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1. INTRODUCTION

The success of the organization is most dependent upon the harmonious relationship that exists among the people who work for it. Harmony produces teamwork and teamwork makes effective the collective efforts of men. All this may be accomplished only when essential guidelines are set forth. Thus, the following personnel policies, rules and regulations are hereby promulgated for the guidelines of all officers and employees of BLUE CROSS GROUP OF COMPANIES.

a. Purpose of Handbook

The purpose of this handbook is to inform you of BLUE CROSS GROUP OF COMPANIES’ policies, standards, and procedures. It will explain Blue Cross’ responsibilities towards the employee and the employee’s responsibilities to the Company. It includes sections of detailing personnel and administrative policies and procedures. In signing your contract of employment with the Blue Cross Group of Companies you are committed to comply with the contents of this handbook.

b. Cross References

This handbook summarizes, or in some cases, expands upon material contained in various separate documents relating to policies, standards and procedures.

c. Update Procedure

This handbook shall be updated from time to time on needs basis.

d. The Company

i. Company History

Blue Cross Insurance, Inc. is a market specialist in medical, travel and accident insurance. Based in the Philippines, and with sister companies in Thailand, Indonesia, Vietnam and other operating entities in Hong Kong, Blue Cross is part of a wider group of insurance companies operating across Asia, with a particular focus on the ASEAN region. The aim of the group is to be recognized as market leaders and Asian specialist insurers of medical and travel lines.

Blue Cross, originally named State Bonding Corporation and Insurance, Co., Inc. was founded in the Philippines in 1949. In 1977, State Bonding established a medical insurance division to respond to the growing health insurance market in the Philippines. It was in 1986 that the company changed its corporate name to Blue Cross Insurance, Inc. In 1996, Blue Cross ceased writing general insurance business to concentrate on its specialized lines of medical, personal accident and travel insurance.

Belonging to the top 20 non-life insurance companies in the Philippines, Blue Cross is one of the most financially stable companies in the market today. We have a current premium revenue of around 423 million Pesos per year, and assets amounting to around 607 million Pesos. With a steadfast commitment to growth and progress, Blue Cross aims to surpass these figures in the years to come.

Blue Cross’s product portfolio includes a diverse range of medical and travel insurance packages. We offer international US Dollar contracts, Euro Plans for travel, as well as local Peso policies to individuals and groups.
As a specialist provider in the marketplace, our group includes a Health Maintenance Organization (HMO), Blue Cross Health Care, Inc. The Company offers health care coverage with a no-cash-outlay facility, as well as Third Party Agreements (TPAs). Blue Cross maintains a wide network of hospitals, clinics and medical facilities across the Philippines. We have also established partnerships with numerous doctors, dentists and medical specialists nationwide.

ii. Operating Principles

Blue Cross is grounded in a vision to become the preferred medical and travel insurance provider of discerning clients. Our mission is to consistently deliver excellent, dynamic and flexible products to the marketplace. We are committed to providing our clients with value for their money by professional and personalized customer service coupled with reliable and fair claims servicing. We consider privacy of client information, attention to detail, open communication across the Company and with the market, and financial awareness as key principles in our operations. Our core values include personal and corporate integrity, total customer delight, teamwork, sense of responsibility, competence and professionalism, as well as being results and achievement-oriented.

2. PRODUCTS AND SERVICES

a. Medical Insurance plans

DOLLAR PLANS

BLUE ROYALE: A worldwide Dollar plan that allows freedom of choice for the best medical care. Maximum aggregate limit per year is up to US$2 million. Also offered for Senior Citizens under Blue Royale-Premier and for non-Philippine residents and expatriates under Blue Royale Plan A +.

PESO PLANS

SELECT STANDARD: A Peso plan that allows you to choose your own medical provider and reimburse medical benefits up to PhP3 million for each disability per lifetime.

SELECT PLUS: Benefits are similar to Select Standard, but with an aggregate limit per year of up to PhP3 million.

PREMIER: A Peso plan for Senior Citizens (66 years old and above). Maximum coverage is up to PhP1.5 million for each disability per lifetime.

BLUE CROSS FLEXI: Group medical plans that can be tailor fitted to suit clients’ needs. Open to groups of at least 20 to 50 members, or to groups of at least 50 members. Available under reimbursement only or reimbursement and no-cash-outlay plans.

HEALTHLINE TPA: A Third Party Administered Agreement, which allows the client to finance their own health plan via a revolving fund, using the Blue Cross network of accredited medical providers for the no-cash-outlay facility.
b. Travel Insurance plans

TRAVELSAFE TRIPGUARD: Travel insurance for business and pleasure with benefits and premiums on a per trip basis. Maximum medical treatment benefit is US$50,000, Euro 30,000 or PhP2.5 million (depending on your plan).

TRAVELSAFE ANNUAL: Travel insurance for the frequent traveler with premiums, Medical and Personal Accident benefits on an annual basis. Maximum medical treatment, depending on plan, is either US$50,000 or PhP1 million.

3. HIRING AND PROMOTING

On joining the Company the employee signed a Contract of Employment which is a legally binding statement of the Company. This section provides a full explanation of the terms upon which you are employed by BLUE CROSS GROUP OF COMPANIES.

a. Qualifications

In order to be eligible for employment, all applicants must meet the age, medical and minimum requirements as established by the Company. Applicants must be 18 years of age, must pass an appropriate medical examination conducted by our Company Physician at no cost to the applicant; must possess the necessary character, personality and attitude; must provide proof of education and other qualifications required by the company.

b. Probation Period

All BLUE CROSS employees are subject to a Probationary Employment for a period of six (6) months. Employees will be evaluated on performance, suitability for the job, and ability to follow instructions, as well as on absences, punctuality, and willingness to work requested overtime. If satisfactory, on or before the expiration of the probation period, the probationer may be promoted to a status of permanency. The employee may be terminated, at any time, during this probationary period if the employee has failed to satisfy the Company’s requirements.

Employees may be ineligible to receive Company benefits during this period. Employees who encounter problems, issues, or concerns during their Probationary Period should speak to their supervisor.

c. Job Descriptions

BLUE CROSS has written job descriptions for each position in the Company. Upon beginning work with BLUE CROSS you will be given a description of your job, including its responsibilities, goals and duties. If you have any questions or concerns about your responsibilities and duties as outlined, speak to your supervisor or HRD for clarification.

