



## Codes of ETHICS and CONDUCT Manual

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## INTRODUCTION

A Company's Code of Ethics and Code of Conduct are the standards that a company and its employees must adhere to in its everyday operations and dealings with its clients, stakeholders, the community as well as co-workers within the organization.

The primary difference between code of ethics and code of conduct is that **code of ethics** is a set of principles which influence the judgement while the **code of conduct** is a set of guidelines that influence employee's actions. These help the Company in regulating and operating its business efficiently and professionally. While the code of conduct is something that states organized values, the code of ethics is used to observe ethical norms and gives a foundation to rules of conduct.

To better appreciate the difference between these two codes, a comparative table<sup>1</sup> is presented:

| BASIS FOR COMPARISON | CODE OF ETHICS                                                                                                                                          | CODE OF CONDUCT                                                                                                                               |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| Meaning              | An aspirational document, issued by the board of directors containing core ethical values, principles and ideals of the organization is Code of Ethics. | A directional document containing specific practices and behavior, that are followed or restricted under the organization is Code of Conduct. |
| Nature               | General                                                                                                                                                 | Specific                                                                                                                                      |
| Scope                | Wide                                                                                                                                                    | Narrow                                                                                                                                        |
| Governs              | Decision making                                                                                                                                         | Actions                                                                                                                                       |
| Length               | Short                                                                                                                                                   | Comparatively longer                                                                                                                          |
| Disclosure           | Publicly disclosed.                                                                                                                                     | Employees only.                                                                                                                               |
| Focused on           | Values or principles                                                                                                                                    | Compliance and rules                                                                                                                          |

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<sup>1</sup> Difference Between Code of Ethics and Code of Conduct: (<https://keydifferences.com>)

### Definition of Code of Ethics

Code of Ethics consists of a set of principles designed to guide the employees of the organization to carry out business honestly and with integrity. It describes the core values of the organization that guides the decision-making. It provides ethical standards which are to be followed by the employees. It sets out general guidelines to assist them in applying their judgment concerning a suitable behavior in a given situation. It helps them to understand what is right or wrong.

### Definition of Code of Conduct

Code of Conduct expresses the practices and behavior of a person, required or restricted as a condition for becoming a member of the organization or profession. The code sets out the actual rules, so it lays down the do's and don'ts of an employee. The employees are responsible for its adherence and held accountable for its violation.

Every organization has its code of conduct issued by the Board of Directors (BOD) that determines the social norms, regulations and responsibilities. It is in the form of written statement; that contains rules for behavior, which are supposed to be followed by the employees of the company. The document directs and guides the employees in various matters.

### Key Differences Between Code of Ethics and Code of Conduct

The major differences between Code of Ethics and Code of Conduct are described in the given below points:

1. Code of Ethics is an aspirational document, issued by the Board of Directors containing core ethical values, principles and ideals of the organization. Code of Conduct is a directional document containing specific practices and behavior, that are followed or restricted under the organization.
2. Code of Ethics is general in nature, whereas Code of Conduct is specific.
3. Code of Conduct originated from the Code of Ethics, and it converts the rules into specific guidelines that must be followed by the members of the organization.
4. Lengthwise, Code of Ethics is a shorter document than a Code of Conduct.
5. Code of Ethics regulates the judgment of the organization while a Code of Conduct regulates the actions.
6. Code of Ethics is publicly available, i.e. anyone can access it. Conversely, Code of Conduct is addressed to employees only.
7. Code of Ethics focuses on values or principles. On the other hand, Code of Conduct is focused on compliance and rules.

Code of Conduct is actually extracted from the Code of Ethics. Therefore, the latter concept is wider than the former. Moreover, these codes are beneficial for businesses of any size and nature as the codes lay down direction which is helpful for employees to behave in a particular manner and also in making a public image of ethical behavior.

## CODE OF ETHICS

Asia United Insurance Inc.'s Code of Ethics outlines the Company's expectations regarding the behavior of its employees towards other employees, customers, stakeholders, and society. The company stands for the core values of integrity, accountability and transparency. As such, we expect all Company employees to be directed by the same values in their daily judgment and behavior. Open communication and expression should be guided by the desire for a respectful, safe, and collaborative working environment.

As a responsible player in the local non-life insurance industry, the Company hereby adopts the Philippine Insurers and Reinsurers Association's "Code of Ethics for Insurance Professionals" as its own.

### Code of Ethics Principles:

The key values which set the standards for the behavior of all Company officers and employees in respect of clients, vendors, stockholders, stakeholders, the public and the communities affected by its activities are:

- a) Behaving with responsibility and integrity in their personal and professional life and taking into account their wider responsibilities to society as a whole. Acting in a courteous, honest and fair manner towards anyone they deal with. Being trustworthy and never putting their interests or the interests of others above the legitimate interests of their clients, vendors, stockholders, stakeholders, the public and the communities affected by its activities;
- b) Complying with all relevant laws and meeting the requirements of all applicable regulatory authorities, and appropriate codes of practice and codes of conduct.
- c) Demonstrating professional competence and due care including meeting the technical and professional standards relating to their level of qualification, role, and position of responsibility; and completing their duties with due skill, care, and diligence;
- d) Upholding professional standards in all dealings and relationships;
- e) Respecting the confidentiality of information; and,
- f) Applying objectivity in making professional judgments and in giving opinions and statements, not allowing prejudice or bias or the influence of others to override objectivity.

