applicants for three (3) weeks to a month. *(Note: depending on position and levels of opening, the minimum timeline for hiring is four to six months).*

V. RECRUITMENT PROCESS/ APPLICATION

- a) Candidate invitation: sending invites thru SMS or email for a personal interview- usually done to see the candidate for a face-to-face assessment and for further processing of application.
- b) Log sheet Attendance Form (LAF): the RS shall let the applicants to register their personal info (name, position applied, contact no., signature) into the LAF provided. This step is to allow the RS to know who had attended the scheduled interview and who is not, and for future reference.
- c) Application and Interview forms: these forms shall be given to the applicants upon registering their personal information into LAF to fill-in.
- d) Testing: The candidate is given sets of IQ, personality, and Job specific test to further assess the candidate qualification for the Job post.
- e) Initial Interview: once applicants had finished answering the given set of tests, the RS shall now check if the applicant passed the 1st assessment. Provided, that the applicant failed the test, the RS shall consider the applicants work experience based on the submitted resume/CV and how the latter impress the RS in a question and answer portion (Q&A).

- f) Skilled test: once the applicant had passed the 1st assessment and/or initial interviews, the RS shall inform the applicants to wait for a call/SMS for a follow-up schedule. Provided, that the interview were done early, on the same day the RS shall conduct an on the spot / hands-on test to the qualified applicants. In this test the applicant shall showcase their capability for the job.
- g) Final Interview: (Ensure to coordinate with the Department Head/authorized personnel their availability for the interview schedule). Upon passing the given skilled test, the RS shall now schedule the qualified applicants for a final interview with the Department Heads (DH), once done, the RS shall now confirm and discuss with the DH their final decision.
- h) Approved for Hire: Once a candidate has been approved for hire by Department Head and the Hiring Manager, the HR staff assigned will compile all documentation of the recruitment process (Application form, resume, skills test, initial interview note) and create a create a Job offer sheet.
 - Once created, Job offer sheet and the compilation of the documentation from the recruitment process must be forwarded to the Department head for approval.

VI. NEW EMPLOYEE BACKGROUND CHECK

Applicants who have successfully passed all new employee recruitment processes must undergo a background check before conducting a job offer is done.

The objective of background checks is to ensure the safety and security of the employees in the organization. Results of a background check typically include past employment verification, credit history, and criminal history.

The Employee Background check must be done by the designated hiring HR staff. This will be done in two parts:

- a) Request an NBI clearance from the newly selected employee for hiring as part of the pre-employment requirements.
- b) HR staff must conduct a Reference Check via call or email.
 - (1) Provided, the candidate is newly graduate: HR staff must require a copy of the Transcript of Records from the newly selected employee.
 - (2) Provided, the candidate has work experience: HR staff must request a minimum of two references from the newly selected employee.
 - The HR staff must first inform the applicant that he/she will undergo a New Employee background check prior as part of their application to the company.
 - The HR staff must conduct a cold call to the provided references to the former employer to validate job performance history via call or email, whichever is applicable.
 - The HR staff must confirm information provided by the newly selected employee (i.e. confirm employment and position, inquire reason for leaving, inquire on previous job performance, etc.)
 - All of the information gathered must be recorded as part of the 201 file of the newly selected employee.
 - In case there is negative feedback or information gathered from the employee background check, the HR staff and the Hiring manager must discuss if they will proceed with the applicant's application process to the company.

VII. JOB OFFER

- a) The designated HR staff who conducted the recruitment process must forward all documentation of the candidate selected to HR Officer including the Job offer sheet.
- b) The HR Officer will be the one to conduct the job offer to the newly selected candidate. Items to be discussed by the HR Officer:

- (1) Position hired for, salary to be received, employee benefits and the start date of the employee.

NOTE: Start date must be aligned with the cut off release of employee salary. (i.e. If salaries are released during 15th and 30th then those will be the start dates of new employees hired)

- (2) Inform candidate that all job offers will have one (1) week validity upon discussion with the applicant. Any job offer that has not been signed and had exceeded the validity period shall be considered void/rejected by the applicant. Provided, the candidate/s acceptance thru signing the job offer, he/she will be subject to pre-employment and on-boarding activities.

VIII. PRE-EMPLOYMENT REQUIREMENTS

The RS shall give the successful candidate/s list of requirements for them to provide and secure “fit to work” at least within seven (7) days period before their date of commencement. Provided, below is the list of requirements;

- ORIGINAL COPIES NEEDED:
 - Photo 2pcs. 1x1 and 1pc 2x2 in white background
- DUPLICATE COPIES OF THE FOLLOWING:
 - NBI Clearance
 - SSS / PAG-IBIG / PHILHEALTH / TIN NO.
 - Medical Certificate (Pre-employment requirement)
 - Signed Contracts (Probationary, Regularization, or Contractual)
 - Diplomas, Commendations and/or Awards
 - Transcript of Records
 - Certificate of Trainings (as required for the position)
 - COE from previous employment
 - ITR from previous employment
 - Birth Cert / Marriage Cert / Children Birth Cert

The starting date is scheduled every 11th and 26th of the month unless otherwise requested by the Department Head due to the urgency of the manpower need.

HRD will hold hiring for new employee/s who have not secured “fit to work” clearance.

The new employee with incomplete requirements will be required to submit an undertaking to HRD with a given deadline on one (1) month after commencing date. Provided of non-compliance, HRD shall send notice letter to the employee and his/her regularization will be put on hold.

IX. ON-BOARDING OF NEW EMPLOYEE/S

Upon completion of requirements and medical test, the applicants are scheduled to submit the documents on 11th/26th of the month, as these dates are the scheduled commencement date for all newly hired employees. Provided, that the requesting department is in need of urgent staff, the HRD shall implement a case-to-case base. Below are the schedule Orientation procedures:

- Fill out of Emergency contact form
- Fill out of ATM account opening form
- Signing of employment contract
- Signing and receiving of employee handbook
- New employee orientation and tour
- Payroll: biometric enrolment
- Endorsing to hiring department / authorized personnel. Provided, before endorsement the JD, expectations, and how he/she will be evaluated must be discuss to him/her clearly.

X. PERFORMANCE EVALUATION OF PROBATIONARY EMPLOYEE

The evaluation will be conducted on their first three (3) months and on the fifth (5th) month of the probationary period. During this period, the first three (3) months performance will be assessed to determine if the employee has met the job description provided to him/her or needs for improvement with the guidance of his/her Senior/Head. The other three (3) months will be the final assessment to determine if they had proven the Company their competency to execute the given Job Description without any supervision from his/her Senior/Head and the possibility of their employment regularization or termination. The procedure/implementing guidelines can be found under the General Rules and Regulations section of the HR Operations manual.

XI. REHIRING OF EMPLOYEE/S

Subject to the Management discretion, HRD may accommodate application from separated employee/s who wish to return to the Company, provided that:

- a) There was no disciplinary issues recorded about the former employee
- b) The former employee has an Above Average performance rating and is highly recommended by his/her immediate superior; and,
- c) The reason for separation is valid.

The holding period to consider the re-hiring will be at least two (2) years from date of resignation. Subject to the Management's discretion, the former employee may be treated as a regular applicant.

XII. EMPLOYEE REFERRAL PROGRAM

Wherein employer rewards an employee with a certain amount of money for suggesting a candidate for a particular vacant position in the company and endorsed candidate is successfully hired.

OBJECTIVE: The objective of Employee Referral Program is to attract a candidate for a given job opening by involving existing employees.

PURPOSE: The purpose of this Employee Referral Program is to award the employee who has referred candidate for a particular position in an organization.

ELIGIBILITY: This is applicable to all regular employee of the company except employees under the Management position and higher ranks.

GUIDELINES:

- a) The ERP is applicable to all regular employees of the company
- b) There will be referral form to fill in and the form must be checked in properly and duly signed by the referring candidate before submitting to HR department.
- c) The role of the employee who is referring the candidate is limited to deposition of the resume. Interview and other formalities will happen as per normal process of recruitment.
- d) Referral amount shall be paid in two portion, first half amount shall be given to the employee after the referred person has pass the first three (3) months probationary evaluation and the other half pay shall be given upon regularization of the said referred employee.
- e) In case a candidate directly come and submit resume, it will not be considered as employee referral.
- f) If employee resign within the time duration of employee referral period, no employee referral will be paid to employee.

- g) Only candidate who meets the qualification required for a given position will be eligible for employee referral.
- h) Referral should be made from employee contact only; no referral should be made with the help of any recruitment agency.
- i) There is no limit for the number of referrals made by the employee.

REFERRAL AMOUNT

- Rank and file position of the – P 3,000.00
- Supervisory level – P 5,000.00
- Managerial and up level – P 10,000.00

NOTE: The referral amount will be not be given in full to the referring employee. The first half of the referral amount will be given if the referred employee successfully starts his/her first day and the second half if the referred employee is successfully regularized. The referral amount will be given on the applicable cut off period of release for employee salary.

PROCESS FOR EMPLOYEE REFERRAL POLICY:

- a) Employees fill in details in the employee referral form and attaches the updated resume of the candidate and submit it to the recruitment department.
- b) HR recruiter crosschecks the details of the candidate and if the skills matches with job description. The recruiter sends the form to head of department for approval.
- c) The referred candidate undergoes normal interview and selection process. If selected referred candidate is being notified for the same.
- d) The recruiter sends details to HR department regarding the referral amount to be paid to the employee who has referred the candidate after the first three (3) months probationary period of the referring candidate.
- e) HR make a note and process the referral amount once three (3) months are completed by the referred employee.

XIII. ON THE JOB TRAINING PROGRAM

- a) The Company may accommodate students “Trainee” who are required by their colleges/universities to undertake on-the-job training (OJT) in order to acquire knowledge and skills in positions relevant to their academic degrees.
- b) The requesting Department will submit an **email request** with their proposed project plan and specific job responsibilities for HRD’s approval.
- c) Upon approval of the OJT Requisition Form, HRD will begin with the screening process thru coordinating with different universities or online job portals.
- d) Shortlisted students shall be interviewed by HRD and the requesting Department.
- e) Recommended students shall submit an endorsement letter from their respective college/university and a copy of their medical certificate/clearance. Upon completion of requirements, HRD will discuss and serve the On-the-Job Training Contract.
- f) HRD will conduct a proper orientation on the first day of the trainee, endorse to their respective Departments and immediate superior.
- g) The immediate superior will assess the trainee’s performance after the required training period.
- h) The trainee will evaluate his/her overall experience with the Company using the **OJT Program Assessment Form (OJT-PAF)** or the provided evaluation form by the school.

B. 201 FILE MANAGEMENT POLICY

OBJECTIVE:

To provide guidelines in managing the 201 files of all employees.

SCOPE:

This policy applies to the Human Resource Management department and the assigned individuals who will be managing the 201 files of all employees.

I. IMPLEMENTING GUIDELINES

- a) Duly designated Human Resource Management Officers (HRMOs) shall be responsible in maintaining the 201 files of all employees.
 - This also includes all files of retired or separated employees for a period of ten (10) years and their Personal Data Sheet and Clearance and Monetary Accountabilities for five (5) years.
- b) How to dispose of 201 files of resigned or retired employees past the period mentioned above is management's discretion.
- c) Medical Certificate shall be required for new employees and returning employees for filing.
 - The Physician must state if the appointee is fit for employment.
 - The results of the Pre-employment Mental-Physical-Medical examinations consisting of Blood Test, Urinalysis, Chest X-ray, Drug Test, Neuropsychiatric Exam (for supervisory positions), shall be attached to the medical certificate of employment.
- d) Clearances / NBI clearance is required for original appointment and reemployment for filing.

II. PROCEDURES

- a) The HR Assistant/Staff will prepare a new 201 folder for a newly hired employee.
- b) The 201 folder must be labeled with the new employee's name. The folder will serve as the records keeper of an employee's activities inside the company and their personal data.
- c) The HR Assistant/Staff will gather all the documents submitted by the new employee from their pre-employment requirements and compile them in their personal folder.
- d) The HR Assistant/Staff will also compile and include the recruitment documentations (i.e. application form, resume, interview feedback, IQ test and results) as part of the 201 folder of the employee.
- e) The HR Assistant/Staff will prepare and compile all the documents in the list below (whichever is applicable) for all employees of the company.
 - Application form
 - Recruitment documentation (i.e. interview forms and IQ test, Job description of current position)
 - Government ID's of the employee (i.e. xerox copies of SSS, PhilHealth, Pag-Ibig, BIR/TIN no.)
 - Medical Certificate
 - NBI clearance
 - Transcript of Records
 - Diploma
 - Signed Job offer sheet (Company's copy)
 - Signed Contract of Employment (Company's copy)
 - Signed Regularization contract (Company's copy)
 - Disciplinary Memos (Received and signed by the employee)
 - Performance Evaluation documents
 - Other employee records (i.e. memo for: promotion, demotion and/or transfer into a new role/department)
 - Company awards/certificates

- Training certificates (Ask for a xerox copy from the employee)
 - Notice of salary adjustments
 - Employee's accountabilities (i.e. training bond if company sponsors the employee's training, employee loans)
 - All other documentation that states the employee's activity in the company (i.e. Confidentiality Agreement, Training Agreement – Service Commitment, etc.)
- f) The HR Assistant/Staff assigned to manage the 201 files of the employees will be the only one allowed to access these files alongside with the HR Manager. No one else is allowed to access these files without prior notice to the above-mentioned individuals.
- g) If in case there are employees who have resigned, the HR Assistant/Staff will segregate the 201 files of the resigned employees making sure that it is still kept in the duration period mentioned in the Implementing Guidelines.

