



Employee Investigation Policy

1. COVERAGE

This Employee Investigation Policy (“Policy”) covers all employees of AREIT, Inc. (“AREIT” or the “Company”).

2. STATEMENT OF POLICY

It is the responsibility of AREIT to review and, if necessary, investigate suspected or known violations of the Company policies. The Company is committed to ensuring that all company-initiated investigations are conducted in a fair and thorough manner.

3. ROLES AND RESPONSIBILITIES

3.1 **AREIT ETHICS COMMITTEE** spearheads the implementation of AREIT Business Integrity Program (BIP), which includes providing oversight on the implementation of the Business Integrity Channels and conduct of all investigations, including but not limited to employee investigations and vendor audits. It reports directly to the AREIT Audit Committee.

3.2 **BUSINESS INTEGRITY CHANNELS** refer to the whistleblowing channels defined in the Whistleblowing Policy. It can be any of the following: (1) Website; (2) E-mail; (3) Mobile Phone; (4) Management Reporting.

3.3 **EMPLOYEE INVESTIGATION COMMITTEE** shall be responsible for initiating, conducting, and monitoring Preliminary Investigations on cases involving employees of AREIT. It is expected to exercise confidentiality and impartiality and consider previous cases and decisions.

3.4 **RESPONDENT** is the person who is the subject of the complaint in the Whistleblowing Report.

3.5 **SUBSIDIARY** is a corporation or partnership or an unincorporated joint venture owned or controlled, directly or indirectly, through one or more intermediaries, by AREIT whether by ownership of more than fifty percent (50%) of the voting stock or equity interest or by contract.

3.6 **VENDOR AUDIT** refers to audits conducted by the Ayala Land, Inc. (“ALI”) Bidding Committee in compliance with the ALI Vendor Code of Ethics.

3.7 **WHISTLEBLOWER** refers to an employee, third-party business partner, or other stakeholder who report alleged Reportable Conditions using the Business Integrity Channels.

3.8 **WHISTLEBLOWING REPORT** refers to a complaint filed by a Whistleblower about a Reportable Condition.

4. BASES FOR CONDUCTING EMPLOYEE INVESTIGATION

The following bases shall be considered by the responsible unit in assessing whether an investigation is warranted.



Bases for Employee Investigation

Responsible Unit

Management-initiated reports concerning employee-related matters (*i.e.* offenses committed by subordinates as reported by their Supervisor or Unit Head)

Human Resources

Whistleblowing Reports received via the Business Integrity Channels and processed under the Whistleblowing Policy

Internal Audit Division

Vendor Audit Reports citing potential employee violations concerning ALI's Vendor Audit Program

Internal Audit Division and Human Resources

For whistleblowing reports that warrant investigation, the Internal Audit Division shall endorse the matter to the Human Resources Department within two (2) working days provided that the two bullets described in Section 9.3 of the Whistleblowing Policy have been satisfied.

Regardless of the basis used in assessing if an investigation is warranted, the procedures in Section 5 shall be observed.

5. ADMINISTRATION

5.1 Procedures

If an investigation is warranted, the Employee Investigation Committee shall conduct an investigation within two (2) working days from the receipt of the report or whistleblowing complaint. The Employee Investigation Committee shall convene to determine the scope and lead a preliminary investigation to gather information and evidence to substantiate the report.

Preliminary Investigation

- 5.1.1 Within eighteen (18) working days from the Employee Investigation Committee's receipt of sufficient documents/evidence, it shall complete its Preliminary Investigation Report containing its assessment on whether or not to proceed with the Full Employee Investigation.
- 5.1.2 The Employee Investigation Committee shall conduct an impartial and thorough Preliminary Investigation discreetly, following existing laws, rules, regulations, applicable policies, and procedures. During the preliminary investigation, the Employee Investigation Committee shall search for evidence or probable cause to support or refute the case against the Respondent.
- 5.1.3 Depending on the nature of the report, the Employee Investigation Committee may assign any of its members, tap any other Investigation Committees existing in AREIT or within the Ayala Land, Inc. ("ALI") Group and/or external service provider/s with the task of further investigating the reports.
- 5.1.4 If a report involves an employee who is a member of the Employee Investigation Committee, or if the Respondent is a subordinate or immediate manager or group head of the member of the Employee Investigation Committee, the said member shall not be allowed to directly handle the investigation to avoid the appearance of bias and conflict of interest. In addition, if the member of the Employee Investigation Committee used to be a subordinate or superior of the Respondent, the Employee Investigation Committee member will only be allowed to participate in the investigation if a period of at least one (1) year from the time of their last superior-subordinate relationship has already lapsed.



