

UNITED COCONUT PLANTERS LIFE ASSURANCE CORPORATION

CODE OF EMPLOYEE CONDUCT AND DISCIPLINE

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I. PHILOSOPHY BEHIND OUR CODE OF CONDUCT AND DISCIPLINE

We are a recognized leader in the Life Insurance Industry, totally committed to uplifting the nation's social and economic well-being.

From our humble beginnings, we have gradually but inexorably expanded our operations and market reach through the years, and we now have the resources and capability to offer a complete array of financial products and services to wide segments of the market at competitive prices, through multiple distribution channels.

To pursue our corporate objectives of maintaining industry leadership, sustaining financial strength and stability, providing total customer satisfaction and becoming the company of choice for our valued stakeholders, we are guided and inspired by our core values of Reliability, Excellence, Teamwork, Integrity and Empathy.

In order to effectively and efficiently implement the various action plans, projects and procedures that actualize our corporate objectives and bring to the fore our core values, we recognize as a vital linchpin in our company operations, proper personal conduct and discipline that emanate from a shared and deeply-held value system. For this reason, we continually maintain, regularly upgrade and strongly abide by the tenets our Code of Conduct.

Thereby, we reconfirm our fiduciary relationship with the public and our various stakeholders, even as we proclaim our appreciation for their trust and confidence in our honesty, transparency and continuing effort to improve our operations. In this regard, one of our primary duties individually and as a corporation, is to safeguard such conviction, upon which our continuing viability as a company depends.

The Code of Conduct asserts the standards of proper behavior, social norms and values followed and held as universal truths by society. Such fundamental declarations are tenets the breach of which invariably creates a destabilizing and unharmonious impact on the entire organization, because it erodes the communal bond which is based on mutual respect, honesty and trust, so essential to work-related as well as interpersonal relationships.

1. OUR NORMS OF CONDUCT

These basic principles form the bedrock of the norms of conduct for Cocolife:

1. Do not steal or help anyone to steal.
2. Do not cheat or help anyone to cheat.
3. Do not lie or help anyone to lie.
4. Do not abuse authority or fail the trust given to you.
5. Reject dishonesty in all its forms.
6. Always maintain confidentiality of clients' affairs.
7. Avoid conflicts of interest.

2. SEXUAL HARASSMENT

We condemn sexual harassment of any form and any such harassment shall be a violation of this code.

3. DISCRIMINATION

We reject all forms of discrimination including any attempt to discriminate on the basis of gender, religion, among others, in making rewards, promotions, or appointments to any position.

4. DUTY TO REPORT VIOLATIONS

It is a matter of personal honor to report or at least clarify perceived violations. Failure to do so implies a repudiation of one's membership in our community.

5. PEOPLE SUBJECT TO DISCIPLINARY MEASURES/SANCTIONS:

The offender/violator, others involved in the wrong doing such as people who fail to use reasonable care/attention to ensure the violation does not occur, people who should but fail to detect a violation, people who withhold material information regarding a violation and Supervisors and Officers who approve or condone the violations.

6. VIOLATIONS OF LAWS ARE VIOLATIONS OF THE CODE

The Code punishes not only deviations from policies of the Company but also violations of the laws of the Republic of the Philippines, including but not limited to the Insurance Code R.A. 10607, the pertinent Provisions of the Civil Code, the Revised Penal Code and the Labor Code of the Philippines. They shall be dealt with firmly and consistently as violations of the Code.

7. COMMAND RESPONSIBILITY

As officers and supervisors enjoy the respect and obedience of the work force, it is a breach of duty for any officer or supervisor to fail to detect and correct violations committed in his area of responsibility.

II. DUE PROCESS IN DISCIPLINARY PROCEEDINGS

All persons cited for violation/s of the Code are entitled to due process and no person shall be punished, suspended, terminated or otherwise subjected to disciplinary action, without first being informed in writing of the acts, omissions and/or violations committed and given ample opportunity to be heard and to explain his/her side.

Any person summoned to answer charges of violating the Code may seek the assistance of a lawyer.

III. VIOLATIONS

Violations punishable under the Code are:

1. Acts or omissions contrary to the laws of the Republic of the Philippines such as but not limited to the Insurance Code R.A. 10607, the pertinent provisions of the Civil Code, the Revised Penal Code and the Labor Code of the Philippines;
2. Acts or omissions in violation of the policies of the company, as well as its rules and regulations of the company, including all duly approved issuances;
3. Acts or omissions enumerated in this Code and those analogous thereto;
4. Acts or omissions contrary to the norms of conduct generally required to be observed by those in the insurance industry;

A violation is either intentional, or committed through negligence.