Officers and employees of the Company operating in a professional capacity have duties, arising from these key values, to a number of different groups.

Within these relationships they should always act ethically and their behavior and conduct should meet the following principles:

1. Relations with Clients.

2. Relations in Employment.
3. Relations with Regulators and the Law.
4. Relations with the Community and the Public.
5. Relations with other industry players.

#### Relations with Clients

Officers and employees of the Company will seek to earn and maintain the trust of their clients at all times and should:

1. Give fair and proper consideration and appropriate priority to the interests and requirements of all clients. Obtain and provide relevant information, including all necessary documentation, maintaining the confidentiality of information;
2. Avoid any conflict of interests between himself and his duties to clients;
3. Avoid conflict between any competing interests of one or more client(s), stepping aside in one or all matters if such conflicts cannot be resolved;
4. Act at all times with due skill, care and diligence;
5. Act only within the limits of personal competence and any limits of authorization;
6. Act in a financially honest and prudent manner, including ensuring the protection of any money and /or property held on behalf of clients;
7. Act openly, fairly and respectfully at all times, providing all clients with due respect, consideration and opportunity;
8. Be honest and trustworthy with clients and communicate with them in a clear, concise, prompt and appropriate manner;
9. Provide suitable and objective recommendations to clients;
10. Comply with all laws and regulations regarding the insurance products and services offered to clients;
11. Refrain from giving or accepting money, gifts, entertainment, loans or any other benefit or preferential treatment from or to any existing or potential client or provider, other than occasional gifts, entertainment or remuneration, which are provided as part of accepted business practice, and which are not likely to conflict with duties to clients.

## Relations in Employment

Officers and employees of the Company should aim to ensure good relations with their employer and officers and fellow employees and should:

1. Aim to be a responsible officer or employee and be honest and trustworthy at work;
2. Act openly, fairly and respectfully at all times, treating other employees, colleagues, clients and suppliers with equal respect, consideration and opportunity;
3. Aim to take every opportunity to improve their professional capability, knowledge and skills;
4. Accurately and completely account for all business dealings and report in the Company's records;
5. Avoid conflict between personal interests and duty to the Company;
6. Avoid improper use of information obtained as an employee or disclose, or allow to be disclosed, information confidential to the Company;
7. Refrain from giving or accepting money, gifts, entertainment, loans or any other benefit or preferential treatment from or to any existing or potential supplier or business associate, other than occasional gifts, entertainment or remuneration, which are provided as part of accepted business practice, provided this is not likely to conflict with any duty that is owed to the employer;
8. After separation from employment, under no circumstance shall an ex-employee use or allow to use or make available to others, any data or any information he, by his earlier relation or position in the Company, had access or was privy to.

In addition, where an officer or employee of the Company holds a position of influence within the Company, they should:

9. Provide (or encourage the company to provide) suitable arrangements for the internal review of decisions, policies and actions where an officer/employee raises concerns of unethical behavior.

Officers/employees should not be penalized for raising matters of ethical concern even if this results in a loss to the Company or a client;

10. Incorporate ethical standards into the Company's governance standards;
11. While the professional relations of officers and employees are defined, member companies, as employers, should exercise professionalism, respect and recognize the privileges and rights of their officers and employees within the principles of due process, fairness, and rightful representation.

## Relations with the Regulators and the Law

Officers and employees of members must respect all laws and abide by all regulations that affect their business and shall:

1. Ensure they operate within the law and within the spirit of the law, at all times;
2. Ensure they deal with regulators in an open, transparent and co-operative manner and comply with any requirements;

## Relations with the Community and the Public

Officers and employees should recognize the important role they play as insurance professionals and should:

1. Protect and promote the reputation of the non-life insurance industry, through their own conduct;
2. Operate in a way that respects environmental concerns and issues;
3. Act in a socially responsible manner and not contravene the principles of equality and inclusivity that PIRA values and upholds;
4. Strive to be trusted individuals and fulfill their responsibilities to society and the community.

## CODE OF CONDUCT

The way Asia United Insurance, Inc.'s Officers and employees conduct their everyday business is essential to the Company's reputation and trust built with the insuring public. This code guides the employees' ethical behavior and puts its values into practice. Company employees should treat each other, the clients, insuring public, vendors and other stakeholders with empathy, dignity, transparency and respect.

### Policy Brief and Purpose:

This company Code of Conduct policy outlines the Company's expectations regarding employees' behavior towards their colleagues, supervisors, overall organization and the public in general.

The company promotes freedom of expression and open communication. But it expects all employees to follow this Code of Conduct. They should avoid offending, participating in serious disputes and disrupting the workplace. The company also expects the employees to foster a well-organized, respectful and collaborative environment.