Job descriptions are updated periodically as the Company and its business needs change. Employees are requested to assist with any revisions to their position’s job description.
d. Employee Recruitment

BLUE CROSS uses various sources in recruiting new employees – newspapers, employment agencies, search firms, etc. This helps ensure we select the right candidate for the job.

BLUE CROSS also does internal job posting through e-mail before recruiting outside the company. If you are interested in a posted job and feel you are qualified, speak to HRD for assistance in applying. While the company encourages and seriously considers employee applications for posted jobs, we reserve the right to recruit qualified applicants from other sources if no current BLUE CROSS employee is suitable for the position.

An employee can contact HRD if she would like to recommend a qualified candidate. A referral fee will be awarded to the employee should the referred applicant be accepted and become a permanent employee of the Company.

e. New Employee Selection

BLUE CROSS hires only those who bring strong skills to the Company and will help further its goals. Employees are chosen for each position based on the levels of education, physical ability, aptitude and other factors specified in the job description.

f. Physical Exams

It is the policy of BLUE CROSS to require all those offered a position with the Company to undergo physical examination. This is to ensure that these persons are physically and mentally healthy enough to fulfill the demands of the job offered.

g. Employment of Relatives

Related Blue Cross employees may not be assigned to positions where one relative might have the opportunity to check, process, review, approve, audit or otherwise affect the work of another relative.

Related employees may not be assigned in positions where one relative might influence the salary progress of another.

A relative is defined to be a person related up to the third degree of consanguinity or affinity to the employee. The relationship is further illustrated as:

Consanguinity:

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Father/Mother</td>
<td>1st</td>
</tr>
<tr>
<td>Brother/Sister (or even half brother/sister)</td>
<td>2nd</td>
</tr>
<tr>
<td>Uncle/Aunt</td>
<td>3rd</td>
</tr>
</tbody>
</table>
Affinity:

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parents in law</td>
<td>1st</td>
</tr>
<tr>
<td>Brother/Sister in law</td>
<td>2nd</td>
</tr>
<tr>
<td>Uncle/Aunt in law</td>
<td>3rd</td>
</tr>
</tbody>
</table>

**h. New Employee Orientation**

BLUE CROSS provides an orientation period for all new hires. During this time the employee and his/her immediate superior will jointly review the new hire’s responsibilities, duties and job requirements. New employees are encouraged to ask for help and guidance during their orientation period. Careful consideration is given to the learning curve new hires face.

**i. Transfers**

BLUE CROSS tries to make whatever accommodations employees may need to make their employment here meaningful. If necessary for business reasons, employees may be asked to transfer to a different department or shift. BLUE CROSS asks that employees work with HRD during such moves to make the transition as smooth as possible.

**j. Personnel Records**

BLUE CROSS maintains personnel records for each employee. These records contain all information relevant to the employment including benefits, policies, etc. To ensure that records are always up-to-date, please inform HRD of any change in your name, address, telephone number, marital status, number of dependents, income tax exemptions, insurance beneficiaries, and/or emergency numbers. Direct any questions or concerns about your personnel records to HRD.

**k. Issuance of Identification Cards**

1. Issuance of ID

   All regular, probationary and contractual employees will be provided with identification cards which have unique bar-codes.

2. Lost Employee ID’s

   a) The employee must report the loss of his/her ID card with an affidavit immediately to the Human Resource Department
   b) Human Resource Department will issue the employee a new ID after he/she has paid the appropriate fee.
   c) Replacement of a loss ID card will be at the expense of the employee

3. Worn-Out ID’s

   Replacement due to normal wear and tear will be issued free of charge upon surrender of the old ID.
4. Surrender of ID:

Resigned regular/probationary/contractual employees must surrender their identification cards as part of their clearance requirements.

4. WORK HOURS, EMPLOYEE SCHEDULES AND ATTENDANCE

a. Attendance and Punctuality

As an employee of BLUE CROSS, you are expected to be present on time every workday for your assigned business hours and functions. Punctuality and regular attendance are critical for employee confidence and productivity. Allowances will be made for circumstances beyond employee control.

Excessive employee absence and/or chronic tardiness may be caused for disciplinary action, including termination of employment.

b. Working Hours

BLUE CROSS employees are scheduled to work a forty-hour week. The regular workday shall consist of eight (8) hours. Unless otherwise prescribed, the following working hours shall be observed: 08.30 hrs to 17.30 hrs, Monday through Friday with a one-hour break for lunch.

c. Flexible Work Hours

Flexible hours are a part of the modern corporate environment. At BLUE CROSS, flexible working hours are available for employees that are suited to such an arrangement i.e., those studying for their MA degrees. The flexible work hour program allows employees to begin and end their workday earlier or later than other employees, so long as business needs are met. Absenteeism and punctuality policies apply.

d. Break Periods

Employee breaks and lunch periods are set to ensure that both business and employee needs are met. Each employee is entitled to a break period of fifteen (15) minutes in the morning as well as in the afternoon; and a one-hour lunch break.

The immediate superior is responsible for maintaining and scheduling the break and lunch schedules to prevent disruption of work. Employees are responsible for keeping to their scheduled break times.

e. Attendance

The monthly exception report replaces the timekeeping device. It represents an employee’s attendance in a month. It indicates if a leave or undertime is taken, if overtime is rendered or if tardiness is committed.
Direct Superiors or Division Heads will be the ones responsible in the monitoring of punctuality and attendance of their staff. They may come up with a time-in/time-out form for their staff to log on. Employees are still expected to observe the standard working hours of Blue Cross which is 8:30 am – 5:30 pm unless there is prior arrangement for flexible working hours.

The following are the implementing guidelines:

1. An employee accomplishes and submits to HRD a monthly exception report duly signed by his/her superior and department/division head every end of the month.
2. Indicate date of leave, undertime, overtime or tardiness. Provide remarks as well.
3. Attach document (memo, accomplished overtime form, doctor’s certificate, etc.), if necessary, for any leaves or undertime taken and overtime rendered.
4. In case of tardiness, a 60-minute late committed in a day will be recorded as half day.
5. Any deduction or additional payment due to an employee will be reflected in the next month’s pay.