C. ATTENDANCE POLICY

I. GENERAL GUIDELINES

- a) All employees shall report for work at the designated time and place.
- b) All employees, regardless of rank, must register their attendance through the Biometrics Machine by logging in when they report for work and logging out when they leave office premises.
- c) Timekeeping requests such as Official Business, Change Schedule, Overtime, Extended Hours, Leave/Rest, and Offset shall be approved by the Immediate Superior within the required submission dates:

Period Covered	Submission Dates
1 th to 15 th	11 th to 15 th of the same month
16 th to 30 th	16 th to 30 th of the succeeding month

Table 1 Submission dates of Timekeeping

- d) In case of inaccuracy in the Daily Time Record (DTR), the Payroll Specialist (PS) shall inform the employee and the latter shall make a correction using a manual log sheet form (LS Form) to be requested at the HRD, and to be submitted before the payroll processing end. Failure to comply on the foregoing procedure, incorrect DTR automatically subject for deduction as unauthorized absent.
- e) All employees must avoid excessive tardiness and absenteeism. An employee's Immediate Superior should immediately address a subordinate's attendance concerns (i.e. frequent tardiness or absenteeism) and apply the necessary corrective action for improvement using the Code of Discipline procedure.

NOTE: The Immediate Superior must also inform the HR Department of the excessive tardiness or absenteeism of their subordinate.

II. WORKING DAYS PER YEAR

The Company uses the divisor of 365 days, where 365 days per year is equivalent to:

288	Ordinary working days
61	Rest days
12	Regular holidays
4	Special holidays

Table 2 Working days in a year

III. WORKING HOURS

- a) All employees in the Office shall follow the work week schedule of Monday to Saturday, eight (8) hours per day without corresponding overtime premium.
- b) All employees in the shall render eight (8) hours of work per day. Monday to Saturday.
- c) Each employee is entitled to one (1) hour unpaid lunch break and two (2) fifteen (15) minute coffee breaks in the morning and in the afternoon, respectively.
- d) Work schedules of employees under their respective employee rank as follows:

Employee Rank	Schedule	Times
Rank & File	Fixed	8:00 a.m. to 5:00 p.m.
Supervisors	Flexible	9:00 a.m. to 6:00 p.m. or
Assistant Managers	Flexible	10:00 a.m. to 7:00 p.m.
Managers	Flexible	8:00 a.m. to 5:00 p.m. or
AVPs, SAVPs	Flexible	11:00 a.m. to 8:00 p.m.
VPs – up	Flexible	VPs-up are not required to observe fixed work commencement or departure times as long as a minimum of seven (7) hours work is rendered daily.

		Latest work commencement time shall be 1:00 p.m.
--	--	--

Table 3 Official Work Schedule

IV. TARDINESS

- a) All employees shall report for work on time. A **ten (10) minute** grace period for all level employees shall apply before an employee is considered tardy. For AVPs and SAVPs they are only required to fulfil their eight-hour work schedule.
- b) Reporting for work after the grace period shall be deemed as tardiness and shall be subject to corresponding salary deduction.
- c) If tardiness exceeds the allowed grace period, the total number of minutes late (including the minutes within the grace period) is subject to salary deduction and shall be counted as one (1) instance of tardiness.

	Regular work hours	Log In	Deduction
All employees	8:00 a.m. to 5:00 p.m.	8:10 a.m.	None
		8:11 a.m.	11 minutes

Table 4 Sample scenario for Grace Period

- a) In the event of absence, tardiness or undertime from an assigned work schedule, the employee shall inform his Immediate Superior within **three (3) hours** of the scheduled start to avoid disruption of the Department's operations. In the event the employee cannot reach his/her Immediate Superior, the absence shall be reported to the HR / ADMIN Department.
- b) **Personal call** shall be strictly implemented when the employee wishes to file an emergency leave of absent, failure to comply is subject for unauthorized absent and salary deduction.

- c) An employee who reports for work three (3) hours after official time shall be deemed as half-day absent.
- d) If an employee reports after 3:00 pm it shall be deemed as whole day absent and shall be subject to corresponding salary deduction.

	Regular work hours	Log In	Deduction
Rank & File	8:00 a.m. to 5:00 p.m.	11:00 a.m.	Half-day
	If half-day	3:00 p.m.	Whole day
Supervisors-up	8:00 a.m. to 5:00 p.m.	11:00 a.m.	Half-day
	If half-day	3:00 p.m.	Whole day

Table 5 Sample scenario for late employee scheme

- e) An employee who leaves the workplace earlier than the prescribed working hours or goes undertime shall be subject to corresponding salary deduction based on the actual undertime hours.
- f) Immediate superiors are advised to submit/forward a copy of semi-monthly schedule of their subordinates to HR before the start of the cut-off period.

Period Covered	Submission Dates
1 th to 15 th	25 TH of the previous month
26 th to 30 th	14 ^h of the current month

Table 6 Submission date for Supervisors on schedule of subordinates

V. SOLO PARENT WORK SCHEDULE

The employer shall provide for a flexible work schedule for solo parents:

NOTE: Management will decide the final schedule of a solo parent.

- a) Provided, that the same shall not affect individual and company productivity
- b) Provided further, that any employer may request exemption from the above requirements from the DOLE on certain meritorious grounds.

VI. OFFICIAL BUSINESS (OB) or FIELD WORK (FW)s

- a) All employees shall file their work as Official Business (OB) when they are required to leave office premises for field work or others such as events, meetings, trainings, seminars, conferences, or any related activities requiring an employee to report directly to another location.
- b) Work considered as OB shall be properly planned, managed and coordinated to meet the best interest of the Company. While on OB, employees are expected to exercise due diligence in the performance of their functions to ensure that their responsibilities are not left unattended.
- c) Employees shall file work rendered as OB using OB form provided by HR / ADMIN
- d) Submission of OB form should be on/before the payroll cut-off
- e) Employee who attended seminars/trainings shall enclosed copies of their certificate of attendance/completion.
- f) Employee who attended events, meetings, conferences, or a like shall enclosed the invitation, minutes of meeting, or other documents gathered related to the occasions attended.
- g) OB submitted beyond the submission date shall be deemed as absence and subject to salary deduction. OB that has not been filed and approved on time shall be considered as absence and shall be subject to salary deduction.
- h) Time declared in the OB application shall be considered as the official attendance of the employee in lieu of Biometrics log in/out. An employee is considered to

have reported at the regular working hours if the Immediate Superior approved the OB request.

- i) Employees who did not push through with their scheduled OB he/she shall inform their immediate superior and use the Biometrics machine to record their attendance.

VII. NON-WORKING DAYS

- a) The following are classified as non-working days:
 - (1) Rest Day
 - (2) Regular Holiday
 - (3) Special Holiday
- b) Sunday is identified as the employee's rest day.
- c) Unless otherwise modified by law, order, or proclamation, the following are the twelve (12) regular holidays in a year under Executive Order No. 292, as amended by Republic Act 9849:

Regular Holiday	Date
New Year's Day	January 1
Maundy Thursday	Movable Date
Good Friday	Movable Date
Araw ng Kagitingan	Monday nearest April 9
Labor Day	Monday nearest May 1
Independence Day	Monday nearest June 12
National Heroes Day	Last Monday of August
Eidl Fitr	Movable Date
Eidl Adha	Movable Date
Bonifacio Day	Monday nearest November 30
Christmas Day	December 25
Rizal Day	Monday nearest Dec 30

Table 7 Holidays approved by government

- d) Unless otherwise modified by law, order, or proclamation, the following are the nine (9) special holidays in a year under Executive Order No. 292, as amended by Republic Act 9849 that shall be observed in the Philippines:

*Special Holiday	Date
Chinese New Year	Movable date
EDSA Revolution	February 25
Black Saturday (holy week)	Movable date
Ninoy Aquino Day	August 21
All Saints Day	November 1
Feast of the Immaculate Conception of Mary	December 8
Last day of the year	December 31
*All Souls Day	November 2
*Christmas Eve	December 24

Table 8 Special Non-Working Holidays

e) Holiday Pay

- (1) The employee is entitled to at least one hundred percent (100%) of his/her daily salary even if he/she did not report for work, provided he/she is present or is on leave of absence with pay on the workday immediately preceding the holiday.
- (2) Work performed on that day merits at least twice (200%) the daily wage of the employee.
- (3) Where the holiday falls on the scheduled rest day of the employee, work performed on said day merits at least an additional 30% of the employee's regular holiday rate of 200% or a total of at least 260%
- (4) When a regular holiday falls on Sunday, the following Monday shall not be a holiday, unless a proclamation is issued declaring it a special day.
- (5) When *Araw ng Kagitingan* falls on the same day as Maundy Thursday or Good Friday, a covered employee is entitled to at least two hundred percent (200%) of his/her daily wage even if said day is unworked. Where the employee is required to work on that day, he/she is entitled to an additional 100% of the daily wage.
- (6) All covered employees shall be entitled to holiday pay when they are on approved leave with pay on the workday immediately preceding the

regular holiday. Employees who are on leave without pay on the day immediately preceding a regular holiday may not be paid the required holiday pay if they do not work on such regular holiday.

- (7) Where the day immediately preceding the holiday is a non-work day in the Company or the scheduled rest day of the employee, he/she shall not be deemed to be on leave on that day, in which case he/she shall be entitled to the holiday pay if he/she worked on the day immediately preceding the non-work day or rest day.
- (8) Where there are two (2) successive regular holidays, like Maundy Thursday and Good Friday, an employee may not be paid for both holidays if he/she absents himself/herself from work on the day immediately preceding the first holiday, unless he/she works on the first holiday, in which case he/she is entitled to his/her holiday pay on the second holiday.

VIII. ABSENCES

- a) The HR Assistant/Staff assigned will consistently monitor absenteeism concerns reported by the Immediate Superior.
- b) The HR Assistant/Staff will follow the **Rule No. IV of the Code of Discipline** in providing necessary disciplinary measures for an employee who consistently violates the attendance policy set by the company.
- c) Note that an employee's failure to inform the Immediate Superior of their leaves will be considered Absence Without Official Leave (AWOL). As such an employee will be sanctioned as stated in the Code of Discipline.
- d) If in case an employee will be dismissed due to absenteeism or AWOL, the HR Assistant/Staff and Immediate Superior must make sure that the employee was consistently contacted and reached out through various means to inform them to **return to work**.

NOTE: All means must be documented by the HR Assistant/Staff and compiled which will be included in the final memo that will be sent to the employee informing them of their dismissal if they do not return to work on a specified date.

- e) Habitual absences will also be monitored on a monthly basis. All employees must not go beyond three (3) habitual absences and/or four (4) habitual tardiness in a span of one (1) month. If an employee goes beyond disciplinary sanctions will be given as indicated in Rule No. IV of the Code of Discipline.

IX. OVERTIME

- a) Overtime is defined as work rendered beyond the required eight (8) hours a day and done with the prior knowledge and approval of Immediate Superior. This includes work rendered on rest days and holidays.
- b) The Company discourages unnecessary Overtime (OT) of work. It is the responsibility of Department Heads to ensure that OT is allowed only for those who need to complete workload requirements that are deemed important and urgent.
- c) Overtime work rendered shall be a minimum of three (3) hours in order to be compensable.
- d) In case of undertime and tardiness, employees must render eight (8) hours of work first before OT commences.
- e) For evening OT, a thirty (30) minute break period must be observed before the start of OT and Extended Hours work.

	Regular work hours	Log In	Start of OT
Rank & File	8:00 a.m. to 5:00	8:00 a.m.	5:30 p.m.
	p.m.	8:16 a.m.	6:00 p.m.

Table 9 Sample scenario for evening OT

- f) OT work shall be allowed only up to 12:00 midnight. OT work beyond midnight shall only allowed for the following situations:
- (1) Management decision as a requirement to meet critical deadlines.
 - (2) A department is undermanned due to unavailability of team members and a critical deadline must be met.
- g) Overtime is subject for approval of Immediate Superiors using OT Form before or within the submission date, any unapproved overtime is not compensable
- h) Rank & File employees shall file for OT using OT Form

- i) Authorized approvers of OT shall be as follows:

	First Level Approval	Second level Approval
R&F	Immediate Superior	Department Head/COO
Supervisors & Managers	Department Head	COO
VPs	COO	CEO

Table 10 Approvers for OT

- j) The Company compensates authorized OT work in accordance with existing Labor Laws and Regulations. OT rates and premium pay for Rank & File employees are as follow:

Day type	Within 8 hours	Beyond 8 hours
Regular day		125%
Rest Day/ Sunday/ Special Holiday	130%	169%
Special Holiday falling on rest day	150%	195%
Regular Holiday	200%	260%
Regular Holiday falling on rest day	260%	338%

Table 11 Official OT computation

- k) Rank & File employees are entitled to the following OT allowances:

- (1) Php100 meal allowance for every four (4) consecutive hours of OT work;
- (2) Php150 transportation allowance for at least five (5) consecutive hours of OT work.

- l) 10% Night Differential pay is given to Rank & File employees who rendered OT work between 10:00 p.m. to 6:00 a.m.

NOTE: Night differential refers to additional compensation for worked performed in the above-mentioned time period. This means plus 10% of the hourly rate for work between 10:00 p.m. to 6:00 a.m.

X. EXTENDED HOURS AND WORK OFFSETTING

- a) Supervisors up to SAVPs are not entitled to receive overtime pay. However, Management recognizes the need to sustain employees' productivity and wellness, and thus allows Work Offsetting to give them time to rest.
- b) Work beyond the first eight (8) hours rendered by Supervisors up to SAVPs is considered Extended Hours and may be applied for Work Offsetting, subject to the following:
 - 1) Must work at least two (2) hours beyond the first regular eight (8) hours of work.
 - 2) In case of undertime and tardiness, must first render eight (8) hours of work.
- c) To avail of Work Offsetting, an accumulated Extended Hours shall be four (4) hours for half-day Work Offsetting or eight (8) hours for whole day Work Offsetting. Work Offsetting cannot be used to cover for undertime or tardiness.
- d) Work Offsetting must be availed within the cut-off after rendering Extended Hours work; otherwise Work Offsetting shall not be allowed.