Full Employee Investigation

- 5.1.5 Within three (3) working days from the completion of its Preliminary Investigation Report and upon determining that the merits of the case and the alleged offense of the employee constitutes a violation of Company rules, the Employee Investigation Committee shall advise the Group Head/Human Resources Head to issue a Notice to Explain (“NTE”) indicating the nature of charge/s and require the Respondent to explain his side or defend himself in writing. Likewise, if the Employee Investigation Committee finds not basis to proceed with the full employee investigation, it shall recommend the case be closed following Section 9.6 of the Whistleblowing Policy.
- 5.1.6 The Respondent should reply to the Group Head or Human Resources Head within five (5) working days from receipt of such NTE. The employee’s failure or refusal to comply within this period shall serve as a waiver of his right to be heard to present evidence. The Employee Investigation Committee should approve an extension of the submission of the NTE beyond the required period should the employee requests for such extension in writing.
- 5.1.7 Within three (3) working days from receipt of the employee’s explanation, the Employee Investigation Committee shall assess the need for and conduct, if necessary, a Clarificatory Hearing. If the evidence presented requires other corroborating evidence, an Administrative Hearing shall be scheduled within five (5) working days from the end of the Clarificatory Hearing. Failure or refusal of the employee to attend the Clarificatory or Administrative Hearings shall constitute a waiver of his right to be heard or present evidence.
- 5.1.8 The employee involved shall be given ample opportunity to answer the allegations against him, confront any or all the witnesses, preserve the Whistleblower’s anonymity, and present any evidence that may strengthen his explanations. During the administrative investigation proceeding, the employee may avail of any representative of their choice to defend themselves if they so desire. Likewise, a respondent may be called in to attend a hearing with the Employee Investigation Committee should there be a need to validate the evidence further.
- 5.1.9 The Employee Investigation Committee shall document the proceedings and seek permission from the attendees that the discussion is recorded, which shall form part of the case record. The purpose, parties that shall have access to the recording, retention, and the disposal of the recording shall be communicated in compliance with the Data Privacy Act and other applicable legislation.
- 5.1.10 After having ascertained all the relevant facts of the case and evaluated the evidence presented, the Employee Investigation Committee shall submit its Final Investigation Report and decision to AREIT Management within three (3) working days from the end of the Clarificatory or Administrative Hearing as the case may be. The final decision of the Employee Investigation Committee should be unanimous and all its reports guided by the provisions discussed in Section 5.2.
- 5.1.11 The Human Resources shall prepare and release the Notice of Decision to the Respondent based on the final decision of the Employee Investigation Committee within one (1) working day after such final decision is arrived at. If disciplinary action is executed, it should clearly be stated in the Notice of Decision. Signatories of disciplinary action memos are:



- Written Warnings – Immediate Supervisor
- Suspension for a fixed period – Human Resources
- Preventing Suspension or Termination – Human Resources