5. DISCIPLINE, DISCHARGE AND OTHER SEPARATIONS

a. Ethical and Legal Business Practices

BLUE CROSS requires that all employees conduct themselves to the highest ethical and legal standards when business for or with BLUE CROSS or its customers, clients, personnel, competitors or affiliated agencies. BLUE CROSS Conduct Standards offer guidelines on ethical practices. Employees who violate these Standards will be subject to the penalties described therein, up to and including dismissal. If you are unclear on what the ethical or legal standards are in any given situation, check with your immediate superior or HRD to help protect both your integrity and the Company’s.

b. Confidential Information

Any and all information about BLUE CROSS and its clients/customers that is not available to the general public is to be considered confidential. This includes client/customer lists; project, pricing, and billing information; and information on BLUE CROSS payroll, software, programs, processes, etc. Employees are to assume that any information not published for public view is to be considered proprietary and/or confidential. Employees may not share or disseminate any such information without authorization from Top Management. All employees must realize that the well being of the Company depends upon their maintaining this confidentiality. Any breach of confidentiality will be subject to disciplinary action.

c. Policy on Lending Money

1. The company STRICTLY FORBIDS the lending of money from fellow employees, including supervisor, and manager employed by Blue Cross. Any employee found to be in breach of this would be dismissed immediately.

2. The company will not tolerate or allow anybody to take advantage of the Salary Loan Benefit scheme being offered by the company for the purposes of repaying loans, which
may already be outstanding to fellow employees. For more details of the Employee Salary Loan Benefit, consult HRD.

d. Separation Procedures

BLUE CROSS realizes that some employees leave a company voluntarily and some leave involuntarily. Upon actual departure from the Company, employees are to surrender all items related to their job.

i. Termination by Employee

Employees who are resigning voluntarily must serve thirty (30) days written notice. Failure to do so shall hold the employee for damages.

ii. Termination by Employer

The Company may terminate the employment of any employee for:

a) Any of the just causes enumerated under Administration of Discipline hereof.

b) Other causes including but not limited to:

   b.1 The installation of labor-saving devices (redundancy)

   b.2 Retrenchment to prevent losses or the closing or cessation of Company operations due to serious business losses or financial reversal.

   b.3 Infliction of a contagious disease not curable in a six (6) month time period and continued employment is prohibited by law or is prejudicial to the employee’s health as well as the health of co-employees.

e. Severance Pay

BLUE CROSS provides severance pay for eligible full-time employees under certain circumstances. This pay is intended to guarantee some limited income during the search for a new job.

i. Termination by Employee

Any employee who terminates his own employment shall be entitled to separation benefits as outlined in the Company’s retirement.

ii. Termination by Employer

When employment is terminated by the employer:

a) No termination pay shall be paid to the employee whose employment is terminated for a just cause.

b) When termination is due to installation of labor-saving devices or redundancy of work or due to retrenchment to prevent losses, the affected employee shall be entitled to a termination pay of not less than one (1) month pay for every year of service. A fraction of at least six (6) months shall be considered as one (1) whole year. The termination pay shall be based on the employee’s latest basic salary.
f. Employment Clearance and Release

1. When employment relations are severed either by the employee through resignation or by management through termination of employment, lay-off or retirement, the employee’s accountabilities must be cleared before he/she leaves the company and/or before release of final pay.

2. For employees who wish to resign, a letter of resignation must be filled at least thirty (30) days prior to effectivity of resignation to allow for suitable replacement and ensure a proper turnover of responsibilities and accountabilities.

   However, if in the judgment of employee's department head the resigning employee has a valid reason, has no pressing work-related commitments and his absence will not adversely affect operations, the Department Head may accept the resignation with immediate effect, in coordination with Human Resource Department (HRD) for clearance purposes.

3. The clearance when fully signed by all parties concerned shall serve as a certification that the leaving employee has no outstanding financial or property accountability with the Company.

4. The forms to be accomplished are:
   a. Clearance and Release Form
   b. Release and Quit Claim Form

5. If an employee is found to have an accountability in any of the clearing areas stated in the Clearance and Release Form, the concerned clearing officer must immediately demand that the employee settle such accountabilities. Otherwise, final clearance shall not be granted and all salaries and benefits due the employee shall be withheld pending the settlement of such accountability.

6. Human Resource Department ensures that the Clearance and Release Form of the employee leaving the Company is processed and properly accomplished.

   Procedures:

   The following procedures should be followed in accomplishing employment clearance.

A. Voluntary Resignation

1. The employee prepares his resignation letter, addressed to his Department Head, copy furnished the Human Resource Department.

2. The Division Head acknowledges receipt of the resignation letter and approves date of resignation and informs HRD of the action.

3. Upon receipt of approved resignation letter, HRD advises all the parties concerned of the resignation and prepares the clearance form.
4. Before the cheque is released, HRD asks the resigning employee to sign the Quit Claim and Release Undertaking form.

B. Compulsory Retirement

1. Human Resource Department prepares notice of employees due for compulsory retirement and officially informs the employee’s Department Head.
2. The Department Head, in turn, officially informs the employee concerned of his/her schedule of retirement.
3. HRD coordinates with Finance & Treasury Division and Payroll the effectivity of retirement for control purposes and prepares clearance forms in duplicate.
4. Employee must ensure that all his/her cash and property accountabilities, if any, are settled on or before date of retirement.
5. Finance and Treasury Division processes retirement benefits and computes additional compensation due the employee.

C. Dismissal

1. The concerned Department, in coordination with HRD, prepares notice of termination in duplicate.
2. Department Head notifies the employee of his dismissal and forwards duplicate copy to HRD.
3. Human Resource Department prepares clearance for immediate processing.

BLUE CROSS provides severance pay for eligible full-time employees under certain circumstances. This pay is intended to guarantee some limited income during the search for a new job.

6. PAY, PERFORMANCE AND OTHER COMPENSATION

BLUE CROSS GROUP OF COMPANIES endeavors to reward people in a fair and equitable manner.

The Company’s pay for performance philosophy results in an environment where one’s performance and contributions lead to one’s growth within the Company. This is recognized through promotions and/or corresponding compensation rewards. In an environment where several individuals join the Company in like roles, performance and contributions eventually become the key factors in differentiating compensation and career growth within the organization.
a. **Pay Periods**

As a general rule, employee salaries are based on a monthly amount. Employees are paid their salaries twice a month, with pay periods ending on the 15th and the last day of each month.

Salaries of employees shall be paid directly to each employee’s payroll bank account in the Company’s designated depository bank.

b. **Overtime Pay**

Any service rendered by an employee beyond the hours and the days provided for as discussed under the section Working Hours shall be considered overtime work and shall entitle the employee an overtime pay. Our Company has set the following overtime rates.