	M	T	W	Th	F	S
Example 1						
Week 1 Extended Hours	2 hours	3 hours		2 hrs	2.5 hrs	
Work Offsetting?	Yes					
Example 2						
Week 1 Extended Hours	4 hours					
Work Offsetting?	Yes					
Example 3						
Week 1 Extended Hours	1 hour	1 hour	1 hour	1 hour		
Work Offsetting?	Not allowed, must accumulate 4 hours within two (2) days					
Example 4						

Week 1 Extended Hours	1 hour	1 hour				
Week 2 Extended Hours		1 hour	1 hour			
Work Offsetting?	No, forfeited; insufficient offset credit					

Table 12 Sample scenario for Work-offsetting

- e) Work Offsetting can also be applied aggregately but within payroll cut-off after rendering Extended Hours work.
- f) To avail of the work offsetting, Supervisors up to SAVPs shall file for Application for Work Offsetting Work Offsetting form (WO Form).
- g) VPs up shall not be eligible for Work Offsetting.

D. GENERAL RULES AND REGULATIONS

I. CONFIDENTIALITY CLAUSE

SCOPE:

This policy affects all employees, including board members, investors, contractors, paid part-time staff, interns, fellows, consultants, volunteers and contractual employees who may have access to confidential information. The term **Confidentiality** means to ensure that information is accessible only to those authorized to have access.

IMPLEMENTING GUIDELINES:

- a) Any employee that is hired or currently engaged with Starport Armada, Inc. must sign a Confidentiality Agreement prior the start of any engagement.
- b) The HR Assistant/Staff must produce two (2) sets of copy of the Confidentiality Agreement for signing of the employee and by the HR Manager or CEO.
- c) One copy will be given to the employee and the other will be stored in the 201 file of the employee who signed the agreement.
- d) Employees must be responsible at all times:
- e) All employees are expected to be professional and maintain confidentiality at all times, whether dealing with actual records, projects, or conversations, and abide by the obligations of contractual confidentiality agreements. Situations in violation of this policy include, but are not limited to:
 - “Loose” talk among employees about personal information about any consumer or fellow employee.
 - Allowing unauthorized access to company computers to confidential consumer and employee information, financial data, and other records.
 - Sharing information about any clients of the company, who has been involved in the existing operations and programs.
 - Sharing of information relative to confidential personnel matters.
 - Sharing information about another person on social media without that person’s consent.

- Sharing of information acquired by persons in the course of their work to others who don't have a need to have the information; accessing information that the individual doesn't have the authority to access in the course of their work or doesn't have a need to know to carry out their duties.
- Discarding confidential documents in non-secured trash (i.e. secured shredder bins must be used).
- Not sorting confidential files in a locked filing cabinet or office.
- Leaving confidential files and/or documents out in the open when not in use.

II. CONFLICT OF INTEREST

SCOPE:

The Conflict of Interest policy refers to any case where an employee's personal interest might contradict the interest of the company. This is unwanted circumstances as it may have heavy implications on the employee's judgement and commitment to the company, and by extension the realization of its goals.

This policy applies to all prospective or current employees of the company, as well as independent contractors and persons acting on behalf of the company.

IMPLEMENTING GUIDELINES:

- a) All employees have a duty to disclose. Every employee of the company is obligated to disclose any known or potential conflicts of interest as soon as they arise. Failure to do so could result in termination of employment.
- b) When a possible conflict of interest arises, the board of directors and/or upper management (i.e. CEO, COO, and HR Department Head) will collect all of the pertinent information and may question any concerned parties. If the board determines that a conflict exists, steps will be taken to address the conflict. If no conflict exists, the inquiry may be documented but no further action will be taken.
- c) When an actual conflict of interest is found, any transactions that may have been affected will be reviewed retroactively. Affected parties both within and outside of the business, including shareholders, directors, employees, and contractors will be notified. An investigation will also be conducted by the board of directors and/or upper management (i.e. CEO, COO, and HR Department Head) to determine the extent of the conflict and the intentions of the parties involved.
- d) As all conflicts of interest will be reviewed and case-by-case basis, a review may result in disciplinary action.
- e) If there is reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the employee an opportunity to explain the alleged failure to disclose.
- f) The board of directors has full discretion to deem what disciplinary action is both fitting and necessary, including suspension and/or termination of employment.

- g) If an employee has filed for resignation or has opted to retire from the company, the HR Department will require the employee to sign a noncompete clause.

NOTE: The noncompete clause will disallow an employee to apply or work with a direct competitor of the company within one (1) year from the effectivity date of the employee's last day with the company.

- h) The situation may take many different forms that include, but are not limited to the following conflict of interest examples:

- Employee's ability to use their position with the company to their personal advantage
- Employees engaging in activities that will bring direct or indirect profit to a competitor
- Employees owning shares of a competitor's stock
- Employees using connections obtained through the company for their own private purposes
- Employees using company equipment or means to support an external business or any other means of personal use.
- Employees acting in ways that may compromise the company's legality (i.e. taking bribes or bribing representatives of legal authorities; taking and accepting any form of bribes and/or gifts from clients, contractors and/or suppliers)
- Employee has a personal/family business related to the company's source of revenue or industry.
- An employee is planning to put up a similar business that is exactly the same as the company they are working for.
- Employees fraternizing with any Customer, Vendor, Contractor and/or Business Competitor on or off duty.
- Employees building personal relationships with business partners, customers, vendors, and/or competitors.

III. PROPER OFFICE ATTIRE

The Company's objective in establishing a safe and comfortable environment includes setting some standards for workplace dress code. This is to enable all people to project a professional image that is in keeping with the needs of our clients and customers to trust us. Because our industry requires the appearance of trusted professionals a standard dress code is necessary for everyone. The Company shall provide a monetary allowance to employees to buy the required office attire for employees. The amount will be PHP _____

1. General

- a) Office employees are expected to dress accordingly specific to the assigned office attire during work hours.
- b) If an employee is not wearing the company uniform for a valid reason (**NOTE:** Valid reason may vary and approval will be up to the Immediate Superior), office employees must dress in a neat and well-presented manner at all times.
- c) All employees are required to wear the required office attire from Mondays to Thursdays and for Fridays and Saturdays all employees must wear the company shirt provided with jeans and closed shoes.
- d) The required office attire from Mondays to Thursdays:
 - **MEN:** White polo barong or White long sleeves polo with necktie and black pants with black shoes
 - **WOMEN:** White long sleeves polo and black skirt with black office heels or flats
- e) Sales/Management or other employees who attend meetings with clients or potential clients clothing should consist of a The Company shirt and jeans. Jackets should be the same color as bottoms/appropriate for smart-looking attire.
- f) Management may request an employee to wear The Company uniform on any particular day. This may be due to client visits, or any other reason.

2. Prohibited Clothing

Employees should not wear ripped clothing of any sort, track suits (pants or windcheaters) or thongs or open toed shoes.

3. Acquiring an Office Attire

- a) All employees will be required to acquire their own office attire before the commencement of employment.
- b) The company will provide one (1) company shirt for all employees.
- c) The company shirt will serve as an alternative attire for employees during official business or outside meetings which the employee will represent the company.
- d) Company shirts will be made to order therefore, employees will dress as per instruction from the management until the company shirt is distributed.
- e) New uniforms will be issued to employee when required at management's discretion.
- f) When an employee leaves the company, they are required to give all issued uniforms back.

4. Maintenance

All clothing worn, including uniform, should be clean and neatly pressed at all times.

IV. PROBATIONARY PERIOD

1. Policy

This practice is designed to allow an introductory period for everyone involved to decide if the hiring of the particular employee was a correct decision and whether the employee should continue working for the company.

a) All new employees undergo a **Probationary** period in order for the Company to assess his/her suitability for the job.

(1) Contractual and Part time employees are not required to be in probationary status

b) A six (6) month probationary period is given to the following:

- Newly hired employees
- Employees who have been transferred to a new position
- Employees who have to be disciplined for various reasons, and the like.

NOTE: The purpose of this is to ensure that the employee is able to complete their new duties or if they are deemed unsuitable, they may be allowed to return to their previous position or other solutions may be found.

c) During this period the Company commits to reviewing the employee's performance into two parts:

- First three (3) months performance will be assessed to determine if the employee meets the nature of work or needs of improvement given to him/her.
- The next two (2) months will be the final assessment to determine if the employee had proven to the Company his/her competency to execute the given nature of work. This will be the fifth (5th) Probationary performance review.

d) HR Department shall be the one to monitor the probationary period of an employee and will be the one to remind the immediate superior.

- e) HR Department will officially release the New Employee Performance Evaluation (NEPA) form at least two (2) weeks before the scheduled evaluation to the immediate superior of the employee due for evaluation.
- f) All Managers / Immediate Superiors are expected to conduct the performance review and accomplish the NEPA forms of their employees once HR Department has given prompt advised. They must also provide the employee copy of the NEPA form which the employee needs to answer prior the scheduled discussion.
- g) All accomplished NEPA forms will be submitted to the HR Department for review and processing.
- h) The company will provide the necessary feedback and training to the employee to help them succeed during their probationary period.

However, if the employee is deemed unsuitable while on a probationary period even with the necessary trainings and feedback given, they may be terminated without the minimum prior notice mandated by law. The termination of employment during this period may be for cause or without cause depending on the circumstances and the individual's evaluation.

NOTE: *The HR Department must make sure to inform the employee of their unsuccessful probationary period via a memo prior to implementing termination of employment.*

- i) Termination may occur before the ending of the probationary period. This may happen if the tactical evaluations of the employee are highly unsatisfying or if the employee engages in behavior that justifies a for-cause dismissal. The employee will be officially notified in writing for the decision to terminate them. The document will explicitly state the reason behind their termination and the expected date it will take effect.

2. Procedure

- a) The HR Department will release the NEPA form to the Immediate Superior of the employee due for evaluation.
- b) The HR Department must discuss with the immediate supervisor on how the NEPA form is answered and how the performance evaluation is done.
- c) The Immediate Superior must review the job description of the employee prior to answering the NEPA form.
- d) The Immediate Supervisor will provide the employee NEPA form answer sheet to their subordinate for them to fill up prior to scheduling a meeting to discuss the employee's evaluation.
- e) The Manager / Immediate Superior that answered the NEPA form must discuss the accomplished and signed form to the employee on probationary status for feedback and acknowledgement.
 - (1) After the 3rd month evaluation employee must be able to show improvements on items discussed during the assessment. The Immediate superior will provide the necessary feedback and training to the employee to assist him/her to improve performance.
 - (2) On the 5th month evaluation, the HRD will provide the previous NEPA form for review of the immediate supervisor and the process will be repeated. If an employee still has low performance and obtained company policy violations (tardiness, neglect of work, etc.) the Immediate superior will have the option to not endorse for regular employment
- f) After the 3rd month evaluation the NEPA form must be submitted to the HR Department for review and file keeping until the second part of the probationary period evaluation of the new employee.

NOTE: The HR Department may provide a copy of the evaluation to the COO or CEO upon request for their review.
- g) After the 5th month evaluation, the NEPA form must be returned to the HR Department alongside a formal appraisal of the Immediate superior stating

their decision to regularized or not regularized the new employee with valid and goal-oriented reasons for the decision.

NOTE: This must be done strictly after the evaluation so the HR Department must follow up vigorously with the Immediate superior. The Immediate superior's evaluation must be submitted before the final/6th month of the new employee so that the HR Department can proceed to the next steps.

- h) Once the HR Department receives the final evaluation for the 5th month of the employee, the HR Department would need to compile the evaluation and create a regularization contract (if employee has passed the evaluation) or a notice of dismissal (if the employee did not pass the evaluation) for management's (i.e. CEO and COO) approval.
- i) At the end of the probation period, a complete final probation appraisal result will be disclosed to the employee via a formal written letter.
- j) This letter will indicate the reasons behind the decision by discussing the following criteria:
 - The skills, competencies and knowledge of the employee on the job
 - The employee's progress on given assignments.
 - Their reliability, trustworthiness and other relevant personality characteristics of the employee.
 - The employee's relations and collaboration with subordinates, supervisors and peers.

V. EMPLOYMENT STATUS

SCOPE:

It is the intent of Starport Armada Solutions, Inc. to clarify the definitions of employment classifications so that the employees understand their employment status and benefits eligibility. These classifications do not guarantee employment for any specified period of time. The right to terminate the employment relationship at will at any time is retained by both the employee and the Company.

COMPANY JOB CLASSIFICATIONS:

In the Philippines there are five different types of employment and they are determined by the nature and/or existence of work responsibilities or activities that an employee is required to accomplish/perform. The Company establishes the terms and conditions of the employment contract, which should be structured according to the legal provisions set by the Philippines labor laws and regulations.

a) Project Employment

When an employee is hired for a specific project or undertaking and the employment duration is specified by the scope of work and/or length of the project. A project employee may acquire the status of a regular employee when they are continuously rehired after the completion of the project or when the tasks they perform are vital, necessary, and indispensable to the usual business or trade of the employer.

b) Casual Employment

When an employee performs work that is not usually necessary or primarily related to the employer's business or trade. The definite period of employment should be made known to the employee at the time they started rendering service.