### Scope:

This policy applies to all Company employees regardless of employment status or rank.

#### Objective:

This Code of Conduct was created as a guide to promote and enforce discipline and order and ensure that all employees, whether officers or rank and file, adhere to the ethical and work standards and corporate values of the Company.

These objectives are:

1. To uphold the good name and reputation by maintaining the public's confidence in the Company;
2. To maintain an impartial and unbiased relationship between the Company and the insuring public;
3. To uphold the high standards of personal integrity and professionalism of the Company's employees; and,
4. To maintain independence of judgment and action by consciously disclosing and avoiding any possible conflict of interest.

#### Company Policy

The company adopts a policy to promote the highest standards of integrity, diligence and responsibility in its employees. The employees are urged to conduct their business with utmost honesty, transparency, integrity and fairness according to the highest moral principles. Set against these standards of discipline and work ethics, appropriate disciplinary actions against erring employees who by their acts or omissions commit infractions or breach the work standards, Company policies and procedures, rules and regulations, when circumstances warrant, shall be imposed.

#### Company Executives and Officers:

All employees have a responsibility to act ethically and follow the guidance in the Code, but officers have the added responsibility to serve as role models for their teams.

Officers should:

1. Demonstrate high ethical standards in their decision making and business activities
2. Set expectations for their teams by discussing the Code's guidance and its applicability to business practices
3. Ensure their teams are familiar with compliance policies and resources, and they complete compliance training

#### Components of Employee Code of Conduct:

Company employees are bound by their contract to follow the company's Employee Code of Conduct while performing their duties. Employees are expected:

- be present at work as required
- maintain agreed standards of performance
- comply with health and safety policies and procedures
- comply with all lawful and reasonable instructions
- maintain set standards of integrity, conduct, and concern for the public interest

- demonstrate commitment to the Company's vision, values and goals
- be active in self-development.

The Code of Conduct is based on three principles of conduct which all employees are expected to observe:

**First Principle:**

Employees should at all times maintain proper standards of integrity, conduct, and professionalism.

The Company and its stakeholders, and the job holder's professional colleagues have a right to expect that personal integrity, respect for people, impartiality, and respect for the law will be demonstrated at all times, together with technical expertise, personal effectiveness, and continuing professional development.

**Second Principle:**

Employees should perform their duties honestly, faithfully and efficiently, respecting the rights of the company, partners, and clients.

Employees should carry out their duties in an efficient and competent manner in compliance with the policies and prescribed operating standards and procedures of the company.

Employees are expected to:

- comply with all reasonable instructions and work as directed by their manager
- be familiar with, and consistently apply, the Acts and Regulations that directly affect their work
- be familiar with, and consistently apply, the requirements of the Company operational manual, as well as wider Company policies and procedures that affect their work, for example policies for managing human resources
- be consistent and fair in requiring compliance with statutory obligations
- adhere to set delegations, not exploiting or abusing any power or authority accorded to them because of their role. Authority includes statutory, delegated and administrative authorities
- not give any false information or make any false declaration
- obtain permission from their manager before entering into any contract or agreement
- not create any liability for the Company beyond their authorisation
- consistently follow workplace procedures for documenting decisions for action, and the reasons for taking those decisions
- show reasonable care for Company property, resources, and funds and neither use nor approve them to be used for anything other than authorised purposes
- contribute to a safe workplace by knowing and carrying out their responsibilities (as an employee or as a manager) under health and safety legislation
- maintain the standard of dress and general appearance required in their workplace.

**Third Principle:**

Employees should not bring their employer into disrepute through their private activities.

#### Breach of Code

Any behaviour or action which may be in breach of this Code will be given full and impartial consideration. If a breach is identified, disciplinary action may be taken.

The company's employees' demeanor mirror the Company's true worth in the conduct of its operations and relationship with its clients, the insuring public, its vendors and other stakeholders. With this in mind, the Company has developed a Company Employees' Manual with which the employees can be guided in their everyday performance of their duties.

The Manual has set standards which, when followed, will create an environment for growth and profitability for the Company. The company has provided a generous benefit program as motivation for employee development and improvement as well as a disciplinary matrix with which misdemeanors can be prevented or penalized.

Company employment agreements and the employee manual describe the procedures for disciplinary action, the primary aim of which is to correct unacceptable employee behaviour or performance. A copy of the employment agreement and the manual are available. Employees should make themselves familiar with these procedures so they know what action may be taken if they breach this Code.

#### Duration of Employment

The Company does not require employees to commit to employment for any specific duration, and the Company does not commit to employees that their employment will last for any specific duration. Consequently, all employment by the Company is considered at will. This means that the Company may terminate their employment at any time for any lawful reason and likewise they are free to resign their employment at any time.

## **EMPLOYEES' MANUAL**

### **ARTICLE I**

#### **INTRODUCTION**

##### **Your Company**

ASIA UNITED INSURANCE, INC. was incorporated on May 25, 2000 by the following incorporators:

Jacinto L. Ng, Sr.  
Andres C. Chua

Tonny L. Chan  
Abraham Co

Luis U. Ang

The Company is a joint venture of a consortium of reputable and successful businessmen who share a common commitment to deliver quality insurance service to the insuring public. This is their concrete response to the challenge to Filipino entrepreneurs to take an active role in fueling the growth of the industry and the national economy.