<table>
<thead>
<tr>
<th>Day Type</th>
<th>Overtime Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular working day</td>
<td>125% of basic salary rate</td>
</tr>
<tr>
<td>Saturday</td>
<td>150% of basic salary rate</td>
</tr>
<tr>
<td>Sunday and Holiday</td>
<td>200% of basic salary rate</td>
</tr>
</tbody>
</table>

Overtime work shall be properly scheduled and must have the prior approval of the Chief Executive Officer. Applications for overtime are to be submitted by each Department Head with the names of the staff required to do overtime work as well as the description of the work to be done.

Senior staffs are not entitled to overtime pay. However, they are subject to a separate implementing guideline, which entitles them to a meal and transportation allowance when they do overtime work for a specified period of time.

**Overtime Request**

Overtime Requests will be strictly reviewed and approved in extreme circumstances. This also means that rendering overtime must be lessened, if possible, be stopped.

In addition to the above, a one-hour period after office hours shall be allotted for preparation (e.g. attending to personal grooming, organizing/arranging work station and desk, etc.) to leave the office. Hence, such period shall not be covered in the Overtime Requests. For example, if the working hours is until 5:30 p.m., an employee can only start filing overtime requests starting 6:30 p.m. and onwards.

c. **Bonus Compensation**

BLUE CROSS believes in rewarding the efforts of employees whenever the Company’s financial position allows. Employees are asked to recognize that bonuses are not a guaranteed annual benefit. Whether to provide bonuses and their size shall be solely at BLUE CROSS’ discretion. The Company reserves the right to suspend or limit bonuses if the Company’s financial situation requires it.

d. **Thirteenth Month Pay**

All employees who are on the payroll at the end of November each year will receive one extra month’s basic salary. Pro-rata payments will be made to those who have less than one year’s service.
Said bonus shall be paid simultaneously with the payroll for the period November 16-30 of every year.

e. Performance Evaluation

We, at BLUE CROSS, value our employees. Performance and salary reviews provide the opportunity both to demonstrate to them their value to us, and to assess how they relate to the requirements of their positions. Performance evaluations give BLUE CROSS, the immediate superior and the employee an opportunity to assess the employee’s on-the-job performance. Poor or unacceptable performance towards achieving standards or requirements, fair performance towards achieving standards or requirements, meets standards or requirements, exceeds standards or requirements, and excellent performance will be noted, along with any areas where improvement may be needed.

Each employee’s performance will be evaluated annually or more often upon the discretion of management. This evaluation will be based on the following:

   a) Key Results Areas
   b) Key Accountabilities
   c) Core Competencies

f. Salary Reviews

BLUE CROSS is committed to providing employee salaries that reflect the Company's financial condition, the job’s responsibilities, the employee’s performance, and the area standard. The salary and salary range for each position at BLUE CROSS are based on its job description. Salary increases within the salary range depend upon employee performance. Salary increases are not guaranteed, but depend upon employee performance and the Company's financial situation.

7. HOLIDAYS, VACATIONS AND OTHER EMPLOYEE BENEFITS

   a. Paid Sick Leave

BLUE CROSS is committed to its employees’ health. Paid sick leave gives employees the chance to recover from minor illnesses and offers some protection from the inevitable transmission of colds, sore throats, etc. Paid sick leave is available to all regular employees.

Regular employees shall be entitled to a minimum total of fourteen (14) days sick leave for each year of service.

When an employee cannot report for work due to an illness, he/she or his/her representative shall notify his/her Department Head within the first hour of the working day. A properly accomplished Sick Leave Form must be submitted to his Department Head on the first day the employee reports back to work. No absence shall be credited as sick leave without the said form.

A medical certificate must support any sick leave of more than three (3) days and, in the absence thereof, the total period of absences shall be treated as leave without pay.
b. Paid Vacation Leave

BLUE CROSS provides vacation time to help employees stay rested and fresh. Requests for vacation must be submitted at least (3) days before commencement of the leave applied for.

1. **Policy definition**: Vacation Leave is granted to a regular employee, earned from date of hiring even on probationary status, but usable only upon permanency. This type of leave is normally availed of for vacation purposes, personal commitments, leisure and recreation, travel, and other instances not falling under other categories of leaves.

1.a A regular employee who voluntarily resigns is entitled to a cash conversion of his/her earned leaves. The cash equivalent is credited in his/her last pay.

Cash conversion on resignation will not automatically apply for carry forward leaves. There must be on record a note signed by the relevant division head justifying the reason why the employees concerned failed to take leave entitlement. Without any justification on file, an employee resigning within the 2nd quarter of the following year will not be entitled to conversion.

2. At the onset of each calendar year, all entitled employees have to plan and consequently schedule the usage of vacation leave credits within the new calendar year via a Vacation Leave Planning activity. Human Resources ensures that the necessary form with appropriate data/information on leaves balances is made available during the planning session. For this purpose, the following guidelines have to be complied with:

2.a. The staff and immediate superior should mutually agree on the schedule of vacation leaves to be taken during the year.

2.b. The Heads of departments/divisions have to ensure that their respective units are properly manned or staffed during “popular” leave periods such as Holy Week, summer, Christmas break, etc. and that leaves of the staff in the unit are not taken simultaneously to the detriment of the unit’s operations.

2.c. It is assumed that the employee will take the leave as planned. However, the employee is still required to notify the superior at least 3 days before the scheduled leave is taken. In the event that the employee decides to defer or amend the approved scheduled leave, the employee has to secure the approval of the superior just the same.

3. **Crediting of Vacation Leaves**: An employee earns VL credits monthly computed at the rate of 1/12 of the employee’s annual leave entitlement.

4. **Annual Vacation Leave Entitlement shall be as follows**:

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Leave Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. less than 5 years</td>
<td>14 work days</td>
</tr>
<tr>
<td>b. 5 – 10 years</td>
<td>18 work days</td>
</tr>
<tr>
<td>c. over 10 years</td>
<td>23 work days</td>
</tr>
</tbody>
</table>
Any leave taken prior to regularization shall be without pay.

Out of their annual leaves, employees are required to take a compulsory vacation of at least five (5) working days. These should be taken up during the VL Planning Activity.

**TREATMENT OF VL BALANCES and CARRY-OVER (CARRY FORWARD) of VACATION LEAVES**

1. Unused vacation leaves at the end of each calendar year will be forfeited. However, VL balances for the current year may be allowed to be carried over to the following year if the exigencies of the job will not permit an employee to go on leave as scheduled.