If the employee has rendered service for at least one (1) year in the Company, whether causal employment is continuous or not, they shall be considered regular employees with respect to the activity they are employed and will continue rendering service while such activity exists.

c) Regular or Permanent Employment

When an employee performs activities that are usually necessary or desirable in the usual business or trade of the Company. These employees will enjoy the benefit of security of tenure provided by the Philippine Constitution and cannot be terminated for causes other than those provided by law and only after due process is given to them.

The Company will require the new employees to undergo **Probationary employment period** of six (6) months before they he/she can be qualified for regular employment.

NOTE:

- When the employment is not terminated after the six-month probationary period, it shall then be considered regular employment.
- It is important to note that the Company must notify the employee of the probationary period and the standards they must satisfy on before the start of their employment.
- The HR Department must see to it that the policy relating to the evaluation of the new employee is implemented and that the new employee is aware of their performance and provided feedback in order to improve during the probationary period.
- If the employee is not properly notified of the arrangement, then they are prescribed by law to be classified as a regular employee from the time they started working for the company.

d) Term or Fixed Employment

When an employee renders service for the definite period of time and the employment contract must be terminated after such period expires. This type of employment will not be determined by the activities that the employee is expected to perform but by the commencement and termination of the employment relationship.

Fixed-term employment is highly regulated and is subjected to the following criteria:

- Be voluntarily and knowingly agreed upon by the parties without any force, duress or improper pressure being brought to bear upon the employee and absent any vices of consent
- It is satisfactorily appearing that the employer and the employee dealt with each other on more or less equal terms with no dominance exercised by the former over the latter.

VI. EMPLOYEE EXIT POLICY (RESIGNATION/TERMINATION/RETIREMENT)

PURPOSE:

The purpose of an employee exit policy is to have a process in place when an employee is leaving the Company (resignation, retirement, end of contract etc). The Company shall adhere two (2) kinds of Resignation/Termination of employment by the Employee.

a) For Voluntary Resignations

Without just cause, the employee must give a **one (1) month** advance written notice for resignation (commonly referred to as a “resignation letter”) to his/her Immediate superior to enable them to look for a replacement and prevent work disruption. If the employee fails to provide a resignation letter, he/she runs the risk of incurring liability for damages. During the employee’s notice period; he/she must continue to assume his/her normal responsibilities and should assist with a handover to the existing team or his/her replacement if in place.

- (1) The employee shall address his/her notice of exit or resignation letter to his/her Department Head including the HR/Admin Department. The letter shall contain the employee’s “Effective Date of Exit,” the day following the employee’s actual last day of work.
- (2) Unless otherwise waived by Management in the exercise of its discretion, an employee is required to provide a minimum of one (1) month (30 calendar days) advance written notice prior to the intended “Effective Date of Exit”.
 - i. The one (1) month advance written notice shall not apply if a disciplinary action has been imposed on the employee or the employee failed to pass his/her probationary period which resulted to Dismissal and/or non-permanency or unless otherwise deemed necessary by Management.
- (3) The Department Head shall discuss with the immediate superior whether to “Accept” the resignation and determine the records, files, and other accountabilities of the employee.

- (4) An employee who has submitted his/her resignation letter shall continue performing his/her duties until the Company approves and accepts the resignation.
- (5) If “Accepted”, a signed copy of the “Accepted” Resignation Letter by the Immediate superior shall be submitted to HR Department and a notice of acceptance will be given to the employee by the HR Department as soon as the accepted resignation letter is received.

NOTE:

- The Company does not have the right to refuse resignation of an employee but the Company has the right to enforce a **thirty (30) day notice** from the employee prior the effectivity date of their resignation.
 - The HR Department is required to provide the employee a letter of acceptance as it is necessary to make the resignation effective.
- (6) Resigning employees are not entitled to **separation pay**, which is due only for authorized cause separation but resigning employees are entitled to receive their **back pay**.

NOTE:

- Separation pay is defined as an additional pay given to employees who are separated from their employment due to authorized causes (i.e. redundancy, retrenchment, automatized/computerization of a specific function in the company, etc.)
- Back pay is defined as payment for work done in the past that was withheld at the time the resignation was filed.

b) For Involuntary resignation or termination of employment

Refer to the Code of Discipline for a detailed description of employee offenses and the succeeding disciplinary actions to be given out.

- (1) With just cause, however, the employee need not serve a resignation notice.
The just causes for resignation indicates as follows:
 - serious insult to the honor and person of the employee;

- inhuman and unbearable treatment accorded the employee by the employer or his representative;
 - crime committed against the person of the employee or any immediate members of the employee's family; and other similar causes.
- (2) The Company can terminate an employee for just causes, which could be any of the following:
- serious misconduct or willful disobedience by the employee of the lawful orders of his employer or representative in connection with his work;
 - gross and habitual neglect by the employee of his duties;
 - fraud or willful breach by the employee of the trust reposed in him by his employer or duly authorized representatives;
 - 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 representatives; and other similar causes.
- (3) The Company can also terminate an employee based on authorized causes like business and health reasons. An employee can be terminated due to business reasons such as:
- installation of labor-saving devices;
 - redundancy;
 - retrenchment (reduction of costs) to prevent losses; or the closing or cessation of operation.
- (4) For termination of employment based on health reasons, the Company is allowed to terminate employees found suffering from any disease and whose continued employment is prohibited by law or is prejudicial to his health as well as to the health of his co-workers. The Company must obtain from a competent public health authority a certification that the employee's disease is of such a nature and at such a stage that it can no longer be cured within a period of six (6) months even with medical attention.
- (5) For employees who were dismissed due to disciplinary action, authorized causes, and just causes HR Department will follow the Implementing

guidelines of the Employee Disciplinary Rules and Procedures and later on shall be served a Notice of Dismissal.

- (6) For employees who did not meet the requirements of the job during the Probationary period.

c) Retirement

Employees shall be retired upon reaching the age of sixty (60) years or more but not beyond sixty-five (65) years old and/or employees who have served the establishment for at least five (5) years.

d) Implementing Guidelines for Employee Exit

An exit interview is conducted during his/her last day of work and/or during his/her clearance day. The purposed of exit interview is to understand the employee's perceptions and experiences and get feedback about the job the employee held, his/her work environment, and the Company's work place. This system can help reduce turnover and increase employee satisfaction and commitment by addressing some reasons on what/why the employee is leaving the Company.

- (1) HRD shall serve a Notice of End-of-Contract to the employee.
- (2) Salary Hold: upon receipt of the accepted resignation letter, HRD shall inform Accounting Officer to put on hold the employee's last salary thru email
 - i. The employee's last salary shall put on hold prior or within the cut-off of his/her Effective Date of Exit
- (3) Cancellation of Company benefits:
 - i. HMO
 - ii. Birthday Leave
 - iii. Cash Advance
 - iv. Accrual of Sick Leave and Vacation Leaves
- (4) Deactivation of Company Email and User Account

Human Resource Department shall inform the Information Technology Department to deactivate the email access and the use account of the employee upon effective date of exit.

(5) Processing of Clearance

i. Routing of Clearance

1. The employee shall secure a Clearance Form from HRD and affix his/her signature.
2. The employee shall then route the clearance to all Departments
3. In case of missing items or unsettled accountabilities, the employee shall sign the “Authority to Deduct” portion of the Clearance Form to cover for any outstanding liabilities. If the final pay is insufficient, the employee shall pay the remaining balance due within thirty (30) days.

(6) Return of Company Assets/Liabilities

- i. The employee is required to conduct proper turnover of work responsibilities and accountabilities to his/her immediate superior.
- ii. The employee shall surrender all Company properties that he/she used while under company’s employment before he/she can obtain a clearance signature from the concerned Departments. (eg. Uniforms, mobile phone, ATM card, HMO card, Company ID, etc.). In case of loss, he/she shall submit to HRD a notarized Affidavit of Loss

(7) Exit Interview

- i. Once the clearance process has been initiated, the employee shall be given an Exit Interview Questionnaire to be discussed with his/her immediate superior and HRD.
- ii. The Immediate Superior shall conduct the exit interview of the employee using the first part of the questionnaire.
 1. **Exit Interview with Immediate Superior.** For employees who have been identified as high potentials and high performers, the first part of the exit interview may be chance for their immediate superior to

counsel them and assess if they can be persuaded to stay or retract the resignation, subject to the approval of the Management.

2. **Exit Interview with HRD.** This allows HRD to gain insights/additional information in order to recommend future programs and processes and initiate employee retention efforts.

(8) Limit Access to Office Premises

- i. Upon effectivity of separation all separated employees shall be treated as guest/s or visitor/s. And shall no longer have access to the office premises without the assistance/supervision of HRD.
- ii. An **Inter-Office Memo** shall be posted to the Clinic's Newsfeed for strict implementation.

(9) Final Pay and Quitclaim

- i. Once the clearance has been completed, HRD shall prepare the final attendance summary of the separated employee for the computation of final pay. The summary shall include unpaid days worked and overtime, sick leave, and salary adjustments (if any).
- ii. The attendance summary shall be forwarded to Accounts Department for the final computation and preparation of check payment on every end of the payroll processing for active employees.
- iii. Accounts Department shall notify the HRD on the availability of check. HRD shall then inform the separated employee and schedule release of final pay. Final pay released shall be scheduled on Friday from 1400 to 1700 only.
- iv. The separated employee shall formally close their employment with the company by signing the following:
 - Release of Waiver and Quitclaim
 - BIR Form 2316 and
 - Certificate of Employment
- v. HRD shall close the employee record (201 file) once the employee has received all these documents.

VII. OFFICE EQUIPMENT POLICY

SCOPE:

All Company property – including desks, storage areas, work areas, lockers, file cabinets, computer systems, hardcopy/softcopy of data/information, office telephones, cellular telephones, modems, duplicating machines, copying machines and vehicles – must be used properly and maintained in good working order. Employees will be subjected to disciplinary sanctions if and when they misuse, lose, or steal Company property and may be personally liable for replacing or repairing the item.

GENERAL POLICY:

- a) The Company reserves the right, at all times and without further notice, to inspect and search all Company property for the purpose of determining whether this policy or any other policy of the Company has been violated, or when an inspection and investigation is necessary for purposes of promoting safety in the workplace or compliance with state and federal laws. These inspections may be conducted during or outside of business hours and in the presence or absence of the affected employee.
- b) To protect the Company's legitimate business interests, the Company reserves the right to question and inspect or search any employee or other individual entering or leaving Company premises, with or without notice.
- c) The inspection or search may include any packages or items that the individual may be carrying, including briefcases, handbags, knapsacks, shopping bags, et cetera.
- d) The individual may be requested to display the contents of any packages and/or turn out his or her pockets, et cetera, in the presence of a representative of the Company, typically a management employee of the same gender.
- e) Whether information is entered or sent during or outside of working time, employees have no right of privacy as to any information or file maintained in or on Company property or transmitted or stored through Company computer systems, voice mail, e-mail or other technical resources.

- f) If, during the course of your employment, you perform or transmit work on Company computer systems or other technical resources, your work may be subject to the investigation, search and review of others in accordance with this policy.
- g) In addition, any electronically stored communications that you either send to or receive from others may be retrieved and reviewed when doing so serves the legitimate business interests and obligations of the Company.
- h) Employees should use the computer systems only for business purposes. Using e-mail or the Internet for personal, non-business, purposes is prohibited during working time (as that term is defined in the Solicitation/Distribution of Literature section below).
- i) Employees may access only electronic files or programs that they have permission to enter. Unauthorized copying or use of computer software exposes both the Company and the individual employee to substantial fines and/or imprisonment.
- j) Employees may not load personal software onto the Company's computer system, and may not copy software from the Company for personal use. All employees must contact the (insert title of appropriate Company representative) to install any software on the Company's computer system.
- k) Unauthorized review, duplication, dissemination, removal, installation, damage or alteration of files, passwords, computer systems or programs, or other property of the Company, or improper use of information obtained by unauthorized means, will not be tolerated.
- l) Messages stored and/or transmitted by voice mail or e-mail must not contain content that may reasonably be considered offensive or disruptive to any employee. Offensive content would include, but not be limited to, sexual comments or images, racial slurs, gender-specific comments or any comments or images that would offend someone on the basis of his or her age, sexual orientation, religious or political beliefs, national origin or disability.

POLICY ON UNACCEPTABLE USE OF THE INTERNET:

- a) In addition to the requirements stated above, use of the Internet must not disrupt the operation of the Company network or the networks of other users, and must not interfere with the productivity of any employee.
- b) Copyrighted materials belonging to entities other than this Company may not be transmitted by employees on the Internet.
- c) Any copy of copyrighted material may be downloaded for an employee's personal use in research if pre-approved by the employee's manager.
- d) Employees are not permitted to copy, transfer, rename, add or delete information or programs belonging to other users unless given express permission to do so by the owner of such information or programs.
- e) Employees should be aware that harassment of any kind is prohibited. No messages with derogatory or inflammatory remarks about an individual or group's age, disability, gender, race, religion, national origin, physical attributes, sexual preference or any other classification protected by federal, state or local law will be transmitted.
- f) Each employee is responsible for the content of all text, audio or images that they place or send over the Internet. All messages communicated on the Internet should have your name attached.
- g) No messages will be transmitted under an assumed name. Employees or other users may not attempt to obscure the origin of any message.
- h) Employees who wish to express personal opinions on the Internet are encouraged to disassociate the name of the Company from any such social media post at all times.
- i) To prevent computer viruses from being transmitted through the system, employees are not authorized to download any software onto their computer or any drive in that computer. Employees interested in obtaining software from the Internet should contact the Computer Department and/or get management approval.