A 100-percent Filipino-owned company, AUII is one of the youngest domestic non-life insurance companies in the country. It was registered with the Securities and Exchange Commission on May 25, 2000 and granted a Certificate of Authority to operate as a non-life insurance company by the Insurance Commission on August 24, 2000.

After just twenty (20) years after it commenced operations on September 1, 2000, Asia United Insurance, Inc. already established a dynamic presence in the insurance industry. It ranked no. 23 ( according to gross premiums ) out of 57 non-life insurance companies doing business in the Philippines by the end of 2020.

As of 31 December 2020, our total gross premiums written amounted to Ps 856.611 million. AUII ranked no. 23 according to gross premiums written and no. 29 according to premiums earned out of 57 insurance companies doing business in 2020. AUII also ranked no. 15 with a net income of Ps 79.456 million.

### **ARTICLE II**

#### **THE HUMAN RESOURCES DEPARTMENT**

The Human Resources Department (HRD) is the central coordinating system of the Company for all matters pertaining to personnel. Throughout your stay with the Company, you will be covered by the services of this department.

You are encouraged to consult HRD on work-related matters and other conditions of your employment.

## **ARTICLE III**

### **MEDICAL EXAMINATIONS**

All employees shall submit themselves to medical examinations by a Company-approved physician / health maintenance clinic prior to their employment and/or during their employment period, as may be instructed.

## **ARTICLE IV**

### **PROBATIONARY EMPLOYMENT**

**Sec. 1** – All rank-and-file employees shall undergo a probationary period of not more than six (6) months.

**Sec. 2** – Probationary employees who fail to meet the Company's standard of performance shall be terminated on or before the end of the probationary period.

**Sec. 3** – Probationary employees who qualify for regular employment shall be served a notice of appointment as permanent employees.

## **ARTICLE V**

### **OFFICE DECORUM**

#### **Basic Points to Remember:**

- 1) To set standards for the Company to determine employment eligibility;
- 2) To provide for employee rights and obligations;
- 3) To strengthen employer-employee relationship.

#### **Working Days and Hours:**

Your working days are from Mondays to Fridays and your regular office hours are from 8:30 a.m. to 5:30 p.m. with one (1) hour lunch break. You are given 15-minute coffee breaks in the morning and in the afternoon.

Employees are expected to be at their respective work places at the above stated working hours.

Employees who wish to render overtime work should file an Overtime Slip and submit to the HRD duly approved by their respective supervisors.

An employee should render at least two (2) hours after office hours for regular week days to merit overtime benefits. Overtime work rendered on Saturdays, Sundays and Holidays should be no less than three (3) hours to merit compensation.

**Attendance and Punctuality**

Register your work period upon reporting to work in the morning and in the afternoon. If you have to go out on official business, fill out an Itinerary Slip and submit it to your immediate supervisor for approval. Once approved, submit the same to HRD.

**Tardiness**

Arrival in the office later than the prescribed time is tardiness. If you report to work anytime after the fifteen-minute allowance in the morning and in the afternoon, you are considered tardy.

While no deduction will be made against your salary, the total number of tardy minutes / hours will, however, be charged against your earned vacation leaves. In the event you incur five (5) or more tardiness within the month, sanction will be made in accordance with Company policy. (refer to Annex "A" for details).

**Undertime**

Employees intending to come to office one (1) hour later than the prescribed times in the morning or in the afternoon, or intending to leave office earlier than the prescribed office work hours in the morning or in the afternoon for reasons of non-office matters should inform the HRD by accomplishing a Request for Undertime form. The forms must be submitted at least one (1) hour before the intended time (if the employee is already in the office) or within one (1) hour after the employee arrives.

If an employee fails to file such notification beforehand, he/she is considered tardy and the rules on tardiness shall apply.

**Wearing of Office Uniforms**

While at work, you should always wear the prescribed uniform from Mondays thru Fridays. Employees may opt to wear civilian clothes on Fridays (Wash Day), provided they are presentable.

Clothing considered not presentable are:

1. Collarless shirts / T-shirts (for male employees)
2. Sleeveless shirts (for male employees)
3. Denim (maong) pants
4. Low-heeled sandals, rubber shoes
5. Others as may later be determined by management

Company ID should be worn inside the office premises during office hours at all times.

**Telephone Etiquette**

Answer all telephone calls promptly and courteously. If you receive a telephone call by mistake, transfer the call to the proper person. Limit your personal calls so that they may not interfere with official company calls and your designated duties as well. The same is applicable to personal cell phones.

**Customer Relation**

Be courteous to our clients at all times. This is one sure way of building goodwill for our Company. When they approach you, attend to them promptly, courteously and efficiently. If they come to you by mistake, direct them courteously to the right person.