5.2 Application of Penalty

- 5.2.1 All penalties provided in the AREIT Code of Conduct and Chart of Offenses shall be imposed after the employee has been accorded due process.
- 5.2.2 Offenses that are not enumerated in the AREIT Code of Ethics and Chart of Offenses, but constitute violations against established work rules and practices, shall be decided by Management through the Employee Investigation Committee following applicable laws (e.g. Revised Penal Code, Labor Code, among others). Depending on the circumstances of the offense, the Management, at its discretion, may impose a penalty not included in the Code whenever it may deem fit and necessary.
- 5.2.3 In recommending the appropriate disciplinary actions, the following factors shall be considered by the Employee Investigation Committee:
- Focus is the act, not the amount (principle-based process)
 - The gravity of the offense
 - The extent of guilt or negligence
 - Employee's truthfulness in the admission of wrongdoing
 - The personal situation at the time
 - Demeanor and conduct during the investigation
 - Length of service
 - Historical quality of performance of an employee
 - Previous disciplinary record of employee (201 file)
 - Other factors which would tend to aggravate or mitigate the offense according to the nature and effects and other conditions attending its commission
- 5.2.4 All cases involving pilferage of Company property or other criminal offense shall be under the jurisdiction of the Human Resources in close coordination with Security and erring employee's Unit Head. The employee concerned shall be placed under preventive suspension immediately, if warranted by circumstances, and if his continued presence poses a serious or imminent risk to the life and property of the Company or his co-workers as provided by law.
- 5.2.5 Upon service of the preventing suspension or suspension notices, the employee shall turn over all his present and pending assignments, records in his custody, tools, and office equipment to his immediate supervisor. An inventory of items turned over shall be prepared by the employee and duly confirmed by his supervisor and representative from the Internal Audit Division.
- 5.2.6 Suspended employees shall be prohibited from entering the Company premises during the period of suspension. In case of important or emergency matters which the employee has to attend inside the Company premises, prior clearance must be secured from the Group Head. Management reserves the right to provide a Security escort, if necessary.



5.2.7 All documents/records pertaining to the case shall be included in the 201 file of the employee.

5.3 Submission of Reports to the AREIT Ethics Committee

The Employee Investigation Committee shall provide the AREIT Ethics Committee with a report of the findings and resolution of the case within three (3) working days upon consideration of the full employee investigation.

6. RESOLUTION PERIOD

All cases must be resolved within a reasonable time as determined by this Policy. All offenses reported officially shall prescribe, and punishment is waived if no action is take by the Company in connection therewith within one (1) year from the date of its discovery by the Company or date reported to the Company, whichever comes first.

7. CONFIDENTIALITY

The Employee Investigation Committee, AREIT Ethics Committee, and all employees involved shall ensure confidentiality of information. It shall treat all reports, including the Respondent's identity, confidentially and sensitively.

8. EFFECTIVITY

This Employee Investigation Policy, approved by the Board of Directors on the 24th of February 2023 shall be effective immediately.

JOSE EMMANUEL H. JALANDONI
Chairman

MA. TERESA R. FAMY
Chief Compliance Officer



ANNEX A

CHART OF OFFENSES

OFFENSE	PENALTIES				
	1 st Offense	2 nd Offense	3 rd Offense	4 th Offense	5 th Offense
1. Offenses against company property / property of others					
1.1 Deliberately damaging or attempting to damage Company property	DISMISSAL				
1.2 Deliberately damaging or attempting to damage property of Company officer or co-employees within Company premises	10 DAYS SUSPENSION	DISMISSAL			
1.3 Unauthorized use of Company materials, tools, machinery, equipment, or vehicles for personal profit, gain, or use	WRITTEN WARNING	10 DAYS SUSPENSION	DISMISSAL		
1.4 Robbery, theft or pilferage or its attempt in any form from the Company or from others within company premises	DISMISSAL	(without prejudice of filing criminal complaint)			
1.5 Having in one's possession any Company property not duly assigned to him. Any employee caught with Company property in his/her possession not duly assigned to him/her shall be presumed guilty under this violation unless such possession is sufficiently explained.	WRITTEN WARNING	10 DAYS SUSPENSION	DISMISSAL		
1.6 Improper or incorrect use or handling of Company materials, tools, machinery, equipment, or vehicles for personal profit, gain, or use.	WRITTEN WARNING	10 DAYS SUSPENSION	DISMISSAL		
1.7 Failure of employee/user to immediately report any damage or defect of Company equipment, machine, etc.	2 DAYS SUSPENSION	10 DAYS SUSPENSION	DISMISSAL		
1.8 Removing, altering or defacing company notices on company announcement channels or Company property and other similar acts of vandalism to Company property.	WRITTEN WARNING	5 DAYS SUSPENSION	10 DAYS SUSPENSION OR DISMISSAL		
1.9 Failure to report loss of Company property	WRITTEN WARNING	5 DAYS SUSPENSION	10 DAYS SUSPENSION OR DISMISSAL		

*1.8 and 1.9 depends on gravity of the offense.