POLICY ON COMPUTER AND DATA SECURITY:

- a) All computers and the data stored on them are and remain at all times the property of the Company.
- b) All messages created, sent or retrieved over the Internet or the Company's electronic mail system are the property of the Company, and should be considered public information.
- c) The Company reserves the right to retrieve and read any message composed, sent or received on the Company's computer equipment and electronic mail system.
- d) Employees should be aware that, even when a message is deleted or erased, it is still possible to recreate the message; therefore, ultimate privacy of a message cannot be ensured to anyone.
- e) Accordingly, Internet and electronic mail messages are public communication and are not private.
- f) All communications, including text and images, can be disclosed to law enforcement or other third parties without prior consent of, or notice to, the sender or the receiver.

VIOLATIONS AND SANCTIONS:

Violations of any guidelines listed above may result in disciplinary action up to and including termination. In addition, the Company may advise appropriate legal officials of any illegal violations. This policy is in no way intended to modify the at-will nature of employment with the Company.

E. COMPENSATIONS AND BENEFITS

I. PAYROLL

The salary will be disbursed on the 15th and 30th/31st of the month, subject to the pertinent provisions under your agreed contract on service incentive leaves, and applicable laws.

Pays will be automatically deposited electronically into the bank account details provided to The Company. Other mandate benefits are automatically deducted from your salary.

II. TIMEKEEPING

The employees must accurately record the time they begin and end their work thru biometric machine and logbook provided. They must also record the departure from work for personal reasons.

It is the employee's responsibility to sign his or her time record to certify the accuracy of all time recorded. The HR payroll specialist will review and then initial the time record before submitting it for payroll processing. In the event of an error in reporting time, employees must immediately report the problem to the payroll specialist.

1. Enforcement

Altering, falsifying, tampering with time records or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

2. Time Worked

Time worked includes all time that an employee is required to be performing duties for the company. Time worked is used to determine overtime pay

required for nonexempt employees. The following provisions are included as time worked:

- a) **Work away from premises (Official Business / Field Work).** If approved, work performed off the premises or job site by an employee will be counted as time worked. An employee will not be permitted to perform work away from the premises, or job site unless approved in advance in filing of OB form by employee.
- b) **Break time.** Rest periods of 15 minutes or less are counted as time worked.

3. Time Not Worked

The Company does not count the following provisions as time worked:

- a) **Paid leave.** Approved paid absences, including sick leave, vacation leave, holiday leave, emergency leave, and funeral/bereavement leave are not counted as time worked.
- b) **Lunch or dinner periods.** Uninterrupted time off for lunch or dinner is not counted as time worked.

4. Hours of Work

Office hours are from **0800-1700**, Mondays to Saturdays. For Field work or Official Business the hours will have shifting schedule based on business needs and the requirements of the work you are assigned.

The Department Managers will establish the standard hours of work and break times.

5. Overtime and Additional Hours

Overtime is work which is performed at the direction of the manager and which is more than the contracted hours of work. If you cannot for some reason work reasonable additional or overtime hours you must notify the Manager as soon as practicable with the reasons as to why.

6. Lateness for Work

- Any absence or late arrival due to illness, injury or any other reason, and the expected duration of leave must be personally reported to your supervisor as soon as practicable and three (3) hours prior to your normal starting time.
- If you are unable to do this personally, you are requested to ask someone to telephone on your behalf.
- Subsequent to this, you must keep your Manager informed of your progress.
- Wherever possible you should make dental, medical, business or other appointments outside your normal working hours.
- It is essential that you are ready to commence work at your normal commencement time as other employees and the business depend upon you and your contribution.

7. Reimbursement of Expenses

The Company will reimburse employees for pre-approved expenses properly incurred by employees in the proper performance of their duties. Reimbursement will be subject to employees providing the Practice with receipts or other evidence of payment and of the purpose of each expense, in a form reasonably required by the Company.

Employees will also be required to complete the Expense Reimbursement Form which can be located online through the HR system.

III. 13th MONTH PAY

SCOPE:

The 13th month pay is an additional compensation given to employees in the Philippines typically at the end of the year. It is a mandatory benefit provided to employees pursuant to Presidential Decree No. 851 as stated below:

“All employers are hereby required to pay all their employees receiving a basic salary of not more than PHP 1,000.00 a month, regardless of the nature of their employment, a 13th month pay not later than December 24 of every year.”

All rank-and-file employees who have worked for at least one month in a company are entitled to a 13th month, regardless of the nature of their employment and irrespective how they receive their wages.

IMPLEMENTING GUIDELINES:

a) Computation of 13th month pay:

The 13th month pay shall not be less than 1/12 of the total basic salary earned by an employee within a calendar year. Sample below:

$$\frac{\text{Total Basic Salary earned for the year}}{12 \text{ months}} = \text{Proportionate 13}^{\text{th}} \text{ month pay}$$

NOTE: Basic salary shall include all remunerations of earnings paid by an employer to an employee for service rendered but does not include allowances and monetary benefits which are not considered or integrated as part of the regular or basic salary (i.e. cash equivalent of unused vacation and sick leave credits, overtime, premium, night differential, holiday pay, and cost of living allowances).

b) Computation of 13th month pay not inclusive of:

Maternity leave benefits. These leave benefits are not included in the computation of the 13th month pay. To illustrate, assuming that a female

employee is receiving a monthly salary of PHP 10,000.00 and was on maternity leave from June 1 to July 31:

MONTH	SALARY
January	PHP 10,000.00
February	PHP 10,000.00
March	PHP 10,000.00
April	PHP 10,000.00
May	PHP 10,000.00
June	On maternity leave
July	On maternity leave
August	PHP 10,000.00
September	PHP 10,000.00
October	PHP 10,000.00
November	PHP 10,000.00
December	PHP 10,000.00
	PHP 100,000.00

$$\frac{\text{PHP } 100,000.00}{12 \text{ months}} = \text{PHP } 8,333.33$$

PHP 8,333.33 is the proportionate 13th month pay of a female employee who was on maternity leave from June 1 to July 31.

c) Releasing of 13th month pay

It should be paid not later than December 24 of each year. An employer, however, may give to their employees one-half of the 13th month pay before the opening of the regular school year and the other half on or before the 24th day of December of every year.

d) Resigned employees

Employees who have filed resignation or are separated/terminated from the company are eligible to receive 13th month pay.

An employee who has resigned or whose services were terminated at any time before the time for release of the 13th month pay is still entitled to the benefit.

NOTE: Computation for

The 13th month pay of a resigned or separated/terminated employee is in proportion to the length of time he or she has worked during the year, reckoned:

- (1) From the time she has started working during the calendar year or
- (2) The time the last 13th month pay was given, up to the time of his/her resignation or separation/termination from the service.

i.e. If he/she worked only from January to September, the basic salary during that period will be added and thereafter divided into 12. The amount after dividing is the proportionate 13th month pay

e) AWOL employees

An AWOL employee as well as those under indefinite leave are entitled to their 13th month pay provided that these employees have worked for at least one (1) month during a calendar year.

i.e. If an employee only worked for three (3) months and went into indefinite leave after, he/she will be entitled to a prorated 13th month pay, which is the total sum of the basic salary for the period the employee has attended divided by 12.

f) Reminders about the 13th month pay:

- (1) The 13th month pay is required to be paid in cash and not in kind. Hence gift vouchers, free membership in any service-oriented establishment, Christmas basket, free hotel accommodation and any other freebies that are non-monetary benefit is not allowed.
- (2) During an economic crisis (i.e. 2020 COVID-19 pandemic), if the company is distressed, it can apply for an exemption from paying the 13th month pay upon prior authorization of the Secretary of Labor.

NOTE: This has to be filed by the HR Department with the approval of management. If in case the Secretary of Labor does not approve, the Company is still required to release all the employees' 13th month pay.

IV. MANDATORY BENEFITS

SSS, Pag-ibig, and Philhealth Coverage:

During the duration of an employee's employment, the HR Department will be managing and handling all the necessary payment contributions mandated by law relating to the employee's Social Security System (SSS), Pag-ibig, and Philhealth.

All of these are part of the Company's employee benefits as mandated by Philippines' labor laws.

V. SICK LEAVES AND VACATION LEAVES

In line with the company's continuing efforts to further improve and address the general welfare of its employees, the Vacation Leave (VL) and Sick Leave (SL) will be provided to employees to give them time to recuperate in times of illness, allow time for rest or to attend to personal matters. The purpose of this policy on VL and SL aims to maintain high standard mental, emotional and physical conditioning of the employees to ensure optimum performance of their functions.

- a) All regular employees are entitled to ten (10) days paid sick leave and ten (10) days paid vacation leave every year.
- b) An employee accrues 0.834 leaves per month of stay in the company.

Ex. $10 / 12 = 0.83333$

$15 / 12 = 1.25$

- c) Newly regularized employees are entitled to the monthly earned leaves after regularization.

- (1) New employees accrue sick leave at the rate of 0.834 days per month equivalent to ten (10) days for one (1) calendar year. In the same manner, new employees accrue vacation leave at the rate of 0.834 days per month equivalent to ten (10) days for one (1) calendar year.

Ex. New Employee 1

Date regularized : December 14, 2019

Accrue SL/VL : 0.834

Accrue SL/VL months: Dec. 2019 – Nov. 2020 (12months)

$$0.834 * 12 = 10 \text{ days SL}$$

$$0.834 * 12 = 10 \text{ days VL}$$

New Employee 2

Date regularized : December 26, 2019

Accrue SL/VL : 0.834

Accrue SL/VL months: Jan. – Nov. 2020 (11months)

$$0.834 * 11 = 9 \text{ days SL}$$

$$0.834 * 11 = 9 \text{ days VL}$$

Note: accrual of SL/VL is from December of the current year to November of the following year (eg. 12-2019 to 11-2020)

- (2) Newly regularized employees can avail of their VL and SL as earned otherwise, excess leave/s availed from the earned VL/SL shall be subject to salary deduction.

Ex. After 6 months of probationary period the employee has earned a total of 5 leaves ($0.834 * 6 = 5$)

- d) Availment of vacation and sick leave credits will be available for a period of one year from January 1st to December 31st of the same year. (eg. 1-1-2020-12-31-2020)
- e) Employees shall be obliged to utilize their unused VL on or before first (1st) quarter of the following year hence, the **remaining leaves shall be forfeited** and the new leaves for that new year will apply.
- f) Unused SL shall be converted to cash and be disbursed to employees before March 31st of the following year. The current basic salary of the employee shall be the basis of computation of unused SL.

1. Procedure

- a) Filing of VL should be a week or six (6) working days prior of the scheduled leave
- b) Filing of VL must be approved by the immediate head and Department Manager.
- c) Employees going on long leaves, the immediate head and Department Manager must ensure the scope of work of the employee is properly transferred and clearly endorsed to the person assigned to handle the task in his/her absence.
- d) Filing of SL of one (1) day should be on the day of absence and, must immediately inform his/her immediate head three (3) hours before his/her office hours start.
- e) Official SL form must be filed and approved by the immediate head and Department Manager upon resuming of work on the following day.
- f) If sickness is prolonged for more than one (1) day, the employee shall attach the medical certificate with attestation of a license physician of his/her fit to work on his/her filed and signed SL form to be able to consider as SL with pay by the HRD.
- g) These procedures are applicable to all employee of Starport Armada Solutions, Inc., regardless of his/her employment status.

- h) Probationary / newly regularized employee with no accrued SL/VL yet can file their absence as authorized absence **without pay**.
- i) Noncompliance of the foregoing shall be subject for disciplinary action.

1. SPECIAL PRIVILEGE LEAVE (SPL)

- a) SPL is a leave of absence which may be availed of a maximum of three (3) days with pay, annually to mark special milestones and/or attend to filial and domestic emergencies.
- b) SPL can be granted for an absence from work for a death in an employee's immediate family for making funeral arrangements, attending the funeral and burial, paying respects to the family at a wake or visitation, dealing with the deceased's possessions and will, and any ancillary matters that employees must address when a loved one dies.
- c) Immediate family, as it applies to leave taken for funeral, includes the employee's spouse, the employee's and spouse's parents, children, brothers, sisters, grandparents, grandchildren, and sons- and daughters-in-law.
- d) Other events that are covered by this type are natural disasters, anniversaries, PTA meetings, and others that are not related to personal medical/health/sickness condition.
- e) SPL is non-cumulative and non-convertible to cash.

2. MATERNITY LEAVE

This benefit applies to all female employees regardless of their civil status. The female employee is entitled of one hundred five (105) days maternity leave with full pay and an option to extend for an additional of thirty (30) days without pay: Provided, that the employer shall be given due notice, in writing of at least forty-five (45) days before the end of her maternity leave.

In case the employee qualifies as a solo parent, the employee shall be granted an additional fifteen (15) days maternity leave with full pay. In cases of

miscarriage or emergency termination of pregnancy, sixty (60) days maternity leave with full pay shall be granted.

Maternity leave cannot be deferred but should be availed of either before or after the actual period of delivery in a continuous and uninterrupted manner, not exceeding one hundred five (105) days, as the case may be.

3. PATERNITY LEAVE

Paternity Leave refers to the benefits granted to a married male employee allowing him not to report for work for seven (7) days but continues to earn the compensation therefore, on the condition that his spouse has delivered a child or suffered a miscarriage for purposes of enabling him to effectively lend support to his wife in her period of recovery and/or in the nursing of the newly-born child.

This leave is applicable for the first four (4) deliveries of the legitimate spouse with whom he is cohabiting. The male employee applying for paternity leave shall notify his employer of the pregnancy of his legitimate spouse and the expected date of such delivery.

In addition, the male employee must have provided their marriage certificate with the legitimate spouse during his pre-employment requirements.

4. SOLO PARENT LEAVE

In addition to leave privileges under existing laws, parental leave of not more than seven (7) working days every year shall be granted to any solo parent employee who has rendered service of at least one (1) year. The seven-day parental leave shall be non-cumulative.

