



Milestone Guaranty and Assurance Corp.

Our Ref. Admin 2020-014

INTER-OFFICE MEMORANDUM CIRCULAR

TO : ALL EMPLOYEES OF THE HEAD OFFICE

FROM : EVP & COO

SUBJECT : NEW NORMAL COMPANY RULES AND REGULATIONS
UNDER GENERAL COMMUNITY QUARANTINE PERIOD

DATE : 05 MAY 2020

In accordance with Circular No. 2020-40 dated April 9, 2020, the Insurance Commission has declared that **non-life insurance companies** are considered part of the frontline services during the Enhanced Community Quarantine (ECQ) period. By reason of this pronouncement and due to the extension of the ECQ up to May 15, 2020, the Company has deemed it necessary that effective **May 4, 2020**, majority of its business operations nationwide has been opened to the public to cater to their insurance needs in accordance with set guidelines.

In view of the foregoing, Management has decided to promulgate a new set of Corporate Rules and Procedures in consonant with the safety measures being imposed by our government authorities with the end in view of safeguarding the welfare of employees, as follows:

A. WORK FROM HOME (WFH) During General Community Quarantine NEW NORMAL WORKING NORM:

The Company being aware of the dangers posed by COVID 19 at the height of its local transmission, adopted the policy that employees shall not be compelled to report for work during the period. Furthermore, we adhered without any hesitation to the appeal of the National Government for business establishments who have the capacity to give the wages during the period of lockdown that enabled us to receive our salaries on time to include the 13th month pay. It is for this reason that pursuant to DOLE Labor Advisory No. 11 series of 2020, all the current Vacation and Sick Leave balances of the regular employees prior to ECQ have to be applied while the remaining balances that will not be covered shall be deducted from the succeeding salaries on staggered basis and at a very reasonable amount so as to cushion its impact on our take home pay. In the case of new employees who have no earned leave credits but were still able to receive their salaries, the same shall be considered as an advance payment made by the Company.

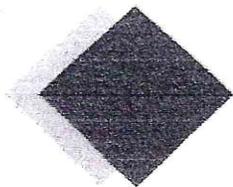


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To further sustain the safety, wellness and productivity of its employees, Management is implementing the WFH arrangement effective May 4, 2020 with the following conditions:

1. The Work From Home (WFH) arrangement shall be on a rotation basis which will be divided in to two (2) groups. The first 50% of the workforce to be designated by Management will comprise the first batch which will work under said scheme for a minimum period of three (3) months or may be shortened depending on the prevailing situation. After said period, the second group will be the ones to report to the office while the rest will take their turn to undergo WFH.
2. A new Job Description prepared by the Department Heads shall be discussed with the concerned employees the tasks they will perform while under the WFH.
3. Personnel under WFH arrangement shall be required to sign a Non-Disclosure Agreement (NDA) which shall be witnessed by the concerned Department Head that will be submitted to the Human Resource Department to form part of the employee's 2020 file.
 - a. Refusal or failure to sign and submit the NDA to the Company shall be considered as gross insubordination which is a ground for dismissal upon first offense. Relatedly, any employee found in Violation or shall have committed any offense against the provisions of the NDA will be subject to the corresponding fine or penalties depending on the grounds of violation done to include outright dismissal even if it is a first offense for failure to perform his/her obligations which is considered as a gross neglect of duty.
4. The criteria for prioritizing the first to be assigned to undergo WFH are employees with the following underlying situations:
 - a. Those with pre-existing condition such as hypertension, asthma, diabetes and the like as may be determined by Management.
 - b. Those pregnant women or living far from the office and have no available means of private transportation for pick up in the morning and bring at home after office in view of Management's position that employees shall not be allowed take public transport when going to the office.
5. The health conditions or status of the members of the family or those living with the employee in the house **cannot be considered as a valid excuse** for his/her inability to report to the office and instead avail of the WFH. We wish to remind everyone concerned that the primary expectation of us being a part of the organization is to give our best whenever we perform our assigned tasks in any given situation for the benefit



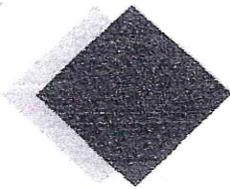
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6. of the Company and the proper adherence to policies and procedures laid down by Management.
7. There must be a Manager or Head of the department assigned in the head office who is present at all times to address the needs and concerns of other departments. We should accept the fact that not all will be able to perform satisfactorily their jobs if the person needed is not around to clarify matters.
8. There should be a Wi-fi connection in the house of the employees under WFH. If none is available or there is a poor signal in the area to do the INLIS, this should be discussed with the Management thru the Department Head in order to decide whether an employee will be allowed to be included in the WFH or there maybe other options that can be availed of to perform the assigned tasks satisfactorily.
9. The assigned desk top of the employees in their work stations to undergo the WFH shall be brought by IT staff to their respective residences to ensure that the computer is safely positioned in their respective houses and that in can be used properly.
10. IT shall see to it that the facility to use the USB is disabled in the desk top since this can be a cause for the virus to enter and corrupt the computer files and the installed programs as well.
11. A complete list of the office equipment including other paraphernalia that were delivered to the employee's house shall be signed by the employee as proof of receipt and must be duly certified and approved by the Department Head. This will be forwarded to Admin Department for record purposes. The employees are expected to return them after the completion of their WFH. Any tear or damage will be charged to the employee's personal account. It is therefore the responsibility of the employees concerned to see to it that before accepting them, everything is in good working condition.
12. No personal work will be done in the desk top during and after office hours to avoid wear and tear and to maintain the durability and performance of the equipment.
13. The log-in and log-out time of those under the WFH will be monitored regularly by the head office. Personnel who will be under WFH arrangement shall be required to log-in in the computer to be provided by the Company on or before 8:30 o'clock in the morning and log-out at 5:30 o'clock in the afternoon.