**Discipline**

Keep away from trouble. Bear in mind you are liable to administrative or disciplinary action for such offenses as dishonesty, immorality, gossip and/or rumor-mongering, insubordination, accepting bribes, unauthorized solicitation of funds, gross negligence in the performance of your duties, violation of the relationship between the Company and the Customer.

Timing of Log-In/Out by another employee is strictly prohibited and will be subject to disciplinary action.

An employee under suspension do not receive compensation and other fringe benefits from the Company until you are exonerated or reinstated.

**Confidentiality of Company Information**

Matters pertaining to the Company's operations should be kept strictly confidential and may be excepted to and by authorized personnel. You may release only information when such information is prepared for general distribution.

Unless given proper clearance by the President, the Executive Vice President or the Department Head concerned, employees are not allowed to furnish, or give confidential information / documents about the Company's operations to others.

**Good Housekeeping**

Keep all records, office furniture and equipment in a neat and orderly manner. If possible, cover your computers, printers and calculators at the end of the day. Switch off your electrically-operated machines before leaving the office.

**Use of Computers**

The computers, printers, scanners assigned to your form a part of your employee accountability. Take care in the use and maintenance of these equipment.

Playing of computer games, watching videos and/or engaging in social media platforms is not allowed during office hours.

**Supplies and Stationery**

Observe thrift in the use of supplies and stationery. Do not use Company stationery or supplies for your personal needs.

**Personal Information**

Report to the Personnel/Department Head, any changes in your address, telephone number, family status, etc. This is important in keeping up-to-date information and records for purposes of emergency, certification, claims for benefits and other processes.

**Performance Rating**

Semi-annual performance rating for regular employees serves as primary basis for promotion and salary adjustments. You are rated on the quality and quantity of your work, your dependability, cooperation, resourcefulness and attendance.

For non-regular employees, you are rated on or before the end of the six-month probationary period. This ratings serves as determinant for the Company to retain your services, promotion, salary adjustment or transfer of department.

## **ARTICLE VI**

### **BENEFITS AND PRIVILEGES**

The Company is interested not only in your work output but also in you as an individual and in how well you do your work. For this reason, it has provided you with benefits and privileges relative to your health, retirement security and personal advancement.

**Leave Privileges****Sec. 1 – Vacation and Sick Leave**

For each of the year of continuous service to the Company in any of its domestic offices, you earn fifteen (15) days of vacation leave credits and fifteen (15) days of sick leave credits. Unused vacation leave credits are neither cumulative nor convertible to cash, while unused sick leave credits may be accumulated up to a total of 15 days only, but are not convertible to cash.

Your earning of leave credits affect upon your assumption of duties as a regular employee. Leave earning are credited monthly.

If you go on vacation or sick leave for one full day or month, notify the HRD in writing. Sick leave of three (3) days or more should be accompanied by a medical certificate of your attending physician.

**Sec. 2 – Maternity Leave**

In case of pregnancy, a regular female employee is entitled to one hundred five (105) days (calendar days) maternity leave for normal and/or Caesarian delivery.

The prevailing Social Security System on maternity benefit will serve as guideline. The maternity leave is granted without pay on medically certified conditions arising out of pregnancy, delivery, abortion or miscarriage, which renders female employees unfit for work.

### **Sec. 3 – Paternity Leave**

In accordance with Republic Act No. 8187, regular male employees may be granted Paternity leave of seven (7) days with full pay for the first four (4) deliveries of the legitimate spouse with whom he is cohabiting.

In the event that Paternity Leave is not availed of, it shall not be convertible to cash.

### **Sec. 4 – Leave Without Pay**

If your leave credits are exhausted, you may be granted leave of absence without pay for reasons of health up to a maximum of your earned sick leave credits for the current year and your accumulated unused sick leave credits of the previous year.

While on leave without pay for purposes of professional review and examination, or other reasons as approved by the Company, you do not earn leave credits. The period is not counted as part of your service for computing your retirement gratuity, and other benefits where actual service is required. However, maternity and sick leave without pay are included in the computation of length of service for eligibility to retirement benefits.

### **Sec. 5 – Emergency Leave**

If an employee is unable to report for work, he must, on the first hour of the day he intends to be absent or before said hour or day, promptly notify in writing the HRD and/or his Department Head of his/her intention, the reason therefor, and the expected duration of leave.

An emergency leave is applied for in case of Flood, Fire and other similar calamity, or death of immediate member of the family, Provided, however, that the HRD shall exercise absolute discretion in determining which are considered "other similar calamity". The Company allows emergency leave with pay to regular employees, but is limited to only five (5) working days.

### **Medical and Dental Benefit**

Under the Medical and Dental Benefit Plan, the Company provides for annual physical examination and hospitalization assistance which includes: room charges, physician's fees, laboratory charges, and dental care/prophylaxis as provided in the conditions/schedule of the Company-appointed healthcare provider.

As a permanent employee, your benefit under this plan include benefits due you under the Medicare Act wherein you and the Company pay equal monthly premium.

### **Retirement Benefit**

Officers and employees having Regular employment status are qualified for membership in the Retirement Plan.