A solo parent shall be entitled to parental leave provided that:

- a) An employee has rendered at least one (1) year of service whether continuous or broken;
- b) An employee has notified his/her employer of the availment thereof within a reasonable time period of seven (7) days prior the effectivity of the leave;

- c) An employee has presented a Solo Parent Identification Card to his/her employer.

5. SPECIAL LEAVE FOR WOMEN

Special leave benefits for women refers to a female employee's leave entitlement of two (2) months with full pay from her employer based on her gross monthly compensation following surgery caused by gynecological disorders, provided that she has rendered continuous aggregate employment service of at least six (6) months for the last 12 months.

This two-month leave is in addition to leave privileges under existing laws.

Any female employee, regardless of age and civil status, shall be entitled to a special leave, provided she has complied with the following conditions:

- a) She has rendered at least six (6) months continuous aggregate employment service for the last twelve (12) months prior to surgery;
 - b) She has filed an application for special leave
 - c) She has undergone surgery due to gynecological disorders as certified by a competent physician
-
- The employee shall file her application for leave with her employer within a reasonable period of time before the expected date of surgery, or within such period as may be provided by company rules and regulations.
 - Prior application for leave shall not be necessary in cases requiring emergency surgical procedure, provided that the employer shall be notified verbally or in written form within a reasonable period of time and provided further that after the surgery or appropriate recuperating period, the female employee shall immediately file her application using the prescribed form.

Special leave benefits shall be granted to the qualified employee after she has undergone surgery, without prejudice to an employer allowing an employee to receive her pay before or during the surgery.

The employee is entitled to full pay for two months based on her gross monthly compensation. This special leave shall be non-cumulative and non-convertible to cash.

6. LEAVE FOR VICTIMS OF VIOLENCE AGAINST WOMEN AND CHILDREN

Women employees who are victims as defined in Republic Act No. 9262, otherwise known as the Anti-Violence Against Women and Their Children Law, are entitled to a leave of up to ten (10) days with full pay.

The said leave shall be extended when the need arises, as specified in the protection order issued by the barangay or the court. The leave benefit shall cover the days that the woman employee has to attend to medical and legal concerns.

In order to be entitled to the leave benefit, the only requirement is for the victim-employee to present to her employer a certification from the barangay chairman (Punong Barangay) or barangay councilor (barangay kagawad) or prosecutor or the Clerk of Court, as the case may be, that an action relative to the matter is pending.

The usage of the ten-day leave shall be at the option of the woman employee. In the event that the leave benefit is not availed of, it shall not be convertible into cash and shall not be cumulative.

The crime of violence against women and their children is committed through any of the following acts:

- a) Causing physical harm to the woman or her child;
- b) Threatening to cause the woman or her child physical harm;
- c) Attempting to cause the woman or her child physical harm;
- d) Placing the woman or her child in fear of imminent physical harm;
- e) Attempting to compel or compelling the woman or her child to engage in conduct which the woman or her child has the right to desist from or desist from conduct which the woman or her child has the right to engage in, or attempting to restrict or restricting the woman's or her child's freedom of movement or conduct by force or threat of force, physical or other harm or

threat of physical or other harm, or intimidation directed against the woman or child. This shall include, but not limited to, the following acts committed with the purpose or effect of controlling or restricting the woman's or her child's movement or conduct:

- (1) Threatening to deprive or actually depriving the woman or her child of custody to her/his family;
 - (2) Depriving or threatening to deprive the woman or her children of financial support legally due her or her family, or deliberately providing the woman's children insufficient financial support;
 - (3) Depriving or threatening to deprive the woman or her child of a legal right; and
 - (4) Preventing the woman in engaging in any legitimate profession, occupation, business or activity or controlling the victim's own money or properties, or solely controlling the conjugal or common money, or properties.
- f) Inflicting or threatening to inflict physical harm on oneself for the purpose of controlling her actions or decisions;
- g) Causing or attempting to cause the woman or her child to engage in any sexual activity which does not constitute rape, by force or threat of force, physical harm, or through intimidation directed against the woman or her child or her/his immediate family;
- h) Engaging in purposeful, knowing, or reckless conduct, personally or through another, that alarms or causes substantial emotional or psychological distress to the woman or her child. This shall include, but not be limited to, the following acts:
- (1) Stalking or following the woman or her child in public or private places;
 - (2) Peering in the window or lingering outside the residence of the woman or her child;
 - (3) Entering or remaining in the dwelling or on the property of the woman or her child against her/his will;

- (4) Destroying the property and personal belongings or inflicting harm to animals or pets of the woman or her child; and
 - (5) Engaging in any form of harassment or violence.
-
- i) Causing mental or emotional anguish, public ridicule or humiliation to the woman or her child, including, but not limited to, repeated verbal and emotional abuse, and denial of financial support or custody of minor children of access to the woman's child/children.

VI. OTHER BENEFITS

1. Birthday Leave:

After a year of service with The Company, as a regular employee he/she is entitled to choose one (1) from the following privilege on his/her birthday:

- a) He/she can file a one (1) day leave with pay or;
- b) Management will give him/her a gift certificate worth one (1) thousand pesos.

2. Cash Advance

A regular employee can acquire any amount but not exceeding to his/her one (1) month salary as cash advance for emergency or personal use as long as he/she can provide,

- a) Request letter with approval from his/her immediate superior/manager
- b) Valid reason for requesting a specific amount.
- c) Guarantors of at least two (2) person inside the establishment (such as co-employee, supervisors, and a like)
- d) Only employees who have serve the company of at least one (1) year from the date of his/her date of regularization can apply for cash advance.
- e) The terms of payment shall range from a period of a) three (3) months, b) six (6) months, and c) twelve (12) months, at the discretion of the management.

- f) The employee shall submit to the company a **Promissory Note** for the amount of granted as a cash advance.
- g) Cash advance may renew after six (6) months from the last payroll deduction of the previous cash advance and/or subject to the discretion of management.

F. PERFORMANCE MANAGEMENT POLICY

I. Purpose

The Company believes that all employees strive to achieve their highest abilities and seek and deserve feedback on their performance. The Performance Management is intended to be a constructive and positive experience. It is viewed as an opportunity for employees to understand their performance relative to their job functions, goals and objectives.

In Starport Armada Solutions Inc., we strive to ensure that all employees have the opportunity to grow and develop to achieve their professional goals, therefore The Company will aid in coaching and developing its employees to their fullest potential through their Performance Management.

The idea of organizing this evaluation procedure to its regular employees are to oversee his/her chance to prove his/her work performance for a possible promotion or transferred to a position that will develop his/her job responsibilities, and to help the Management in deciding in term of granting salary revisions/increment for its employees.

NOTE: This policy is different from the probationary evaluation of new employees. This will discuss the **annual performance review** of all regularized employees of the company.

II. Scope

This policy applies to all permanent employees and fixed-term employees engaged for a period greater than 6 months, within Starport Armada Solutions, Inc.

III. Definition of Terms

- a) **Code of Conduct** encompasses the standards and company values that individuals in the organization are expected to follow.
- b) **Feedback** is providing information to another person about their performance or impact of their actions on a person, group or activity. Effective feedback is specific, timely and focuses on a specific behavior.
- c) **Goals** are objectives, targets, purposes, intentions and plans that both the manager/supervisor and the employee intend to achieve. To be most effective, they need to be specific and measurable.
- d) **Performance and Development** is the system that supports a culture of ongoing improvement, feedback and development within the workplace. The focus of Performance and Development is on personal improvement for effective performance.
- e) **Performance Development Planning** is the process that enables the manager/supervisor and the employee to identify and confirm business and personal goals that are most significant to the company's success.
- f) **Performance Improvement Plan (PIP)** is designed to facilitate constructive discussion between staff member and his/her supervisor and to clarify the specific aspects of work performance to be improved. This is usually used when there are significant underperformance issues and a structured approach is required to address concerns.
- g) **Performance Management** is the holistic process of creating a work environment or setting in which people are enabled to perform to the best of their abilities. It is not merely a focus on current performance but is a wider system that supports the employment cycle.

IV. Procedure

Performance and Development Plan

Every employee must have a Performance and Development Plan (PDP) jointly developed and agreed with their manager. The PDP must be reviewed at least annually. The PDP is to be documented on the template provided.

The Performance and Development Cycle

The diagram below represents the four key stages in the Performance and Development Cycle. Each department can determine the timing of this cycle, as long as the cycle is completed for each individual employee at least once per year.

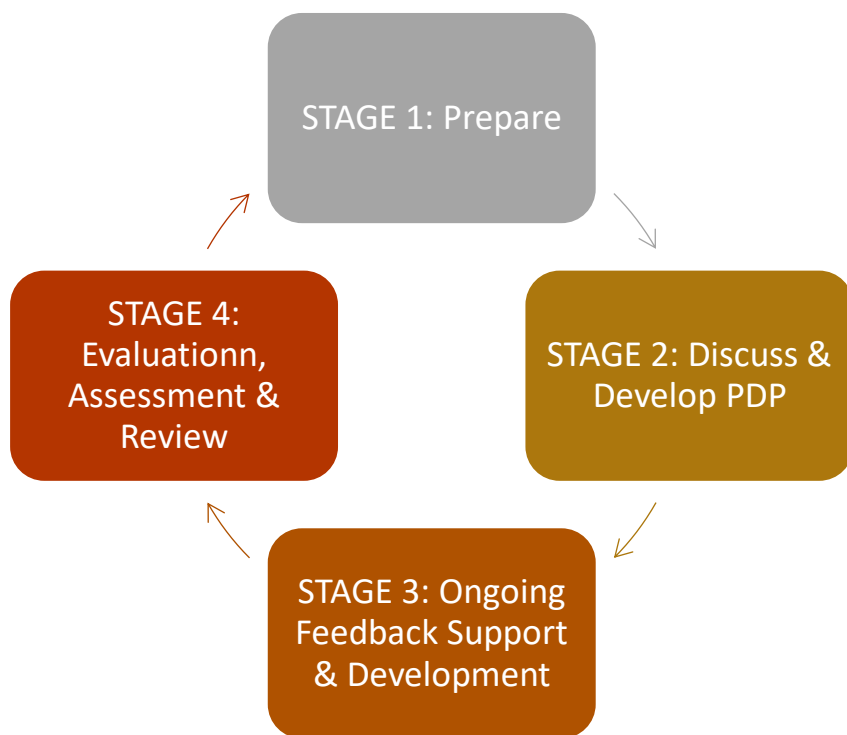


Figure 1 Process of Employee Performance Management

1. STAGE 1: Preparing for the Performance and Development meeting

- a) The employee must be provided with sufficient notice of the Performance and Development meeting to allow both parties to prepare for the discussion.
- b) The manager is to ensure the employee understands what will be covered during the meeting, is familiar with the Performance and Development process and requirements, including the Performance and Development Plan (PDP) template.
- c) The manager and employee are to agree on the nature of the preparation for the meeting, including the documents that will be referred to in preparing the Plan. Both the manager and employee are to ensure they are familiar with these documents prior to the meeting.
- d) The manager and employee are able to determine the approach they take to preparing for the meeting.
- e) They may agree that the employee will undertake a form of self-assessment prior to the meeting.
- f) They may agree that the employee completes a draft of the PDP before the meeting to inform the discussion.
- g) The degree of self-assessment and preparation undertaken by the employee should be based upon consideration of their experience and confidence with the process, and their employment level.
- h) Both the manager and employee should focus their preparation on identifying the priority areas for the employee to concentrate on for the next 12 months, including areas of performance where improvement and development are most relevant.

2. STAGE 2: Discuss and Develop PDP

The employee and their manager must meet to formally discuss and develop the employee's PDP at least once per year preferably during the month of November.

NOTE: Prior to this stage the employee must receive the template of the PDP for him/her to answer before the discussion with their manager.

The development and documentation of the PDP must include the following elements:

GUIDELINES:

a) General information for the manager:

- Create an environment that demonstrates an opportunity for supportive two-way discussion.
- Review the purpose of the discussion.
- Ensure the employee has the opportunity to talk about what they think about their own performance.
- Review and summarize the major points and agreements.
- If there are points of disagreement, jointly devise a strategy to follow up on these.
- Make a date for next feedback discussion.

b) Establishing the Goals/Objectives:

- The aim of this section of the PDP is to ensure the employee has a clear understanding of the link between the goals and priorities of the workplace they work in, and their own role and responsibilities.
- It is recommended that goals/objectives are limited to identification of 4 or 5 key areas

c) Establishing the Actions:

- The actions should be expressed in clear unambiguous language to provide a mutually understood basis for future discussions about the employee's performance.

- A reasonable number of actions should be identified for each goal. This is a matter for negotiation between the manager and the employee.

d) Identified Development Needs:

- A general discussion should take place regarding current performance in line with the newly identified goals and actions. This will assist in identifying the learning needs which may need to be addressed in order for the employee to meet the expected goals over the assessment period.
- Strategies may include options such as on-the-job or formalized training, coaching, self-learning, specific developmental opportunities, projects, peer mentoring, cross-skilling etc.

e) Establishing Outcomes and Measures of Success:

- The identified performance outcome should relate directly to the performance goal and show how it will be achieved.
- Both parties need to agree on the type and source of evidence that will be relied upon in the performance assessment.
- The measurement may be quantifiable, i.e. it may be a deadline to be met, or a number of things to be completed.
- The measurement may be qualitative, i.e. it may be an activity that has to be done to a certain standard.
- Formal performance assessment will have the most validity when it is based on multiple sources of evidence.

ELEMENTS OF THE PDP:

a) Goals/Objectives

This section must clearly articulate agreed goals/objectives for performance and improvement that will be a priority for the employee to focus on achieving during the life of the PDP.