2. For this purpose, the respective Dept/Div heads will be the final approving authority to grant carry-over privileges for the employees, provided further that carried over VLs will be consumed within the 2nd quarter of the immediately following year. Otherwise, excess VL will be forfeited.

3. **Conversion of VL to SL**. An employee who is diagnosed of a disability that needs bed rest for more than his/her entitled number of sick leave benefit (eg. 14 days of SL for employees with less than 5 years tenure) may consume the unused or carry forward VLs within the 2nd quarter of the immediately following year subject to the following requirements:
   a. approval from his/her Department or Division Head
   b. medical certificate from the attending physician justifying the necessity of extended leave.

**Filing a Half-Day Leave**

To apply for an authorized half-day leave application, a 4-hour work duration must be completed before or after the half-day sick/vacation leave schedule within the affected day the morning half-day leave shall start from 8:30 am to 12:30 pm while the afternoon half-day leave shall be taken from 1:30 pm to 5:30 pm.

**Permission to Stay**

Upon accomplishing the Permit to Stay Form, the requesting staff should submit the form (upon the approval of the concerned department head) to HRD for review and notation on or before 5:00 pm of the affected day. Approval of “Permit to Stay” forms for Saturday work extension must be accomplished on or before 5:00 pm of the preceding Friday.

Fully accomplished and approved form shall then be forwarded by the employee to the Security at the Ground Floor level through the General Services Department not later than 5:30 pm in order to effectively monitor the usage of company facilities and make the necessary adjustments.
c. Maternity Leave and Maternity Assistance

The amount of maternity leave benefit shall be paid in accordance with existing laws.

Any leave of absence in excess of the maternity leave will be deducted from the vacation leave, if any, and will be treated as leave without pay thereafter but for a period not in excess of fourteen (14) working days. Unused days of sick leave may not be used to offset excess days of maternity leave.

Financial assistance for a maximum of 3 pregnancies is extended to married and unmarried pregnant employees with at least two full years of service with the company. It constitutes the following:

<table>
<thead>
<tr>
<th>Type</th>
<th>Benefit</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NORMAL DELIVERY</td>
<td>Php5,000.00/delivery</td>
<td></td>
</tr>
<tr>
<td>CAESARIAN SECTION</td>
<td>Php8,000.00/delivery</td>
<td></td>
</tr>
<tr>
<td>MISCARRIAGE (unintentional or therapeutic)</td>
<td>Php4,000.00</td>
<td></td>
</tr>
</tbody>
</table>

Employees should notify HRD of their pregnancy as soon as such condition is known.

The financial assistance shall only be released to the employee’s payroll account upon HRD's receipt of the employee’s copy of operative record or medical certificate, if no surgical procedure was done.

d. Group Insurance

Medical/Dental Insurance

All regular employees are covered under the Company’s Medical, Surgical and Hospital Services Benefit Plan. A Dental insurance plan is also provided to the employees.

Latest approved underwriting guidelines for qualified employees will apply.

Life Insurance

All regular employees shall be covered by the Company’s group life insurance plan.

e. Paternity Leave

As per Paternity Leave Act of 1996, Republic Act No. 8187, all married male employees in the private and public sector are granted paternity leave of seven (7) days for every delivery, to a maximum of four deliveries, by the legitimate spouse.
To apply for this benefit, all married male employees must notify Human Resources of the pregnancy of their legitimate spouses before the expected delivery dates.

Failure to do so shall waive the right of the married male employee to avail of this benefit.

f. Emergency Leave

The Company shall grant a 3-day maximum emergency leave per year to all regular employees. The said entitlement is over and above the VL credits afforded to a BC employee upon regularization. The leave can be taken for the following reasons:

a. Absence due to serious illness or accident involving hospitalization of immediate family member, including child delivery or miscarriage of legal wife of the employee.
b. Absence due to death of immediate member of the family
c. Absence due to natural calamities, eg. fire, flood, etc.

It should be noted that immediate family member pertains to

- Parents for single employees
- Spouse and children for married employees

g. Salary Loan

Qualified employees can avail of the salary loan facility offered by the Company's accredited banks.

h. Uniform Benefit for Rank & File and Supervisors

1. Regular rank & file and supervisory employees are entitled to the annual prescribed uniforms except resigning regular employees.

2. Employees who are regularized after the first semester of the year will be entitled of the uniform benefit the following year.

3. Eligible employees should complete at least six (6) months of employment with the company upon receipt of their uniform sets to avail of 100% of the benefit otherwise pro-rata deduction will apply from the effectivity date of resignation until the end of the 12th month period (eg. If Employee A received her new sets of uniform on March 01 but resigned effective May 01 BC will deduct from her last pay a pro-rata cost equivalent to 10 months).

4. Wearing of the prescribed uniforms must be strictly observed from Mondays through Thursdays.

5. All uniformed regular employees must acknowledge receipt of their uniform sets from Human Resources Department. It is the responsibility of the employee to ensure that his/her uniform sets are in good condition before acknowledging final receipt.

6. An employee who is under probationary period can also avail provided that the following requirements are met:
a. The Department Head, with the endorsement of the Division Head, requests HR in writing and justifies the request.
b. The employee signs an undertaking agreeing that payment of the whole cost of the uniform will be shouldered by him/her in case of his/her resignation during his/her probationary period or failure to meet permanency requirements. The cost may be deducted from his/her last pay.

i. Clothing Allowance for Managers and Executives

1. Regular managers and executives are entitled to the annual clothing allowance.

2. Allowances are released to the eligible managers and executives every January of each year.

3. Managers and executives shall submit a liquidation report to the Finance and Treasury Department for their clothing purchases with Official Receipt attachments only until the first quarter of the year.

4. Managers and executives should complete the first half of the year with the company to avail of 100% of the benefit otherwise pro-rata deduction will apply from the effectivity date of resignation until the end of the year (eg. If Manager A resigned effective May 1, BC will deduct from his last pay a pro-rata equivalent of his clothing allowance for 8 months.).

5. Promoted and newly regularized managers and executives after the first quarter of the year are waived of the clothing allowance, but will be included for the next year’s allowance.

j. Optical Benefit

All regular employees are entitled to reimburse a certain amount of subsidy for optical check-up, eye glasses, contact lens or anything purchased related to visual problems every other two years. Official Receipts and doctor’s certificate with prescription must be presented to the Human Resources Department for reimbursement.


1. “Company Assigned Vehicles Policy” will apply to executives and managers with sales functions.