The Normal Retirement Benefit shall be a sum equivalent to 100% of Plan Salary for every year of Credit Service.

Any Member who is allowed by the Company to retire prior to his normal retirement date shall receive an amount equal to a Percentage of Plan Salary for every year of Credited Service in accordance with the vesting schedule. (Refer to Annex for details)

### **Non-Duplication of Benefit**

Any benefit payable under the plan shall be in compliance with, but not in addition to, the payment of similar benefits the Company is required to pay its employee under existing laws.

### **Dismissal for Cause**

An employee who is dismissed by the Company for cause shall not be entitled to any Retirement benefits.

### **Service Awards**

Employees who have rendered at least five (5) years of continual service to the Company are entitled to Service Award with the following cash component:

| Years of Service | Cash Component |
|------------------|----------------|
| 5                | Php 1,500.00   |
| 10               | 3,000.00       |
| 15               | 4,500.00       |
| 20               | 8,000.00       |
| 25               | 10,000.00      |
| 30               | 12,000.00      |

### **Bereavement Aid**

As an expression of the Company's condolence on the death of your immediate family, a bereavement aid in the form of cash donation is extended to employees.

|                                        |              |
|----------------------------------------|--------------|
| • Death of Employee                    | Php 5,000.00 |
| • Death of Employee's Immediate Family | 2,500.00     |
| • Death of Officer                     | 10,000.00    |
| • Death of Officer's Immediate Family  | 5,000.00     |

(Immediate family refers to Parents, Children and Spouse)

### **Salary Loan**

Regular employees may avail of salary loan which is equivalent to one (1) month gross salary through a request letter addressed to the President. To qualify, you should not have incurred any of the following infractions for the past six (6) months preceding the loan application:

- 1) Habitual tardiness
- 2) Unauthorized absence
- 3) Unauthorized undertime
- 4) Suspension for cause

Items 1, 2 & 3 however, does not apply to Officers.

## **ARTICLE VII**

### **RULES OF CONDUCT**

The rules of conduct is governed by the Schedule of Penalties attached hereto and made part hereof as Annex “\_”.

Minor offenses not found in Annex “\_” shall normally be penalized with a warning by the HRD. Repetition of the same offense or commission of a more serious offense will be reprimanded. Further violation would warrant a suspension or dismissal.

## **ARTICLE VIII**

### **MISCELLANEOUS PROVISIONS**

**Sec. 1** – Littering and loitering are strictly prohibited.

**Sec. 2** – Meals and snacks may be taken only at the pantry on designated time and eating at any time in the place of work and other areas in the premises of the Company is strictly prohibited.

**Sec. 3** – The Company does not accept liability for personal property lost or damaged on company premises and all valuable personal belongings should be kept under lock and key. Losses, however, should always be reported to the HRD so that necessary investigation may be conducted.

**Sec. 4** – Horse playing, unnecessary shouting, threatening, and gambling in the office premise are prohibited.

**Sec. 5** – Possession, distribution and reporting to work under the influence of liquor and narcotics are also prohibited.

## ANNEX "B"

| DESDCRIPTION OF OFFENSE<br>OR VIOLATION | SCHEDULE OF PENALTIES |  |  |  |
|-----------------------------------------|-----------------------|--|--|--|
|-----------------------------------------|-----------------------|--|--|--|

### I. ATTENDANCE and PUNCTUALITY

|                                                                                                       | 1st Offense      | 2nd Offense           | 3rd Offense       | 4th Offense |
|-------------------------------------------------------------------------------------------------------|------------------|-----------------------|-------------------|-------------|
| 1. Absence without prior notification                                                                 | Written warning  | 2 Days suspension     | 5 Days suspension | Dismissal   |
| 2. Absence without Leave (AWOL) for fifteen (15) consecutive days                                     | Dismissal (Quit) |                       |                   |             |
| 3. Overstaying a leave of absence without valid cause.                                                | Written warning  | 3 Days suspension     | Dismissal         |             |
| 4. Failure to return to work on the appointed time following termination of a disciplinary suspension | Dismissal        |                       |                   |             |
| 5. Habitual tardiness (define as five or more instances of tardiness in one calendar month)           | Written warning  | Final written warning | 3 Days suspension | Dismissal   |

### II. OFFICE UNIFORM

|                                       |                            |  |  |  |
|---------------------------------------|----------------------------|--|--|--|
| 1. Failure to wear prescribed uniform | Fine of Php 50 per offense |  |  |  |
| 2. Loss of Company ID                 | Replacement cost           |  |  |  |