In deciding on the goals/objectives, the manager and employee are to take into consideration the key areas of priority that have been identified for the workplace, and which are relevant to the employee's role, responsibilities

and duties, and professional standards. The goals/objectives should also be based upon the employee's statement of duties as well as identified areas of performance improvement for the employee.

b) Actions

This section of the PDP must identify the action the employee is to take to ensure they meet the identified goals/objectives, and deliver on the agreed outcomes.

This section is to include the major activities, tasks, projects and/or responsibilities the employee needs to undertake during the life of the PDP. The actions are to clearly relate to the identified goals/objectives, and must be realistic and achievable.

c) Identified Development Need

The manager and employee are to discuss and identify any skill gaps or development needs relating to the identified goals/objectives and actions. Specific strategies are to be developed to address the identified development need. The type of professional development to be undertaken and the proposed timeframe must be documented in the PDP.

Development opportunities are to be negotiated to take into account the priorities and resources of the workplace, and to ensure appropriate balance for the needs of all employees within the company. Development opportunities must be realistic, deliverable and are to reflect the principle of collective responsibility for improvement.

d) Outcomes and Measures of Success

The outcomes and measures will establish the way in which the employee and manager will assess whether the performance goals/objectives and standards have been met.

The PDP must identify the specific outcome that is expected to be delivered in association with each performance goal.

Agreed performance measures are to be identified for each identified goal. This will establish the way in which the employee and manager will assess whether the requirement has been met.

NOTE: Certain weights must be given to each goal depending on the type. If it is a quantitative metric such as quotas the immediate superior must indicate clearly the goal of the employee. Qualitative goals must have weighted scores assigned to for each level of accomplished goal and will be placed in the HR information system for computation.

SAMPLE PDP:

ANNUAL EMPLOYEE PERFORMANCE DEVELOPMENT PLAN (PDP)

STARPORT ARMADA SOLUTIONS, INC.



EMPLOYEE INFORMATION			
EMPLOYEE NAME			
POSITION		DATE OF EVALUATION	
PERFORMANCE PERIOD FROM		PERFORMANCE PERIOD TO	
REVIEWED BY:		SIGNATURE	
QUESTIONNAIRE			
DETAILED JOB DESCRIPTION: (CURRENT)			
GOALS/ OBJECTIVES:			
ACTIONS:			
IDENTIFIED DEVELOPMENT NEEDS:			
OUTCOMES AND MEASURES OF SUCCESS:			
POSITION REQUEST			
EMPLOYEE NAME, SIGNATURE & DATE			
MANAGER/SUPERVISOR NAME, SIGNATURE & DATE			
ADDITIONAL COMMENTS (IF ANY)			

3. STAGE 3: Ongoing Feedback, Support and Development

Managers and employees are jointly responsible for ensuring the development and improvement strategies identified in the PDP, including professional development, are followed through.

During the period leading up to the evaluation, assessment and review, the manager must ensure opportunities are taken to provide regular feedback on progress against the goals, actions and outcomes documented in the PDP. This feedback, detailing the employee's progress, is to be recorded on the PDP.

Feedback is to be timely, frequent and focused on improvement. Managers must provide constructive and evidence based feedback. Feedback must be specific, based on examples and focus on the work requirements over which the employee can exercise control.

4. STAGE 4: Evaluation, Assessment and Review

At least once per year the manager must evaluate the employee's performance against their PDP. In undertaking this assessment the manager must:

- Evaluate and assess the employee's performance against the PDP objectively and against the agreed performance measures and outcomes, and with reference to the State Service Code of Conduct and State Service Principles;
- Arrange a meeting with the employee to discuss the evaluation, providing sufficient notice to enable both parties to prepare;
- Provide the employee with clear feedback about their performance, and recognize achievements;
- Advise the employee of the assessment, and be clear about the basis and reasons for the assessment; and
- Document the reasons for the evaluation and assessment on the PDP template.

The assessment is to determine whether the employee:

- a) Has achieved the required performance outcomes and standards

An employee is to be assessed as has achieved the required performance outcomes and standards where they have met the requirements of their PDP and relevant standards/capabilities. Where this assessment is made, the manager and employee must jointly review and update the PDP to reflect the performance goals, actions, development needs, measures and outcomes for the next cycle. The employee then continues in the normal performance cycle.

- b) Is progressing towards meeting required performance outcomes and standards

An employee is to be assessed as progressing toward meeting required performance outcomes and standards where they have:

- achieved the majority of requirements of their PDP and relevant standards/capabilities, and
- will meet the remaining requirements within a reasonable timeframe, and with further support or development where required.

Where this assessment is made the manager and employee should revise the PDP to include appropriate support and development strategies and modify timeframes where necessary. Regular review meetings should be scheduled to monitor progress.

- c) Has not achieved the required performance outcomes and standards.

An employee is to be assessed as has not achieved the required performance outcomes and standards where they have not achieved the requirements of their PDP and relevant standards/capabilities despite having been provided with appropriate support and development. In cases where an employee is assessed as not meeting key performance requirements, standards or capabilities, the manager must consider appropriate action with reference to the underperformance procedures.

Confidentiality, Document Access and Document Storage

The original signed PDP must be given to the HR Department. Once received the HR Department will secure the PDP in the 201 file of the employee.

No one else but the Immediate Manager/Supervisor, Department Head and the HR Department are allowed to view the PDP of an employee.

G. PERFORMANCE IMPROVEMENT PLAN POLICY

I. Purpose

To enact the Performance and Development Policy; providing managers and employees with the required set of processes to effectively manage underperformance.

II. Scope

This policy applies to all permanent employees and fixed-term employees engaged for a period greater than 6 months, within the company.

III. Implementing Guidelines

The following principles apply to the management of underperformance:

- Underperformance is not acceptable, and employees are required to share responsibility for improving performance and to participate in the processes established in these procedures.
- Managers are to address instances of underperformance in a timely and appropriate manner, in accordance with these procedures.
- The primary goal of the underperformance process is to rectify underperformance issues and ensure the employee's future work performance is maintained at a satisfactory level.
- Underperformance is to be managed in accordance with the principles of procedural fairness. This means that an employee has the right to be informed of the specific details of the underperformance issue, is entitled to be heard and must be given a reasonable opportunity to present their case.

- An employee will generally be required to remain working in their current position while an underperformance process is underway, unless the transfer to an alternative role or facility/department is part of a specific strategy to address the underperformance issue.
- Employees and managers have a right to be treated fairly and without bias and are to be informed of the reasons for a decision which affects them.
- Employees involved in the underperformance process must be provided with sufficient notice of any meetings.
- Employees involved in the underperformance process are entitled to support and/or representation at all stages of the process and are to be advised of this right.
- Meetings and discussions must be conducted in an appropriate location having regard to privacy, confidentiality and provisions for people with disability.
- All matters arising during the process are to be kept in the strictest confidence.
- Records of all meetings and discussions are to be provided to the employee and the HR department.
- The decision to terminate employment only occurs when it is evident performance will not improve and the employee has been given the opportunity and support to achieve effective performance at the same time the employee has been made aware through series of memos on the status of their Performance Improvement Plan during their underperformance period.

IV. Procedure

1. Stage 1: Early Intervention and Support

When an underperformance issue is initially identified the manager must address the issues promptly.

- a) The manager must inform the HR Department of an employee's underperformance prior to making any actions.
- b) Once the HR Department is informed, the manager can then discuss the underperformance concern with the employee. Below are simple guidelines on how the manager can handle concerns on underperformance:

- **STEP 1 – Identify the problem**

- (1) Based on observation and concrete examples, list down all the concerns or issues of underperformance by the employee on focus.
- (2) This includes examples of behavior or action that is causing an issue
- (3) When has it occurred
- (4) Why it is an issue of underperformance and how is it affecting the company
- (5) Discuss the action in detail and how the employee can change or improve on these actions/behaviors that is the cause for their underperformance
- (6) Get any documents that demonstrate the problem (i.e. emails, employee's work output, customer or co-worker feedback)

- **STEP 2 – Assess and Analyze**

- (1) Once the problem has been identified consider the ff:
 - How serious is the problem
 - How long the problem has existed
 - The gap between what is expected and what is being delivered by the employee
- (2) Once you have assessed the problem, organize a meeting with your employee to discuss it.

- (3) Schedule the meeting and let the employee know the reason for the meeting in advance so they can adequately prepare.
- (4) If you will be going through specific documents, provide copies to the employee before the meeting.
- (5) Explain to the employee they can bring a support person of their choice to this meeting. A support person may be a co-worker, family member, friend, or union representative (if it applies). Their role is to support the employee during the meeting - not to speak or advocate for them.

- **STEP 3 – Meet with the employee**

It's important the meeting takes place in a private, comfortable, non-threatening environment, away from distractions and interruptions. The meeting should not be overheard by others.

During the meeting the manager should:

- (1) Clearly describe the problem and refer to specific examples
- (2) Explain the impact on the business, the employee's work or co-workers
- (3) Explain the outcomes you want to achieve from the meeting
- (4) Give the employee an opportunity to respond and give you their view of the situation
- (5) Listen and ask questions to understand their response to the problem and why it has occurred
- (6) If possible, refer to recent positive things the employee has done, to show them you also recognize and appreciate their strengths
- (7) Always use a relaxed and encouraging tone and show confidence in the employee's ability to improve.

NOTE: The manager must take records of all the items discussed during the meeting with the employee.

- **STEP 4 – Agree on areas for improvement or solutions with the employee**

After discussing the problem, you and your employee should work together to find a solution. Employees are more likely to improve their performance if they feel they have contributed to this process. When developing a solution, you should:

- (1) Make sure the employee understands the change you require
- (2) Explore ideas by asking open questions. For example, ask the employee ‘what can we do to improve this in future?’
- (3) Suggest ways to fix the problem, and invite the employee to make suggestions as well
- (4) Offer appropriate support and assistance, such as training, mentoring, or adjustments to the employee’s duties
- (5) Reinforce the value of the role the employee performs.
- (6) Clearly identify the performance that needs to improve or the behavior that needs to change
- (7) Outline how this will be done, and list any support that will be provided to help the employee improve
- (8) Explain each party’s responsibilities
- (9) Give the employee a reasonable time to improve their performance
- (10) Set a date for a follow up meeting to review progress and discuss the employee’s performance against the agreed plan

NOTE: Record the agreed actions. This document will be forwarded to the HR department as it sets out what the employee needs to do to improve their performance.

- **STEP 5 – Monitor and Review**

Once you have a solution in place, make sure you:

- (1) Follow through with any training or other support you offered the employee
- (2) Regularly check-in with the employee to discuss how they are progressing

- (3) Continue giving feedback and encouragement
- (4) Have a follow up meeting at the agreed time to review their progress.

NOTE: It often takes more than one conversation to resolve an issue. A follow up meeting is a good chance to acknowledge the employee's progress and focus on the improvements that are still required. Remember, give the employee a reasonable period to improve. What is reasonable will depend on the employee's role and the duties they perform.

- (5) In cases of serious or ongoing underperformance and if the employee's performance does not improve even beyond the discussed timeline, the manager must inform the HR Department to endorse the employee to a formal Performance Improvement Plan (PIP).

NOTE: Provide a summary report of the discussed solutions with the employee and whether the current performance has improved or not, and inform the HR department as well on the frequency of meetings with the employee to discuss their performance.

- c) The Manager must ensure the employee is provided with reasonable opportunity and support to address the underperformance issue. In most cases it is expected that this early intervention and dedicated support for the employee will be sufficient in addressing underperformance.
- d) If and when this early intervention has not resolved the underperformance and/or the formal performance assessment has resulted in an assessment that has not met the standard required, the Manager is to seek advice from their next level Manager and the relevant HR representative on an appropriate course of action. Where advice is given to commence a more formal management of the underperformance issue, through a Performance Improvement Plan (PIP).
- e) Where it is identified during the discussion that there are more serious issues impacting on the employee's performance ex. a medical condition or

issues of misconduct, the Manager is to seek advice from the relevant HR representative on the appropriate course of action.

2. Stage 2: Performance Improvement Plan (PIP) Process

The process is outlined below in steps 1 – 6.

- a) The Manager is to refer the matter through their Senior Manager or to the relevant Department Head. The Department Head is to make a recommendation to the HR Department for the appropriate course of action.
- b) The HR Delegate will then determine whether there is sufficient evidence to proceed with formal management of underperformance.
 - Where the HR Delegate determines the evidence is insufficient to proceed with formal management of underperformance, they are to refer the matter back to the Manager to continue Stage 1.
 - Where the HR Delegate determines there is sufficient evidence for a formal process to proceed, the HR Delegate is to refer the matter back to the Manager to develop a PIP with the employee.
- c) The HR Department's decision to commence the PIP process must first go through proper approval by Upper Management (CEO or COO).
- d) Once approved the HR Department must provide a letter or memo informing the employee of the process of PIP which the manager must then formally give to the employee to advise them. The letter must indicate:
 - Notice that a formal process has commenced and that a PIP is to be developed;
 - Specific details of the lingering underperformance issues to be addressed;
 - Details of the scheduled meeting;
 - The employee's right to provide a response to the alleged underperformance in writing or at the scheduled meeting;
 - The employee's rights to be supported or represented by a person of their choice throughout the process, and the requirement for them to advise in writing if they decline this offer; and

- A clear statement on the consequences if performance does not improve.
- e) The HR Department along with the manager and employee (and where applicable, support person) must meet to establish a PIP. During this meeting the employee must be provided with an opportunity to respond to the underperformance issue, to provide any supporting evidence or documentation or additional information regarding issues that may be impacting on their performance. The HR Department and manager is required to consider all information provided by the employee.
- f) Where it is identified during the discussion that there are more serious issues impacting on the employee's performance e.g. a medical condition or issues of misconduct, the HR Department and manager will take this into account upon review, before a PIP is implemented.
- g) The HR Department and manager, in consultation with the employee, must determine an appropriate timeframe for the PIP. The minimum period for a PIP is to be 4 weeks, and the maximum period is to be 12 weeks. In determining the PIP timeframe consideration is to be given to the following factors:
- Reasonable time for support/development strategies to be implemented;
 - Reasonable time for employee to act on agreed outcomes and demonstrate sustained improved performance;
 - The general expectation that performance will improve in a timely manner;
 - The level of support and development already provided to the employee to address the underperformance issue; and
 - Availability of the employee over the full period of the PIP (taking into account any pre-approved absences).
- h) The outcomes of the discussion must be documented in detail as this will constitute the PIP of the employee. The document must include:
- Specification of the performance requirements that have not been met;

- The actions the employee is required to undertake to improve performance;
- Details on the development and support that is to be provided to the employee to help them achieve the documented performance outcomes;
- The timeframe for achievement, milestones to be met and the frequency of monitoring; and
- Details on how performance will be measured and the type of evidence to be used.