2. “Car Plan for Managers Policy” will apply to managers who are not entitled of company car assignment.

l. Retirement Plan

The Company shall administer a non-contributory retirement plan consisting of a financial package equivalent to a portion of the latest guaranteed monthly pay for every year of service.

The plan offers the following retirement benefits:
1. NORMAL RETIREMENT

The Normal Retirement Date of each member shall be the first day of the month coincident with or next following his attainment of age sixty (60). The Member’s Normal Retirement Benefit shall be a sum equal to 100% of latest Plan Salary for every year of Credited Service.

2. OPTIONAL/EARLY RETIREMENT

With the consent of the Company, a Member may elect to retire prior to his Normal Retirement Date provided he is at least age fifty-five (55). Note that the retirement benefit of a Member who has rendered at least ten (10) years of Credited Service and is at least age fifty (50) shall be tax exempt in accordance with Republic Act No. 4917.

3. LATE RETIREMENT

A Member who is allowed by the Company to continue to 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. The Member’s Late Retirement Benefit shall be a sum equal to 100% of Plan salary for every year of Credited Service, including the extension of service.

4. DISABILITY RETIREMENT

In the event that a Member is retired by the Company due to permanent total incapacity or disability, as determined by a competent physician appointed by the company, his disability retirement benefit shall be a single sum equal to 100% of plan Salary for every year of Credited Service.

5. RESIGNATION BENEFIT

Any Member who voluntarily resigns from the Company shall be entitled to receive an amount equal to a Percentage of Plan Salary for every year of Credited Service in accordance with the vesting schedule below:

Optional retirement shall have the following schedule:

A. Employees hired prior to 2004

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>0%</td>
</tr>
<tr>
<td>1 but less than 5 years</td>
<td>25%</td>
</tr>
<tr>
<td>5 but less than 10 years</td>
<td>35%</td>
</tr>
<tr>
<td>10 but not less than 15</td>
<td>50%</td>
</tr>
<tr>
<td>15 but not less than 20</td>
<td>70%</td>
</tr>
<tr>
<td>20 but not less than 25</td>
<td>90%</td>
</tr>
<tr>
<td>25 years and over</td>
<td>100%</td>
</tr>
</tbody>
</table>

B. Employees hired beginning January 01, 2004 and onwards
<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 3 years</td>
<td>0%</td>
</tr>
<tr>
<td>3 but less than 5 years</td>
<td>25%</td>
</tr>
<tr>
<td>5 but less than 10 years</td>
<td>35%</td>
</tr>
<tr>
<td>10 but not less than 15</td>
<td>50%</td>
</tr>
<tr>
<td>15 but not less than 20</td>
<td>70%</td>
</tr>
<tr>
<td>20 but not less than 25</td>
<td>90%</td>
</tr>
<tr>
<td>25 years and over</td>
<td>100%</td>
</tr>
</tbody>
</table>

6. SEVERANCE BENEFIT

A Member who is involuntarily separated by the Company due to retrenchment program or for causes not due to his own fault, misconduct, or material neglect shall be entitled to a benefit determined in accordance with the Labor Code.

DISMISSAL FOR CAUSE

A Member who is dismissed by the Company for cause shall not be entitled to any benefit under the Plan.

8. CONDUCT STANDARDS

BLUE CROSS wants to keep our working environment safe and congenial. The Conduct standards policy outlines what will be considered acceptable and unacceptable employee behavior. Within these guidelines, BLUE CROSS reserves the right to review each case individually and determine whether an employee will be disciplined or dismissed based on its understanding of the facts of the case and the needs of the Company.

a. Norms of Conduct

The following norms of conduct are expected of all BLUE CROSS employees:

a) All employees shall be most careful, tactful, efficient and courteous in attending to the needs of the clients. An adverse, supercilious, patronizing and hostile attitude should never be adopted towards delinquent or complaining clients, agents or brokers. We shall be sympathetic and understanding but always most careful not to sacrifice the best interests of the Company.

b) All employees shall be at their respective stations at the start of business in the morning and in the afternoon. Punctuality and regular attendance are two of the most important considerations that can be given to one’s employees.

c) Personal matters should be attended to outside of the office after working hours. Private visitors should be discouraged.
d) Every employee should endeavor to familiarize himself thoroughly with all the aspects of his work. He should likewise try to learn the work of his co-employees so that, at any moment's notice, he may perform the duties of any other position temporarily assigned to him. An employee's progress for the most part depends on him. A clean, honest and upright character. Coupled with an efficient and faithful discharge of his duties are best guarantees for advancement.

e) Employees shall remain at their respective places of assignment as much as possible. They shall not unduly distract the attention of other employees from their work by engaging in unnecessary conversation. All work should be done as quietly as possible. There is absolutely no place nor occasion for boisterousness, vulgar or profane language in the office.

f) All employees shall cooperate in keeping the office premises clean and orderly.

g) All employees shall maintain a working fellowship among them at all times. Every employee is an essential and useful member of the team. Mutual respect and healthy fellowship shall be fostered; jealousies and intrigues avoided so that we may successfully promote camaraderie and respect.

b. Behavior Subject to Disciplinary Action

What follows is a partial listing of unacceptable behaviors subject to disciplinary action. Unsuitable acts not listed below will be reviewed and disciplined on a case-to-case basis.

a) Stealing BLUE CROSS’ or co-worker’s property or funds

b) Falsifying records e.g. timekeeping records, expense statements

c) Reporting for work under the influence of alcohol, illegal drugs, or other mind-altering substances

d) Possessing, distributing, selling, attempting to sell, manufacturing, concocting or using alcohol, illegal drugs or other mind-altering substances while at work or while operating BLUE CROSS vehicles or equipment on or off company premises

e) Possessing weapons not authorized for your job while on BLUE CROSS business, on or off company premises

f) Sexually harassing, discriminating against, or instigating unacceptable personal conduct toward another employee, customer, client or any other person doing business with BLUE CROSS

g) Showing disrespect toward other employees or insubordination to superiors

h) Engaging in physically or verbally abusive or obscene behavior while on company property or while engaged in company business on or off company premises

i) Engaging in loud, noisy or disruptive behavior while on company property during or after business hours
j) Failing to carry out your duties in accordance with company guidelines for maintaining company property and equipment

k) Failing to follow company guidelines on maintaining your workstation

l) Using company supplies, telephones, copiers, computers, vehicles and other equipment for non-work-related purposes without authorization

m) Failing to comply with BLUE CROSS confidentiality guidelines for BLUE CROSS information and/or client information

n) Failing to satisfy the requirements stated in the position’s job description or failing to observe BLUE CROSS Conduct Standards

c. Administrative Policies and Administration of Discipline

Offenses committed by employees shall be punishable by reprimand, suspension without pay or dismissal/termination,

Absences

All unexcused absences shall be automatically deducted from the employee’s salary.