### III. CONDUCT AND BEHAVIOR

|                                                                                                          |                   |                   |           |  |
|----------------------------------------------------------------------------------------------------------|-------------------|-------------------|-----------|--|
| 1. Insubordination or willful disobedience                                                               | 5 Days suspension | Dismissal         |           |  |
| 2. Challenging one's superior or any member of management to a fight                                     | Dismissal         |                   |           |  |
| 3. Fighting or instigating a fight, inflicting or attempting to inflict harm upon another for any reason | Dismissal         |                   |           |  |
| 4. Drunkenness or reporting for work under the influence of liquor                                       | 3 Days suspension | 5 Days suspension | Dismissal |  |

|                                                                                                                                  |                   |                       |                   |           |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------------|-------------------|-----------|
| 5. Using, possessing or peddling prohibited drugs or reporting to work under the influence of drugs                              | Dismissal         |                       |                   |           |
| 6. Horseplay, scuffling, catcalls, unnecessary shouting or throwing things while at work                                         | Written warning   | 3 Days suspension     | 5 Days suspension | Dismissal |
| 7. Threatening, intimidating or coercing fellow employees to engage in any violation of company rules at any time for any reason | 3 Days suspension | Dismissal             |                   |           |
| 8. Indecent conduct or immorality                                                                                                | 5 Days suspension | Dismissal             |                   |           |
| 9. Discourtesy to clients                                                                                                        | 3 Days suspension | Dismissal             |                   |           |
| 10. Gambling of any form on company premises at any time                                                                         | 3 Days suspension | 5 Days suspension     | Dismissal         |           |
| 11. Failure to turn in collection money (cash or check) within prescribed period                                                 | Dismissal         |                       |                   |           |
| 12. Distribution of obscene literature on company premises                                                                       | Written warning   | Final written warning | 3 Days suspension | Dismissal |
| 13. Sleeping during working hours                                                                                                | Written warning   | 3 Days suspension     | 5 Days suspension | Dismissal |
| 14. Conviction in a criminal case                                                                                                | Dismissal         |                       |                   |           |
| 15. Conduct outside of work which would reflect unfavorably toward the Company                                                   | Written warning   | 3 Days suspension     | 5 Days suspension | Dismissal |

#### 1V. DISHONESTY

|                                                                 |           |  |  |  |
|-----------------------------------------------------------------|-----------|--|--|--|
| 1. Stealing                                                     | Dismissal |  |  |  |
| 2. Malversation of Company funds                                | Dismissal |  |  |  |
| 3. Falsification of Personnel, medical and othe Company records | Dismissal |  |  |  |
|                                                                 |           |  |  |  |

|                                                                                                                                                                           |                   |                   |           |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-----------|--|
| 4. Accepting directly or indirectly any sum of money, offer, promise, or graft in consideration of any act connected with the discharge of the employee's official duties | Dismissal         |                   |           |  |
| 5. Misrepresentation of the reasons in applying for a sick leave under a claim of illness although not actually sick and not found at home.                               | 3 Days suspension | 5 Days suspension | Dismissal |  |
| 6. Timing or Logging-in on behalf of another employee or otherwise having one's card punched.                                                                             | 5 Days suspension | Dismissal         |           |  |
| 7. Substituting company materials or equipment with another of inferior quality or lesser value                                                                           | Dismissal         |                   |           |  |
| 8. Giving false testimony on the occasion of a company investigation                                                                                                      | 5 Days suspension | Dismissal         |           |  |

#### **V. HEALTH, SAFETY & SECURITY**

|                                                                                                         |                   |                   |                   |           |
|---------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-----------|
| 1. Littering, violation of common health and sanitation rules                                           | Written warning   | Final warning     | 3 Days suspension | Dismissal |
| 2. Disclosure of confidential data, trade secrets or classified information to any unauthorized persons | 5 Days suspension | Dismissal         |                   |           |
| 3. Bringing out company records of any kind without authority                                           | Written warning   | 3 Days suspension | Dismissal         |           |
| 4. Serious horseplay which results in serious physical injury or death                                  | Dismissal         |                   |                   |           |
| 5. Smoking in restricted or prohibited areas; willful disregard of other common safety rules            | 5 Days suspension | Dismissal         |                   |           |

|                                                                         |                 |                       |                   |           |
|-------------------------------------------------------------------------|-----------------|-----------------------|-------------------|-----------|
| 6. Sabotage or any form of slowdown or deliberate restriction of output | Dismissal       |                       |                   |           |
| 7. Membership in any unlawful organization                              | Dismissal       |                       |                   |           |
| 8. Unauthorized presence in restricted areas                            | Written warning | Final written warning | 3 Days suspension | Dismissal |

#### VI. JOB PERFORMANCE

|                                                                                                                                            |                 |                       |                   |           |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-------------------|-----------|
| 1. Gross or habitual neglect of duties                                                                                                     | Written warning | Final written warning | Dismissal         |           |
| 2. Malingering, wasting time, loitering or loafing during office hours                                                                     | Written warning | 5 Days suspension     | Dismissal         |           |
| 3. Soliciting donations, selling merchandise or tickets, circulating petitions during working time without specific approval of management | Written warning | 3 Days suspension     | 5 Days suspension | Dismissal |
| 4. Leaving workplace, or quitting work before specified time; exceeding coffee breaks; or repeated failure to begin work at starting time  | Written warning | 3 Days suspension     | 5 Days suspension | Dismissal |
| 5. Failure to submit required reports or application for leave/undertime/overtime and official business itinerary on time/regularly        | Written warning | Final written warning | 3 Days suspension | Dismissal |

#### VII. TIMEKEEPING

|                                                                          |                 |                       |                  |                   |
|--------------------------------------------------------------------------|-----------------|-----------------------|------------------|-------------------|
| 1. Repeated failure to time-in/Log-in or affix signature required        | Written warning | Final written warning | 1 Day suspension | 3 Days suspension |
| 2. Tampering with or mishandling the mechanism of time-recording machine | Written warning | 3 Days suspension     | Dismissal        |                   |

**NOTE:** Failure on the part of the Company to invoke and implement the disciplinary measures enumerated herein shall not be considered as sanction or tolerance of the infraction or a waiver or abandonment of its rights and prerogatives.