OFFENSE	PENALTIES				
	1 st Offense	2 nd Offense	3 rd Offense	4 th Offense	5 th Offense
2. Offenses against persons					
2.1 Inflicting or attempting to inflict harm or injury to fellow employees for any reason except unprovoked assault	30 DAY SUSPENSION OR DISMISSAL	Depending on gravity the offense			
2.2 Threatening, intimidating, coercing or harassing fellow employees	15 DAYS SUSPENSION	30 DAYS SUSPENSION	DISMISSAL		
2.3 Provoking or instigating a fight or fighting inside the Company premise	15 DAYS SUSPENSION	30 DAYS SUSPENSION	DISMISSAL		
2.4 Making vicious, offensive, malicious, or disrespectful statements against co-employee	10 DAYS SUSPENSION	30 DAYS SUSPENSION	DISMISSAL		
2.5 Insulting or willful disrespect on the honor of a supervisor or manager or improper conduct and acts of disrespect to visitors/guests	15 DAYS SUSPENSION	30 DAYS SUSPENSION	DISMISSAL		
2.6 Making offensive statements or actions that constitute sexual harassment	DISMISSAL				

OFFENSE	PENALTIES				
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3. Offenses against company interest					
3.1 Soliciting or accepting any favor, money, gifts or anything of value from anyone to perform an act prejudicial to the Company or as a condition for the performance of one's duty or if such favor might influence the employee's impartiality in performing his job	DISMISSAL				
3.2 Misappropriation of company funds regardless of amount	DISMISSAL				
3.3 Unauthorized disclosure of Company's classified information, trade secrets, or permitting or assisting any person to access to such confidential information	DISMISSAL				
3.4 Engaging, participating or involving one's self in any transaction, undertaking or business enterprise where such engagement, participation or involvement is in conflict with or	DISMISSAL				



	improper or prejudicial to the interest of the company				
3.5	Soliciting or collecting contributions, money or material objects, for any purpose not sanctioned by the Company or selling anything within Company premises	WRITTEN WARNING	5 DAYS SUSPENSION	10 DAYS SUSPENSION OR DISMISSAL	
3.6	Failure to wear the prescribed dress code	ORAL REPRIMAND	WRITTEN WARNING	5 DAYS SUSPENSION	10 DAYS SUSPENSION

OFFENSE	PENALTIES				
	1 st Offense	2 nd Offense	3 rd Offense	4 th Offense	5 th Offense
4. Work Related Offenses					
4.1	Gross negligence in the performance of duties and responsibilities resulting to serious losses or disruption of operations	10 or 20 DAYS SUSPENSION OR DISMISSAL	Depending on gravity the offense		
4.2	Failure to work overtime after signing the overtime authorization form without valid justification	2 DAYS SUSPENSION	5 DAYS SUSPENSION	10 DAYS SUSPENSION OR DISMISSAL	
4.3	Willful disobedience or refusal without valid, justified reason to comply with or obey official, lawful order to carry out assigned duties or works	5 DAYS SUSPENSION	15 DAYS SUSPENSION	DISMISSAL	
4.4	Failure to comply with standard operating procedure and established practices	WRITTEN WARNING	2 DAYS SUSPENSION	5 DAYS SUSPENSION	10 DAYS SUSPENSION
4.5	Leaving work assignment or Company premises during working hours without permission or approval of immediate supervisor	WRITTEN WARNING	5 DAYS SUSPENSION	10 DAYS SUSPENSION OR DISMISSAL	
4.6	Sleeping during work hours.	WRITTEN WARNING	3 DAYS SUSPENSION	5 DAYS SUSPENSION	10 DAYS SUSPENSION
4.7	Deliberately slowing down, hindering or limiting work output.	5 DAYS SUSPENSION	10 DAYS SUSPENSION	20 DAYS SUSPENSION	DISMISSAL
4.8	Absence without official leave	5 DAYS SUSPENSION	15 DAYS SUSPENSION	DISMISSAL	
4.9	Habitual tardiness (i.e. 6 times tardiness within a month).	ORAL REPRIMAND	WRITTEN WARNING	5 DAYS SUSPENSION	10 DAYS SUSPENSION
4.10	Abuse of breaktime in excess of authorized break period.	ORAL REPRIMAND	WRITTEN WARNING	5 DAYS SUSPENSION	10 DAYS SUSPENSION