A violation is intentional when it is done on purpose; with a predetermination to act in a specified way.

There is negligence when one, considering the attendant circumstances, fails to observe that degree of care, precaution and vigilance which an ordinary person would exercise over his own affairs. It is the omission to do that which a reasonably prudent person would do, or the doing of something which a reasonably prudent person would not do.

Negligence may be simple or gross depending on the surrounding circumstances of the case.

Gross negligence coupled with loss to the Company or a third party amounts to bad faith and shall be dealt with as an intentional violation.

In order to fully compensate the Company for actual losses; to assuage the hurt feelings of our community; and to serve as an example to deter future violations of our Code, intentional violations shall merit more severe penalties than ordinary violations.

IV. CLASSIFICATION OF VIOLATIONS

Violations are either: **Minor, Moderate or Major.**

All minor violations shall be cumulative within a calendar year. Moderate and major violations shall be cumulative during the tenure of an employee.

The enumeration and classification of violations in the Code are not exclusive but shall include violation of laws, policies, rules and regulations, or of situations analogous to those described.

<u>CLASSIFICATION OF OFFENSES</u> Revised Code of Conduct – April 29, 2016	<u>CLASSIFICATION</u>		
	Minor	Moderate	Major
A. DISHONESTY			
1 Theft / malversation of company funds;			√
2 Fraud or willful breach of trust and confidence;			√
3 Falsification or forgery of company records and documents / submission of falsified documents;			√
4 Willful concealment or cover-up of a violation or encouraging others to do the same;			√
5 Misrepresentation resulting in loss or damage to the company or company clients;			√
B. IMPROPER CONDUCT & BEHAVIOR			
1 Failure to wear prescribed uniforms;	√		
2 Failure to Log Attendance;	√		
3 Reporting for work under the influence of liquor or prohibited drugs or the unauthorized drinking of any alcoholic beverage or usage of any prohibited drugs within the Company premises;			√
4 Gambling within office premises at any time;			√
5 Committing minor violations more than three(3) times within a calendar year;		√	
6 Borrowing from Company clients by taking advantage and making use of one's authority or position in the Company or engaging other employees to borrow from clients;			√
7 Abuse of authority or discretion and acting in excess of one's authority or discretion resulting in any loss or damage;			√
8 Organizing group activities for any unlawful/seditious purpose during office hours and/or in the premises of the Company;			√

9	Publishing, posting, leaking or disseminating false, offensive or malicious statements through any means (including but not limited to mass media and social media) which will put the Company's name or its employees in a bad light;			√
10	Demanding/soliciting, accepting for personal benefit, directly or indirectly any amount or item of value in consideration of any act of service connected with the performance of the duties of the employee;			√
11	Conflict of interest violations resulting to damage or loss to the business interest of the company, including, but not limited to: a. Violation of DOSRI rules; b. Engaging or being involved in any undertaking that places or could place the employee in direct conflict of interest with his responsibilities; c. Engaging or being involved in activities that will require their personal time, attention and direct personal involvement which can adversely affect the performance of their jobs;			√
12	Smoking in restricted areas of the Company premises;	√		
13	Criminal offense punishable by law;			√
14	Horseplay, scuffling, catcalls, unnecessary shouting or throwing within Company premises;	√		
15	Repeated minor and/or moderate violations for which a written warning of termination had been given;			√
C. BREACH OF CONFIDENTIALITY / UNAUTHORIZED DISCLOSURE OF INFORMATION				
1	Deliberate misuse of records;		√	
2	Removal of records from office without proper authority;			
2.1	If resulting to substantial loss or damage to the Company			√
3	Disclosing to unauthorized persons or in unauthorized manner the confidential client information; and violating the confidentiality required by the nature of client's affair or transactions;			√
4	Hacking of computer systems or unauthorized accessing of information (refer to IT security policy);			√
5	Publishing, posting, leaking or disseminating			√