All compensation, allowance and benefits including leave accruals, shall be deemed suspended whenever any employee is suspended under any of the offenses or violations.

**ASIA UNITED INSURANCE, INC.**

**RETIREMENT PLAN**

***Effective Date***

January 01, 2002

***Eligibility of Membership***

All employees of the Company who are considered having Regular Employment Status. Membership into the Plan will commence retroactive on the first day of the month coincident with or next following his attainment of regular employment status.

***Normal retirement Date***

First day of the month coincident with or next following his attainment of age sixty (60) with at least five (5) years of Credited Service

***Optional / Early Retirement Date***

A member may elect to retire with the consent of the Company prior to his normal retirement date provided that he has completed at least twenty (20) years of Credited Service or he is age Fifty (50) and has completed at least ten (10) years of Credited Service.

A member who has rendered at least ten (10) years of Credited Service and is at least Fifty (50) shall be tax exempt in accordance with Republic Act No. 4917.

***Late Retirement Date***

A member who is allowed by the Company to continue work on a yearly extension basis beyond his normal retirement date shall continue to be a member of the Plan up to his late retirement date. The Late Retirement Date of a member shall be the first day of any month after attaining his normal retirement date.

***Retirement Benefit***

The Normal Retirement Benefit shall be a sum equivalent to 100% of Plan Salary for every year of Credited Service.

***Normal and Late Retirement Benefits***

The Normal and Late Retirement Benefits shall be computed in accordance with the retirement benefit formula as of normal or late retirement date.

***Optional / Early Retirement Benefit***

Any member who is allowed by the Company to retire prior to his normal retirement date shall receive an amount equal to a Percentage of Plan Salary for every year of Credited Service in accordance with the vesting schedule below:

| <u>Years of Service</u> | <u>Percentage</u> |
|-------------------------|-------------------|
| Less Than 10 Years      | 0%                |
| 10 but less than 11     | 50%               |
| 11 but less than 12     | 55%               |
| 12 but less than 13     | 60%               |
| 13 but less than 14     | 65%               |
| 14 but less than 15     | 70%               |
| 15 but less than 16     | 75%               |
| 16 but less than 17     | 80%               |
| 17 but less than 18     | 80%               |
| 18 but less than 19     | 85%               |
| 19 but less than 20     | 90%               |
| 20 Years and Over       | 100%              |

***Death and Disability Benefits***

In the event that a member dies or is retired by the Company due to permanent total incapacity or disability as determined by a licensed physician appointed by the Company, his death or disability benefit as the case may be shall be a sum computed in accordance with the retirement benefit formula as of date of death or disability.

***Severance Benefit***

A member who is involuntarily separated by the Company due to a retrenchment program or for causes not due to his fault, misconduct, or material neglect shall receive an amount determined either in accordance with the Labor Code or similar legislation on involuntary termination or the applicable retirement benefit under the Plan, whichever is greater.

***Non-Duplication of Benefit***

Any benefit payable under the Plan shall be in compliance with, but not in addition to, the payment of similar benefits the Company is required to pay its employee under existing laws or under their collective bargaining agreement.

***Dismissal for Cause***

A member who is dismissed by the Company for cause shall not be entitled to any benefits.

***Forfeiture of Benefits***

Benefits not paid to separated members by virtue of the limitations specified in the Plan shall be retained in the Fund and shall be used to reduce future contributions of the Company.

***Contribution***

Non-Contributory to the members and is Actuarially determined.

***Administration***

The Plan shall be Trusteed.

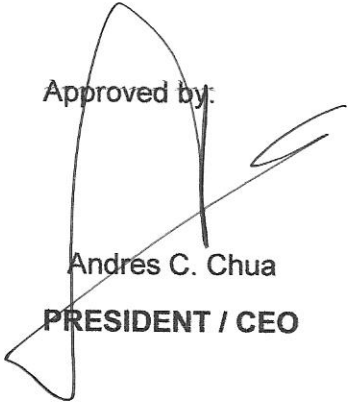
This Manual completed on 4<sup>th</sup> day of February, 2022.

Prepared by:

  
HERMINIO P. VILLAAMAYOR, JR.

Senior vice President

Approved by:

  
Andres C. Chua

**PRESIDENT / CEO**



Emmanuel R. Que

**EVP / COO / COMPLIANCE OFFICER**