Unauthorized or unexcused absences in any calendar year shall be subjected to the following administrative actions:

<table>
<thead>
<tr>
<th>Offense</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Offense</td>
<td>Verbal warning</td>
</tr>
<tr>
<td>2nd Offense</td>
<td>Written reprimand</td>
</tr>
<tr>
<td>3rd Offense</td>
<td>Written reprimand</td>
</tr>
<tr>
<td>4th Offense</td>
<td>Suspension equivalent to the number of days absent</td>
</tr>
<tr>
<td>5th Offense</td>
<td>TERMINATION</td>
</tr>
</tbody>
</table>

Unauthorized absence exceeding five (5) consecutive days shall constitute abandonment of position and shall be punishable by dismissal or termination.

Unauthorized Absences

Unauthorized/unexcused absences in any calendar year carry the following administrative actions:

<table>
<thead>
<tr>
<th>Offense</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Offense</td>
<td>Verbal Warning</td>
</tr>
<tr>
<td>2nd Offense</td>
<td>Written Reprimand</td>
</tr>
<tr>
<td>3rd Offense</td>
<td>3 days Suspension</td>
</tr>
<tr>
<td>4th Offense</td>
<td>Immediate Dismissal</td>
</tr>
</tbody>
</table>

All unauthorized/unexcused absences shall automatically be deducted from the concerned employee’s salary.
Unauthorized absences exceeding five (5) consecutive workdays shall constitute abandonment of position and shall be subjected to dismissal or termination of employment.

Non-Compliance on Dress Code, Nameplates and Identification Cards

The commissioning of the disciplinary actions for the non-compliance on the aforementioned policies as illustrated by the following table:

<table>
<thead>
<tr>
<th>1st Offense</th>
<th>2nd Offense</th>
<th>3rd Offense</th>
<th>4th Offense</th>
<th>5th Offense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verbal Warning</td>
<td>Written Reprimand</td>
<td>Suspension on the day the offense made</td>
<td>Three (3) days Suspension</td>
<td>Immediate Dismissal</td>
</tr>
</tbody>
</table>

Violation of any of the administrative Company rules and regulations are subject to disciplinary actions. The administration of discipline also covers non-compliance on dress code, nameplates and identification card policies as previously disseminated to all the employees.

Written accounts of the disciplinary actions shall be filed in the 201 records to affect overall performance evaluation of the concerned employee.

Habitual Tardiness

1. Tardiness with total work hours exceeding 60 minutes within the 30-day payroll period.
2. The frequency of tardiness within the 30-day payroll period is a minimum of 4 instances.

The following table illustrates the commissioning of the disciplinary actions:

<table>
<thead>
<tr>
<th>Frequency of Tardiness Per Month (Within 1 Year)</th>
<th>First Offense</th>
<th>Second Offense</th>
<th>Third Offense</th>
<th>Fourth Offense</th>
<th>Fifth Offense</th>
<th>Sixth Offense</th>
</tr>
</thead>
<tbody>
<tr>
<td>4X</td>
<td>Verbal Warning</td>
<td>Written Reprimand</td>
<td>Written Reprimand</td>
<td>Suspension 5 days</td>
<td>Suspension 10 days</td>
<td>Immediate Dismissal</td>
</tr>
<tr>
<td>5X</td>
<td>Written Reprimand</td>
<td>Written Reprimand</td>
<td>Suspension 5 days</td>
<td>Suspension 10 days</td>
<td>Immediate Dismissal</td>
<td></td>
</tr>
<tr>
<td>6X</td>
<td>Written Reprimand</td>
<td>Suspension 5 days</td>
<td>Suspension 10 days</td>
<td>Immediate Dismissal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7X or more</td>
<td>Suspension 5 days</td>
<td>Suspension 10 days</td>
<td>Immediate Dismissal</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Telecommunication Usage

In line with our continuing effort to conduct business in a more professional manner and to reduce administrative overhead, all employees MUST strictly observe the following policies on telecommunication equipment usage:

1. Use of the office telephone should be limited to business or official calls only.
   - Under no circumstance, should the office telephone be used for personal gain or in conducting matters over and above the normal call of duty. Please be reminded that part of our thrust to improve our customer responsiveness is to make ourselves available at all times to answer clients' needs.

2. Use of the office telephone should be limited to business or official calls only. Employees (supervisor and up) assigned with company-sponsored mobile phones should use their telephone usage limit for business or official purposes only.
   - If, for some unavoidable reason, personal calls are made using these handsets, the employee concerned will shoulder the cost via salary deduction based on the actual usage per statement of account.

3. Employees should avoid the use of their personal phone units (for personal phone calls and instant messaging) during company office hours.

Answering the Phone

The use of the telephone is a significant tool to project professionalism, efficiency and competence. The following are guidelines that we should follow when answering the telephone:

- All calls must be answered with no more than 2 rings. Always pick those calls of unavailable colleagues.
- Answer with, "BLUE CROSS (if a direct telephone line is in used)/your department (for local to local calls), good morning/good afternoon. Candy (your name) speaking, may I help you?" clearly and politely.
- Come back to the caller from time to time to let him know that you haven't forgotten him when put on hold. If you're unsure of how long you may keep the caller on hold, say, "Would you like to give me your phone number so we can call you back, or would you prefer to wait?"
- Offer to transfer the call if a different office should be taking it instead of telling the person to call again.
- Before transferring a call, communicate to a colleague the caller's full name, company and purpose. If a colleague is not available, ask the caller if there is anything you can do to help.

Computer and Other Related Equipments

One way of helping the company to cut the huge cost from electricity is by turn off the computers during lunchtime when it is not in use and after office hours before leaving the office premises.