	through any means (including but not limited to mass media and social media) any information that is considered highly sensitive or strictly confidential and are not meant for public consumption;			
D. VERSUS A CO-EMPLOYEE OR CLIENT				
1	Sexual harassment;			√
2	Acts of lasciviousness;			√
3	Quarreling, within office premises or during Company event; spreading rumor or gossip against a co-employee or client;		√	
4	Bullying, coercing or assaulting another by verbal or physical or other means at anytime within office premises, or even outside office premises if work related;			√
5	Failure to treat clients, superiors, and co-workers with due civility;		√	
6	Illicit relationship or sexual misdemeanor causing negative consequences in the workplace;			√
E. VERSUS COMPANY PROPERTY AND REPUTATION				
1	Unauthorized or improper use of Company's resources, facilities and equipment, including, but not limited to time, machines, records, vehicles or equipment whether or not there is loss or damage;			√
2	Deliberate destruction or damage to company's property;			√
3	Unauthorized use of company name for personal gain;			√
4	Any act or omission resulting in substantial loss, damage or injury, or which places the Company in jeopardy and/or risk of substantial loss, damage or injury;			√
F. VERSUS SAFETY & SECURITY				
1	Possession or firearms, deadly weapons and/or dangerous prohibited drugs within the company premises at any time;			√
2	Disregard for safety and/or security rules		√	
	2.1. If it results to loss or damage to the Company or any of its employees or clients;			√
G. VERSUS WORK PERFORMANCE				
1	Unauthorized absence from workplace during work hours;	√		
2	Tardiness / Absenteeism (refer to Policy on Tardiness & Absenteeism);	√		

3	Absences without official leave beyond three (3) consecutive working days;			√
4	Sleeping or doing personal work/activity during work hours;	√		
5	Undue delay in accomplishing an assigned task;			
	5.1 Without serious and adverse consequence.	√		
	5.2 With serious and adverse consequence.			√
6	Failure to comply with instructions of superior concerning work, or failure to comply with procedural or administrative requirement not resulting in loss or damage;			
	1st Offense	√		
	2nd Offense		√	
	3rd Offense			√
7	Insubordination / willful disobedience;			√
8	Gross negligence in performance of one's duty, or gross dereliction of duty, resulting in loss or damage to the Company;			√

V. SCHEDULE OF PENALTIES AND DELEGATION OF AUTHORITIES

1. FOR MINOR VIOLATIONS:

1.1. The penalty for Minor Violation shall range from oral or written reprimand to a suspension of up to five (5) consecutive working days.

1.2. It shall be the duty of the Department Head, under the supervision of the Division Head, to resolve minor violations within one (1) week from the date the violation was reported.

A direct supervisor of an offending person may summarily investigate minor violations, and if warranted, may impose the penalty of oral or written reprimand, or recommend a higher penalty to the Department Head.

1.3. It shall be the duty of the Department Head to fill out a Human Resources Oral Reprimand Form, with the appropriate sign off of the Division Head, for submission to Human Resources (HR) and filing in 201 of the offending person for all cases of minor violation and the decision or action taken thereon.

2. FOR MODERATE VIOLATIONS

2.1. The penalty for Moderate Violations shall range from six (6) to thirty (30) consecutive working days suspension.

2.2. It shall be the duty of the Department Head, under the supervision of the Division Head, to resolve Moderate Violation within two (2) weeks from the date the violation was reported.

2.3. It shall be the duty of the Department Head to report to HR, with the appropriate sign off of the Division Head, all cases of moderate violations investigated and heard by them and the decision or action taken thereon. HR shall then record any violation in the 201 file of the offending person.

3. FOR MAJOR VIOLATIONS

3.1. The penalty for a Major Violation shall range from thirty-one (31) consecutive working days suspension to termination of employment. In cases involving dishonesty or in similar offenses, the imposable penalty shall range from a minimum of sixty (60) consecutive working days suspension up to termination.

When a charge or a finding of fact of a major violation is brought against an employee before a Division Head, it shall be the duty of the Division Head to study the finding of fact or the charge, the evidence and explanation presented and, if need be, to conduct further investigation into the matter. The Division Head shall make a determination, not later than fifteen (15) days from receipt of the finding of fact or of the charge, if there is reasonable ground to believe that a major violation has indeed been committed.

