

**CHEMPHIL GROUP
CODE OF CONDUCT, ORGANIZATIONAL
DISCIPLINE AND ETHICS**

I. POLICY STATEMENT

The company is committed to develop and maintain an organizational climate where people are productive, harmonious, cohesive and bound by common objectives. Thus, heads of work units (responsibility centers) must promote and environment which fosters a high degree of self-discipline in order to enable employees to function as an efficient and effective team.

Employees are expected to conform to the ideals proposed in this Code. They are to maintain at all times the organizational behavior that upholds the Chemphil corporate culture and organizational prestige.

Chemphil's disciplinary policy is primarily corrective in nature. This positive approach to discipline starts with proper training and is sustained by motivation and encouragement. Disciplinary actions will be taken to correct and rehabilitate erring employees. It is not the primary intention of the Company to penalize or punish its employees unduly. Rather, the rules that follow manifest the Company's seriousness of purpose in maintaining organizational discipline. In the implementation of its disciplinary policy, the company shall be fair, consistent and reasonable. These established rules, regulations and procedures are mainly to ensure efficient and effective operations.

II. POLICY GUIDELINES

1. This Code is applicable to all regular and non-regular employees (contractual and/or probationary) of the Chemphil Group of Companies.
2. The enforcement of discipline is a line function. The immediate superior is responsible in instilling discipline and maintaining order in his work unit. For first time minor infractions, the approach should be to give counsel and constructive advice to warn of ill-effects and consequences. For repeated infractions and for grave misdemeanors, suspension from work without pay or termination may finally be warranted. In all situations, the superior should immediately inform and seek the assistance of HR Dept. – Pasig or HR Pasig / HR Dept. – Makati or HR Makati in turn shall proceed in conducting the proper investigation and in implementing the appropriate procedures.
3. The role of HR – Makati / HR – Pasig is to ensure that in every disciplinary case, there is due process and all sides are heard and evaluated by **a FACT FINDING BODY** appointed for the purpose.
 - 3.1 HR – Makati / HR – Pasig should see to it that:
 - a. The investigation is prompt, complete and follow the proper format and procedures;
 - b. The implementation and application of sanctions per the Code and existing laws are based on substantial evidence and are just and uniformly applied;
 - c. Proper documentation of the administrative proceedings of the investigation and of the consequent disciplinary action recommended in each case;
 - d. These records shall be the basic reference in rendering the final judgment of each case;
 - e. These records including the final judgment shall be compiled in the employee's 201 file and shall have a bearing to future infractions/violations and judgments.
 - 3.2 HR – Makati / HR – Pasig should also ensure that:
 - a. Heads of work units, from time to time, properly orient/educate the employees in their area of responsibility on the company's policies and procedures as embodied in this code;