- i) **Interim Assessment** is the agreed interval of a review of the employee's performance. This is a scheduled meeting review and must include a formal, documented feedback. The meeting will provide an opportunity for the employee to respond.

The Interim Assessment schedule must be predetermined and all participants that will be reviewing the performance of the employee must be present (i.e. HR Representative and the Immediate Manager/Supervisor).

- Where the outcome of the first interim assessment is that performance has improved to a satisfactory level, the Manager may determine that the employee can resume the normal Performance and Development Cycle. The employee is to be advised of this outcome through a letter/memo released by the HR Department. The letter must also include a notification that the improvement must be sustained or the matter may be referred back to the HR to consider an appropriate course of action.
- Where the outcome of the first interim assessment is that performance has not improved, the Manager is to refer the matter back to the HR Department.

- j) **Establishment of PIP Panel.** This will be done if the result of the Interim Assessment has still provided no improvement on the performance of the employee.

- Where the HR Delegate agrees with the manager that the Interim Assessments did not show any improvement on performance, they are to establish a Panel to manage the underperformance process in accordance with the PIP.
- The Panel is to comprise the Manager, their Senior Manager and the appropriate HR representative.
- The HR Department must inform the employee that a PIP Panel will be created to further assess his/her underperformance. The letter or memo must include:
 - (1) Notice that the PIP process is to continue;
 - (2) Composition of the Panel
 - (3) Details of a scheduled meeting with the Panel;
 - (4) The employee's right to provide a response to the interim assessments in writing or at the scheduled meeting;
 - (5) The employee's right to be supported or represented by a person of their choice throughout the process, and the requirement for them to advise in writing if they decline this offer; and
 - (6) A clear statement on the consequences if performance does not improve.
- The Panel will not be the new group to administer the Interim Assessment along with the employee. The Interim Assessment frequency must be decided and scheduled by the Panel until the final assessment date.
- If the Panel determines at any interim assessment that performance has improved to a satisfactory level, the employee may resume the normal Performance and Development Cycle.
- The employee is to be advised of this outcome through a letter or memo which includes a notification that the improvement must be sustained, or the Panel may be reconvened to consider an appropriate course of action.

k) **Final Assessment:** At the end of the agreed timeframes for the PIP a final assessment by the Panel should be undertaken.

- Where the outcome of the assessment is that performance has improved to a satisfactory level, the Panel may determine that the employee can resume the normal Performance and Development Cycle. The employee is to be advised of this outcome through a letter or memo which includes a notification that the improvement must be sustained, or the Panel may be reconvened to consider an appropriate course of action.
- Where the outcome of the assessment is that performance **has not improved**, the Panel is to evaluate the process and evidence gathered to determine the appropriate action. This evaluation should include a review of the measurement and assessment process along with any other relevant documentation to ensure the Panel's process was appropriate, fair, and reasonable. The Panel must then decide to:
 - (1) **Option 1:** Extend the PIP timeframe to allow the employee further development and the opportunity to demonstrate improved performance. The employee must be advised of the reasons for the decision and advise that the process will resume from Stage 2.
 - (2) **Option 2:** Refer all documentation to the HR Department to determine appropriate action and advise the employee through a letter or memo.

3. Stage 3: Assessment by the HR Delegate

The HR Department will determine whether the Panel's assessment is supported based upon the documentation and evidence supplied by the Panel.

- a) Where the HR Department **does not support** the Panel's assessment, they are to either:
- Advise the Panel to review the PIP and resume the process from Stage 2 or
 - Convene a new Panel and resume the process from Stage 2

- b) Where the HR Department **supports** the Panel's assessment, they are to refer all documentation to the company's legal counsel and CEO.

4. Stage 4: Decision by the CEO and Legal Counsel

The Legal Counsel must determine the course of action based on all the documentation provided by the HR Department.

- a) Where the Legal Counsel does not accept the assessment of the Panel and HR Department, the Legal Counsel is to appoint a new Panel and the process is to resume from Stage 2, with the development of a new PIP.
- b) Where the Legal Counsel accepts the assessment of the Panel and HR Delegate, the Legal Counsel will review all steps and procedures accomplished in the PIP as documentation support for the appropriate outcome of which the employee will be placed back to his PDP.
- c) Where the outcome of the PIP is termination, the Legal Counsel must review all the procedures and Interim and Final assessments made on behalf of the employee. The HR Department must ensure all steps have been well documented as these procedures are due process prior termination of an employee. Once the Legal Counsel approves all documentation and proceedings done, the HR Department will initiate the Exit process discussed in section VI EMPLOYEE EXIT POLICY (RESIGNATION/TERMINATION/RETIREMENT).

NOTE: The HR Department must provide a letter/memo to the employee indicating the decision for termination of employment and all the just causes proven and discussed in the assessment periods and the effectivity of the termination. Once the employee receives this memo, he/she has the right to resign from the position provided that he/she follows the 30 days notice policy.

H. TRAINING POLICY

I. Policy

The Company believes that effective training and development benefits the individual and the organization as a whole, and contributes to the achievement of The Company objectives.

These benefits include:

- High standard of work performance
- Greater understanding and appreciation of factors affecting work performance
- Sharing ideas and dissemination of good practice
- Effective management and implementation of change
- Building strong and effective teams
- Increased motivation and job satisfaction for individuals
- Professional development

Which aims are to ensure that:

- Its stated objectives are met
- Each employee understand what his/her work role involves
- Each employee is developed to enable them to achieve their work objectives
- Employee are prepared and equipped to deal with changes in The Company
- Each employee is encouraged to develop his/her potential, both personally and professionally.
- Lifelong learning is supported and encouraged for all employee

a) **Corporate Training Programs**

The Company might occasionally engage experts to train our employees. The company will cover the entire cost in this case. Examples of this kind of training and development are:

- Diversity training
- Leadership training for managers
- Conflict resolution training for employees

This category also includes training conducted by internal experts and managers. Examples are:

- Training new employees
- Training teams in company-related issues (e.g. new systems or policy changes)
- Training employees to prepare them for promotions, transfers or new responsibilities

Employees won't have to pay or use their leave for these types of trainings. Attendance records may be part of the process.

On both programs, training may include:

(1) **Internal: direct/indirect training**- This are courses for all employees initiated and offered by the Company's department head internally based on the results of the annual Training Needs Assessment. Indirect training is acquired through experiences from observation or direct practice with supervision of the Department Head and/or Doctors. While direct trainings are developed, announce and implemented as a result of the needs assessments.

(2) **External trainings**- These are courses which are publicly offered and attended by selected employees made by The Company management, specifically sent with an objective of addressing a development gap (competency, knowledge, skills and/or behavior).

1. Procedure for External Trainings:

- a) External Training Form must be duly accomplished, approved and submitted to HRD at least three (3) weeks prior to attending any external training, enclosing the supporting documents such as; complete accomplished registration form, course details and outline.
- b) In granting approval for the training request, it is advisable to ensure that:
 - The training is relevant to the employee's work
 - The training is part of the employee's individual development plan
 - The training will enhance the competency of the employee in carrying out his/her duties and responsibilities.
 - The training will prepare the employee for future assignments

COST FOR EXTERNAL TRAINING PER HEAD	APPROVER
Less than Php 0 and/or up	Department Head

Note: Only approved External Training Request will be processed for registration and payment. And HRD will coordinate the registration with the respective training firm/provider and the timely processing of payment.

2. Training Attendance

Employees ("Trainees") are required to complete the Training and Development program which they have been authorized to attend. Hence, non-completion of the said training either internal or external, the employee will be charged the full expenses for the course.

3. Training Agreement

Cost of Training

- a) Training and Development Programs in the amount of at least Five Thousand Pesos (Php 10,000.00) per employee shall require the execution

of a Training Agreement which prescribes a specific service commitment period.

b) Training cost as the total amount of the following:

LOCAL TRAINING	
i.	Seminar fee
ii.	Transportation fee to and from training venue
iii.	Board and lodging if deem necessary
iv.	Meal allowance if deem necessary
v.	Miscellaneous fees and other required materials

For employees who has acquired training is require the execution of a **Training Agreement** which prescribes a specific service commitment period wherein they are prohibited from leaving the company.

NOTE: The training agreement is a letter/memo made by the HR Department which indicates the training date, training name and location, price of the training and the service commitment period for the training depending on the amount of the said training. This memo must be signed by the employee, his/her immediate superior and the HR Department head. The signed training agreement will then be filed with the employee's 201 file.

Conditions of the Training Agreement

- a) The Training Agreement must be signed by the employee ("Trainee") at least three (3) days before the first day of training.
- b) The Training Agreement shall state that the Company agrees to provide the Trainee with a training period for identified learning objectives and the Trainee agrees to provide all work and services (the "Services") reasonably required by the Company.

- c) The Training Agreement shall state the start to end date of training that the Trainee must oblige to complete.
- d) Shall state the obligation of the Company towards the employee being sent to a training program. This normally includes training fees, meal allowances and accommodation if deem necessary.
- e) That the Trainee will be under an obligation to the Company to make satisfactory progress on the training period program.
- f) The Trainee will be expected to reach a reasonable standard of competence and performance for each task for which he/she has been trained.
- g) Shall specify the Trainee's accountability to the company if ever he/she's not able to fulfil the conditions of the contract.
- h) Shall state that the employee shall not be employed with or render his/her services, in any manner, arrangement, or capacity, to any individual or entity engaged in any business similar to, in the same line of business as, or in competition with, directly or indirectly, while under the employment of the Company.
- i) Shall state in the Training Agreement in case the employee is terminated by The Company or voluntarily resigns, he/she agree and bind himself/herself not to be employed with, or render his/her services, in any manner, arrangement, or capacity, to any individual or entity engaged in any business similar to, in the same line of business as, or in competition with the Company, in the City where he/she were assigned or worked or rendered services for the Company for a period of six (6) months from the date of his/her resignation or termination from the Company.
- j) Shall state in any case if the employee wish to terminate/voluntarily resign in the Company he/she shall agree to reimburse the said amount in a pro-rated base. This amount can be paid in cash by the resigned employee or subject for deduction on his/her separation pay, whichever is applicable.

- k) Shall state in the Training Agreement the compliance of the employee to submit copies of the training certificates acquired from the training to HRD to be filed on the employee 201 file.

Service Commitment

a) Non-compete Clause

If the employee is terminated by The Company or voluntarily resigns, he/she agrees and binds himself/herself not to be employed with, or render his/her services, in any manner, arrangement, or capacity, to any individual or entity engaged in any business similar to, in the same line of business as, or in competition with the Company, in the City where he/she were assigned or worked or rendered services for the Company for a period of six (6) months from the date of his/her resignation or termination from the Company. In case of violating this provision the employee shall be liable to pay the Company the amount of **P100,000.00** as liquidated damages, in addition to other damages that the Company may suffer, if any.

b) Training Clause

The employees who are sent to Training programs are not allowed to resign/ voluntarily terminate their employment with the company unless they will observe any of the following:

- The employee shall not terminate his/her employment with the company for a period of months/years from the date of completion of the training referred to herein or in case of rescheduling of the training, the actual date as confirmed by the HRD.

TRAINING COST	SERVICE COMMITMENT (RETENTION PERIOD)
below Php 10,000.00	Six (6) months
Php 10,000.00 and up	One (1) year and up

Table 13 Total training cost and corresponding service commitment.

- The Company shall allow the employee to resign/voluntarily terminate his/her contract with a condition that he/she shall reimburse the portion of the expenses incurred in sponsoring the training equivalent to the unfulfilled service commitment. The total expenses so acquired is in the amount of PESOS with breakdown as follows:

Example Computation:

Training fee	Php 7,500
Transportation, accommodation	Php 1,500
Others / miscellaneous	<u>Php 0</u>
TOTAL	Php 9,000

$$\frac{\text{Php 9,000}}{180 \text{ Days}} \times 45 \text{ days} = \text{Php 2,596.154}$$

$$\left\{ \begin{array}{l} \text{Whereas: } \frac{\text{full sponsored amount}}{\text{Commitment period}} \times \text{unfulfilled days} = \text{amount due to employee} \end{array} \right\}$$

Eg. Employee B

i. Training fee	Php 7,500
ii. Transportation, accommodation	Php 1,500
iii. Others / miscellaneous	<u>Php 0</u>
TOTAL	Php 9,000

$$\frac{\text{Php 9,000}}{6 \text{ months}} \times 45 \text{ days} = \text{Php 2,580.00}$$

$$\left\{ \begin{array}{l} \text{Whereas: } \frac{\text{full sponsored amount}}{\text{Commitment period}} \times \text{unfulfilled days} = \text{amount due to employee} \end{array} \right\}$$