- 3.2. If in the opinion of the Division Head there is indeed a major violation, the Division Head shall submit the finding of fact or the charge together with his own finding and recommendation, to the Committee on Employee Discipline (CED).
- 3.3 Where there is undue delay on the part of a Division Head in making a determination, or forwarding the charge to the CED, the Complainant or the Internal Auditor may elevate the charge directly to the President and CEO for appropriate action. Unless there are justifying circumstances, a delay of more than fifteen (15) working days from the time the finding or charge is brought to the attention of the Division Head shall be considered undue delay.
- 3.4 The CED shall, observing due process, schedule and hear the charge against the employee. It may summon any employee or even a third party to testify at the hearing of the charge. If it deems it necessary, the CED may cause or direct a further investigation of the charge. At the end of the hearing, it shall make its own finding of fact and recommendation to the President and CEO, or his designated representative.
- 3.5 The President and CEO has the authority to approve, or modify recommendation of the CED, including recommendations of termination or separation of any employee, including senior officers.
- 3.6 The CED shall, depending on the complexity and volume of cases, endeavor to resolve a charge within a period of one (1) month from date the charge is referred to it.

4. GENERAL AUTHORITY

Notwithstanding the foregoing delegated specific authority:

- 4.1 The President and CEO may assume jurisdiction at any time, or may designate another person or persons, or create another committee to investigate, hear and review cases involving senior management and ranking officers.
- 4.2 The CED may also take cognizance of and hear any minor or moderate violation involving substantial loss or damage to the Company (or a probability thereof) when the charge is referred by the President and CEO, or by the Chairman, or by the Division Head concerned. The CED may, however, instead of hearing the charge, remand the charge to the appropriate authority for proper hearing and disposition on the basis of its preliminary finding that the violation would not qualify as a Major Violation.
- 4.3 The CED may, subject to the approval of the President and CEO, promulgate and issue such rules and regulations or rules of procedures in aid of its function. The CED may also create such CED sub-committees to assist it in the hearing and disposition of charges brought before it.
- 4.4 The CED has the authority to recommend or impose lesser penalty than prescribed in the Handbook depending on the circumstances surrounding the case.

5. WORD USAGE

Whenever the word “suspension” or “suspended” is used in the Code, it shall mean “suspension without pay”. Whenever a penalty of suspension is meted out, it shall be construed as being in terms of consecutive calendar days, and shall start on a Monday particularly in cases where the suspension is for five (5) days or less, unless otherwise clearly specified in the recommendation or decision.

Whenever the word “termination” is used, it shall mean termination for cause and with forfeiture of benefits, unless the contrary is clearly otherwise stated.

VI. RESTITUTION OF LOSS OR COMPENSATION OF DAMAGE

Restitution or compensation of loss or damage is not a disciplinary penalty per se; however, it shall be required of and prioritized by a person who by act or omission causes loss or damage to the Company or another, unless there are equitable considerations for requiring less than full restitution or compensation. The delegation of authority under Section V (“Schedule of Penalties and Delegation of Authority”) above carries with it the authority and responsibility to order restitution.

VII. GUIDELINES IN IMPOSING PENALTIES

The penalties to be imposed for each violation shall take into consideration the attendance or absence of malice or bad faith, negligence, dishonesty, fraud, deceit or the lack thereof; the individual’s record of performance or violations, the nature and extent of participation; the attendance of mitigating or aggravating circumstances, the amount of loss or injury caused by or resulting from such violations; and such other similar relevant factors.

Education is an aggravating circumstance while lack of it is mitigating. Rank or abuse of rank is an aggravating circumstance.

When it is deemed in the best interest of the service and/or of the offending person, accessory penalties such as, but not limited to, retraining or reassignment/relocation; or suspension of promotion, withholding of salary increases, incentives, bonuses and benefits may be imposed.

VIII. DISCIPLINARY PROCEDURE

1. A written report by the Department Head/Internal Audit/Units that conduct post-audit or any other interfaced units that an employee has committed a violation under the Code, specifying the law, policy, rules or regulations violated and the manner by which it was violated, shall be deemed a charge against such employee and shall be acted upon accordingly by the department to which the finding is officially transmitted.

The Department Head shall inform in writing an employee cited for violation of the Code of Conduct alleged to have been committed. The charge must specify exactly how the offense was committed; the persons involved; the actual or probable damage or losses; and more importantly the particular law, policy, or rule violated. In cases involving major violations, the persons charged shall be informed of their right to seek the assistance of a lawyer. This right may however be waived by the employee.