The penalties are as follows:

1st Offense - Verbal warning
<table>
<thead>
<tr>
<th>Offense</th>
<th>Penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>2nd Offense</td>
<td>1st written warning</td>
</tr>
<tr>
<td>3rd Offense</td>
<td>2nd written warning</td>
</tr>
<tr>
<td>4th Offense</td>
<td>Suspension for three (3) days</td>
</tr>
<tr>
<td>5th Offense</td>
<td>Suspension for five (5) days</td>
</tr>
<tr>
<td>6th Offense</td>
<td>Termination</td>
</tr>
</tbody>
</table>

**Wearing of Identification Card and Nameplates**

For easy identification, easy facilitation of communication and coordination among personnel, clients, and visitors, and to create an impression to our clients/customers that every employee is a supplier of customer service, we are requiring every Blue Cross employee to wear his/her Company ID and Nameplates while within the company premises.

**Loitering of Former Blue Cross Employees**

Lurking around of Former Blue Cross Employees at Blue Cross offices (Makati, Cebu, Davao, and Bacolod) is firmly disallowed by the Management, more so of the use of the company’s office equipments like computer, printer, telephone, and the like.

Employees who will be found allowing the former employees use the company’s equipments and properties will be dealt into disciplinary actions.

**List of Violations**

**Major Offenses**

In case an employee commits any of the following major offenses, he/she will be immediately dismissed from his/her employment with BLUE CROSS GROUP OF COMPANIES.

I. Conduct and Behavior
   a. Insubordination
   b. Interruption or Disruption of Operations
   c. Intoxication and/or Being Under the Influence of any Controlled Substance
   d. Disorderly Conduct
   e. Gambling
   f. False Statements, Representations, Defamation
   g. Fraud and Willful Breach of Trust or Willful Disclosure of Confidential; Internal Systems or Information
   h. Gross and Habitual Neglect of Duties
   i. Commission of a Crime

II. Company Security and Property
   a. Dishonesty of Any Sort
      i. Illegal possession of property or money of the Company
      ii. Abnormal shortage in cash accountabilities
      iii. Unauthorized removal of Company property from the premises
iv. Falsifying or tampering entries in the timecard  
b. Willful or Negligent Misuse of Company Property Resulting to Loss, Destruction or Damage  
c. Other Acts Analogous to the Foregoing as May Be Determined by Management from Time to Time  

**Minor Offenses**

The following offenses shall be punishable by remedial actions ranging from reprimand to suspension:

I. Loafing, loitering, wasting time and other general neglect and shirking from a fair share of the workload during normal working hours  

II. Prolonged use of the telephone for personal calls and permitting visitors in work area without prior approval of a Senior staff  

III. Failure to honor valid debts or legal obligations  

IV. Unauthorized canvassing, soliciting and peddling among employees  

V. Violation of other administrative rules and regulations not specified herein  

A repetition of any of the foregoing offenses, after serving out a penalty of suspension for the same offense shall however be punishable by immediate dismissal or termination of employment.

**9. MISCELLANEOUS**

a. Safety  

Safety at BLUE CROSS requires a commitment from both sides. The Company is committed to providing a safe environment for employees and employees are expected to commit to following safety procedures. Employees are required to keep their areas clean and hazard free, report unsanitary or unsafe conditions to GSD, and to keep on the lookout for any possible safety problems.

b. Fire Safety  

Every employee is responsible for recognizing potential fire dangers and taking an active role in fire prevention.

Smoking is allowed only in designated areas outside the building. Do not place equipment, furniture or personal items near or in front of fire doors, fire exits, fire extinguishers, windows or doorways.
c. Accident Reporting

Job safety demands active, joint participation by employees and management. In the event of a job-related accident, injury or illness, notify HRD immediately regardless of the severity of the incident.

d. Personal Property and Theft

BLUE CROSS cannot assume responsibility for stolen property. Please keep the number of personal items you bring onto BLUE CROSS premises to a minimum. Employees are provided with locked cabinets for personal belongings. Please use them.

e. Customer Relations

BLUE CROSS’ survival depends upon our customers. All BLUE CROSS clients deserve and expect to receive the most respectful and courteous treatment we can provide. Our customers are not interfering with our work; they are our reason for being in business. Employees are expected to provide customers with the utmost attention and consideration.

f. Employee Activities

BLUE CROSS encourages its employees to participate in after-hours employee activities. Company-sponsored recreational activities are “co-ed”. Information on employee activities is posted on the bulletin board.

g. Consensual Relationships

While BLUE CROSS realizes that consensual romantic relationships do sometimes develop between employees, the Company believes it is in its best interests to set down certain guidelines for such relationships. A supervisor may not supervise or manage a person with whom he/she is intimately involved. Should a supervisor find him/herself in this position, he/she should report the situation to Top Management. Top Management will review the situation to see whether a conflict of interest exists. If one does, BLUE CROSS will attempt to make arrangements to remedy the situation without harm to either party.

h. Exit Interview

The exit interview accomplishes several goals. HRD or a representative familiar with the needs of both the employee and the Company conducts the interview. The exit interview allows BLUE CROSS and the employee to review the employee’s reasons for leaving the Company; supervise the return of company property; and ensure that all BLUE CROSS information, passwords, equipment, and the like have been returned to the Company.

i. Non-sales Personnel Referral Fee
Only non-sales personnel are allowed to receive referral fee for every business solicited. Employees involved in sales such as Account Executives, Business Development Specialists and Intermediary Relations personnel are not entitled to receive such fee due to conflict of interest.

A one-time referral fee equivalent to 10% of the net premium is given to a non-sales employee for any referred closed leads or any personally solicited business.

Any business that falls under this policy will be considered as DIRECT account.

j. Drug-Free Workplace

BLUE CROSS believes in its responsibility to maintain a drug-free workplace for the integrity and safety of employees and the good of the business. Ignoring problems arising from the use of drugs and other mind-altering substances could seriously harm the Company. Consequently, the Company will not tolerate the use, sale, distribution or possession of alcoholic beverages, illegal or inappropriate mind-altering drugs while on BLUE CROSS property or otherwise engaged in BLUE CROSS business, or at any BLUE CROSS-sanctioned function, business or social event regardless of location.

k. Smoking

Smoking is allowed only in the designated out-of-doors areas. Smokers are required to keep these areas clear of discarded cigarettes and other materials. BLUE CROSS reserves the right to prohibit smoking on its premises should it be considered to be a safety hazard.

l. Contagious Diseases

BLUE CROSS is committed to providing a safe and healthy workplace for all of its employees.

Just as the Company is committed to the employees, the Company believes that the employees should be committed to their co-worker’s safety and health. Therefore, all ill employees are encouraged to seek adequate medical care, even if doing so means absence from work.

If an employee has a condition that is contagious and may directly affect the safety of his/her coworkers, the employee is responsible for seeking proper medical care.