Personnel who are reporting for work shall also be required to log-in upon their entry inside the office premises on or before 8:30 o'clock in the morning and log-out at 5:30 o'clock in the afternoon using the biometrics.

No log-in, late log-in or non-submission of Daily Accomplishment report shall be considered "leave without pay" for those under WFH. Employees who fail



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to report for work not under the WFH shall be considered "leave without pay".

14. The rule on filing of Leave of Absence during the period shall still be observed. In the case of an employee under WFH cannot avoid to be on leave due to valid reason/s, except for emergency cases, the leave form should first be submitted to the Department Manager thru email for proper action. If approved, such leave shall be treated as official. Otherwise, it will be leave considered as unofficial and will be considered as an infraction under our rules. In both instances, however, the leave/s will not be paid for reasons cited in this memo during the period of ~~ECC~~.

In case it is found out that the employee is not working in his/her home during the office hours, the Head must report immediately to the admin office so that it can be brought immediately to the attention of concerned employee. As a rule, if the employee cannot be contacted during the designated office hours or there are no reply to the emails sent by Head Office, it will be understood to mean that he/she is not in the house during said period and shall be considered as absent.

15. The coffee break period will be observed which is from 10:15 to 10:30 in the morning and from 3:00 to 3:15 in the afternoon. During said period, the employee is not expected to respond to any query or whatsoever.

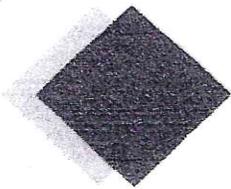
16. Before logging out from the computer before the end of working day, employee shall see to it that the Daily Accomplishment Report for the day has been submitted online to the respective Department Heads, copy furnished IT for recording purposes and Admin/HRD for timekeeping purposes.

In view of the benefits that can be derived from the implementation of the WFH, everyone is therefore expected to deliver more accomplishment/outputs because of lesser challenges such as getting up early to beat the traffic and similar situations.

B. PRIORITY BUSINESS OPERATIONS:

This is in compliance with IC Circular No. 2020-25 dated March 25, 2020 and to expedite the renewal of all issued insurance policies, issuance of cover notes, bonds endorsements and statement of accounts shall be given priority by personnel who are under the WFH arrangement.

1. The Head of the Operations Department, Underwriting Department, Bonds Department, Credit and Collection Department and IT must be knowledgeable of IC Circular No. 2020-25.



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2. IT shall provide the Underwriting Department, Bonds Department and Credit and Collection Department the list of policies/bonds which are required to be renewed on or before May 31, 2020. For expediency, the report must be on a monthly basis and per line, if feasible.
3. The Head of the Underwriting Department, Bonds Department and Credit and Collection Department are mandated to lead the training on how to prepare the cover notes, bonds endorsements and statement of accounts in using the standard template per documents.
4. The Head of the Underwriting Department, Bonds Department and Credit and Collection Department shall give their respective email addresses so that all cover notes, bonds endorsements and statement of account will be electronically submitted to them within the day for their immediate review.
5. After review, only the Department Head and/or his/her Subordinate Manager concerned is authorized to send electronically the cover notes, bonds endorsements and statement of accounts to the assured/principal involved.
6. All issued Statement of Accounts should be given to the assigned WFH personnel for regular communications with the assured/principal.
7. All Statement of Accounts must clearly indicate the specific instruction on how premium shall be collected from the assured/principal.
8. The Accounting Department must assign one personnel to handle the close monitoring of collections and conduct reconciliation with those assigned WFH personnel to avoid any inconveniences to our paying assured/principals.

C. OTHER NEW NORMAL Business Operational Matters:

1. Establishment of a call center hotline which shall be posted in the Company's website.
2. Employees shall not be required to use any public transport vehicles during the quarantine period. The Company shall devise a car pooling scheme for employees reporting for work and bringing them home to their respective residences.
3. Admin/HRD is hereby authorized to monitor that all employees reporting for work are properly observing strict social distancing in the workplace and all other safety protocols required by government authorities.

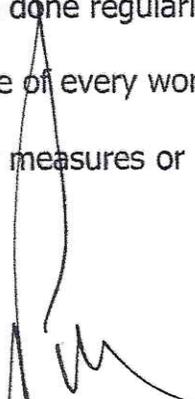


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4. Wearing of face masks/shield and gloves and Company IDs shall be observed at all times within the office premises.
5. Weekly disinfection of the workplace must be done regularly.
6. One table apart shall be the standard distance of every working station.
7. Non-observance or non-compliance of safety measures or protocols shall be met with the corresponding disciplinary sanction.

Please be guided accordingly.



CELSON. SARTO