2. All persons summoned to respond to charges of violations under the Code shall be afforded the opportunity to explain their side at least within five (5) days and show cause why no disciplinary action should be taken against them. However, any person may waive the right to be heard by submitting a written waiver of such right or by refusing or failing to attend the scheduled hearings.
3. Evidence and testimonies of witnesses shall be heard and properly evaluated.
4. When a decision is reached, all person(s) charged shall be informed of it in writing as specified in Section X (“Implementation of Penalty”), paragraph 4 below, except when the penalty is an oral reprimand. An Oral Reprimand Form shall be filled out for oral reprimands, with a copy to HR for the 201 file of the employee.
5. No action shall be taken on offers of resignation or retirement of persons undergoing investigations, particularly those who have committed dishonesty, fraud, theft or other major offenses, until such time that the cases shall have been resolved with finality by the proper body or unless approved by the President and CEO, or his designate. This applies even in instances where the Company has been fully restituted for its loss.

All allegations of major violations shall be reported to the committee.

IX. PREVENTIVE SUSPENSION

1. Pending the final outcome of the investigation/hearing of the reported violation, the Division Head and the CED may place any person charged on forced leave, or under preventive suspension without pay if his continued employment poses a serious threat to service or the business or the property of the Company or to the life or property of his co-employees and of the clients of the Company. The employee’s access to Company premises shall be restricted as in Section X.
2. In accordance with the Labor Code provision, preventive suspension shall not last longer than thirty (30) working days. The Company shall thereafter either reinstate the person suspended to his former position or assign him to a substantially equivalent position, or extend the period of suspension.
Provided, that during the period of extension, the Company pays the wages and other benefits due him, and he shall not be bound to reimburse the amount paid to him during the extension even if the Company decides, after completion of the investigation and/or hearing, to terminate his employment.

X. IMPLEMENTATION OF PENALTY

ON MINOR OR MODERATE VIOLATION

1. The Division Head shall implement the decision or penalty on a Minor or Moderate violation not later than fifteen (15) working days from the date of the decision.

ON MAJOR VIOLATION

1. Where the penalty approved is a termination or separation from employment, the CED shall forward the approved decision to the Head of HR not later than two (2) working days from receipt of such approved decision.
2. Where the approved decision in a charge for a Major Violation is an exoneration of the person charged, or where the approved penalty is other than termination or separation from employment, the CED shall notify the concerned Division Head and those who brought the charges against the employee, within two (2) working days from receipt of such approved decision.

It should be the duty of the Department Head to implement the approved sanction.

3. However, as regards to the decision to dismiss the offending employee, the letter of dismissal / termination shall clearly state the reasons or statement of the cause of dismissal / termination (or substantive due process) and the full / complete details of the procedural requirements of dismissal. These two (2) aspects of due process ("two-fold requirements for lawful dismissal") are mandatory. Failure to comply and non-observance of this rule and/or the due process on disciplinary procedure shall hold the person/s responsible in issuing an implementing communication to the offending employee liable under this Code.

IN GENERAL

1. All implementing communication shall clearly state the conclusion and recommendation on the charge and the corresponding decision or penalty imposed.
2. It shall be the duty of the person issuing an implementing communication to provide HR, within twenty four (24) hours, a copy for 201 file of concerned employee.

ON ACCESS TO COMPANY PREMISES

1. A person who is suspended shall not be allowed in any case to enter the Company premises, except:
 - 1.1 As client of the Company in the transaction of a regular Company-client activity.
 - 1.2 When the offending party has official transaction with HR with the prior approval and supervision of the Head of HR or of the Division Head.

XI. APPEAL PROCEDURE FOR MINOR, MODERATE AND MAJOR VIOLATIONS

The appeal from any decision shall be filed with the next higher officer.

1. For Minor violations, appeal should not later than five (5) calendar days from receipt of the decision being appealed.
2. In case of Moderate violation, an employee may, before serving the penalty, appeal the decision within ten (10) calendar days from notice of such decision.
3. For Major violations, appeal should not be later than fifteen (15) calendar days from receipt of the decision being approved.
4. However, in the case of a decision or an order of the Division Head, the appeal shall be filed with the President and CEO or his designated.
5. The decision of the President and CEO is final and executory.

XII. GUIDELINES ON FILING OF CRIMINAL CASES

1. In cases involving acts of omissions punishable by law, the Internal Auditor or the Division Head may at any time recommend to the President and CEO the filing of criminal cases against erring employees even before the filing of any administrative charge before the CED.
2. The CED, after hearing, may also recommend the filing of criminal charges where none has yet been filed.
3. The authority to approve the filing or non-filing of criminal case lies with the President and CEO of the Company or his designate.