OFFENSE	PENALTIES				
	1 st Offense	2 nd Offense	3 rd Offense	4 th Offense	5 th Offense
5. Offenses Against Public Morals					



5.1	Immoral conduct or indecency or any scandalous act inside Company premises	WRITTEN WARNING	15 DAYS SUSPENSION	DISMISSAL		
5.2	Engaging in malicious gossip or rumor-mongering	WRITTEN WARNING	15 DAYS SUSPENSION	DISMISSAL		
5.3	Reporting for work or loitering inside Company premises under the influence of liquor, or intoxicating drinks and/or drugs	7 DAYS SUSPENSION	15 DAYS SUSPENSION	DISMISSAL		
5.4	Bringing or attempting to bring into Company premises alcoholic beverages, except if the purpose is for Company authorized occasions	WRITTEN WARNING	10 DAYS SUSPENSION	DISMISSAL		
5.5	Drinking alcoholic beverages during working time and/or inside Company premises, except on Company authorized occasions	15 DAYS SUSPENSION	DISMISSAL			
5.6	Possessing, using or causing to be used narcotics or prohibited drugs inside Company premises	DISMISSAL				
5.7	Gambling in any form, promoting or assisting gambling operators, betting, lottery or any game of chance within Company premises.	7 DAYS SUSPENSION	15 DAYS SUSPENSION	DISMISSAL		
5.8	Engaging or playing any game of skill within Company premises and during working hours, except during Company authorized employee engagement activities	WRITTEN WARNING	2 DAYS SUSPENSION	10 DAYS SUSPENSION OR DISMISSAL		
5.9	Engaging in disorderly conduct (i.e. horseplaying, scuffling, shouting or throwing of things) and making insulting jokes or pranks to co-employees or supervisors	WRITTEN WARNING	5 DAYS SUSPENSION	DISMISSAL		

OFFENSE	PENALTIES					
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6. Violations Against Health / Safety / Security Regulations						
6.1	Assisting any non-employee to enter the Company premises without due permission from his superior / unit head (i.e. lending of company ID for use or benefit of another)	5 DAYS SUSPENSION	10 DAYS SUSPENSION	DISMISSAL		
6.2	Unauthorized possession or carrying of deadly weapons, explosives inside Company premises	DISMISSAL				
6.3	Unauthorized entry to any restricted areas so designed by the Company	WRITTEN WARNING	5 DAYS SUSPENSION	DISMISSAL		



6.4	Not wearing Company ID while inside Company premises	WRITTEN WARNING	5 DAYS SUSPENSION	10 DAYS SUSPENSION OR DISMISSAL		
6.5	Acts creating or contributing to unsanitary conditions	WRITTEN WARNING	5 DAYS SUSPENSION	10 DAYS SUSPENSION OR DISMISSAL		
6.6	Refusal to cooperate with security personnel in the performance of their duties	WRITTEN WARNING	5 DAYS SUSPENSION	10 DAYS SUSPENSION OR DISMISSAL		
6.7	Failure or refusal to comply with medical requirements and health and safety protocols	WRITTEN WARNING	5 DAYS SUSPENSION	10 DAYS SUSPENSION OR DISMISSAL		