

APEX MINING CO., INC.

Masara, Maco, Compostela Valley Province



PRESIDENT'S MESSAGE

As Apex Mining Company Inc. (AMCI) affirms its commitment to responsible mining, it also upholds its commitment to conduct its business in accordance with the highest standards of ethics and integrity and its full compliance with all applicable laws, rules and regulations. Towards this goal, the Company is issuing this Code of Discipline to give clear-cut policies and guidelines for all employees as they discharge their duties and responsibilities.

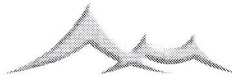
The Code of Discipline defines the behavior expected of every employee in the organization and provides a fair, just and objective mechanism to address infractions while ensuring due process and implementation of corrective measures. By doing so, it is expected that a healthy productive workforce and harmonious working relationship across the organization will be sustained.

The Code of Discipline applies to all officers, employees, temporary workers and other independent contractors, and consultants. It defines the scope, accountability, core values and norms, code observation and practice and rules of procedure in disciplinary actions and includes a table of offenses and corresponding penalties/sanctions.

The Code should be read in conjunction with the pertinent policies, guidelines, memoranda, circulars and issuances made by the Company. It is the employee's responsibility to read, understand and familiarized themselves with these policies and guidelines and to comply with all the provisions accordingly. Copies of the Code of Discipline shall be distributed to all employees and each will be required to acknowledge receipt and signify their acceptance of the provisions thereof. Should there be any need for clarification; the Human Resource Department shall be ready to respond accordingly.

As stakeholders of the Company, we will share the responsibility of ensuring the successful operation of our business. Only through our collective efforts can we be able to achieve the Company's goals and in the long-term, sustain and share in the benefits and opportunities that our efforts will bring. I am thus counting on your full cooperation.

WALTER W. BROWN
President and CEO



APEX MINING CO., INC.

Masara, Maco, Compostela Valley Province



DEVISION/DEPARTMENT: Human Resource Division	EFFECTIVE DATE: 10/01/2017	REVISION: 002	DOCUMENT NO.: HRD.001.01	TOTAL SHEETS: 1 to 16
Title: CODE OF DISCIPLINE				

1. POLICY STATEMENT

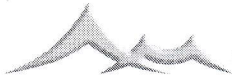
- 1.1 Apex Mining Company, Inc. (herein referred to as, "the Company") endeavours the establishment of certain standards and norms of conduct to be observed, and the institution of specific forms of discipline for its employees, with the aim of adhering to safe work practices, conducting all activities honestly and ethically, and treating all employees with dignity and respect, while preserving order, harmony and industrial peace in pursuit of its goals. The Company hopes to maintain this by setting up a set of Code of Discipline to guide all employees.
- 1.2 Hence, this policy outlines the standards of behaviour expected of the Company's regular employees and all falling under the scope of the provisions of the Code of Discipline. Its purpose is to uphold required ideals of conduct of employees in their workplace in relation to their responsibilities and obligations.
- 1.3 The Code of Discipline serves as a fair, just, and objective benchmark of every organization. Observance of due process in accordance with Philippine Labor Laws shall be upheld.

2. SCOPE

- 2.1 All employees of the Company, subsidiaries and affiliates, (including local and foreign consultants) spot hire, co-terminus, contractors/suppliers/agency workers, OJTs/trainees, probationary and regular employees.

3. ACCOUNTABILITY

- 3.1 The Human Resources (HR) Department and Legal Department are jointly responsible in ensuring and leading in the compliance and adherence to this Code, and they shall do so in a fair, firm, just and consistent manner.
- 3.2 All managers and/or immediate supervisors shall be responsible for maintaining discipline and morale among their subordinates and for initiating the appropriate corrective action where warranted.
- 3.3 All employees are mandated to be responsible in maintaining faithfulness and adherence to the Code.



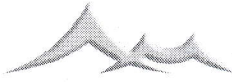
APEX MINING CO., INC.

Masara, Maco, Compostela Valley Province



4. DEFINITIONS:

- 4.1 **Principal** – refers to the employee who directly takes part in the execution of an act, directly forces or induces another to commit the act, and who cooperates in the commission of the offense by another without which it would not have been accomplished.
- 4.2 **Accomplice** – refers to the employee who is not the principal in the commission of the act, an employee who helps another co-employee to commit a crime or to do morally wrong but, cooperates in the execution of the act, by previous or simultaneous acts.
- 4.3 **Accessory** – refers to the employee who, having knowledge of the commission of the act, and without having participated therein as principal or accomplice, takes part subsequent to its commission by;
- Profiting himself or assisting the offended to profit by the effects of the offense;
 - Concealing or destroying the body of the offense or the effects of the instruments in order to prevent discovery;
 - Harboring, concealing, or assisting in the cover-up of the principal of the offense, or an employee who assists in the commission of a crime, but who does not actually participate in the commission of the crime as a joint principal.
- 4.4 **Company premises** – refers to all structures/bunkhouses or areas under the control/management of the Company.
- 4.5 **Sexual Harassment** – As defined in R.A. 7877, otherwise known as the Anti-Sexual Harassment Act of 1995, Sexual Harassment is defined as an act committed by an employee, manager, supervisor, agent of the employer, teacher, instructor, professor, coach, trainer, or any other person who, having authority, influence or moral ascendancy over another in a work or training or education environment, demands, requests or otherwise requires any sexual favor from the other, regardless of whether the demand, request or requirement for submission is accepted by the object of the said Act.
- 4.6 **Verbal Warning** – a verbal admonition for a lighter offense committed and documented for records purposes. The consequences imposed by the immediate superior if the employee does not comply.
- 4.7 **Written Reprimand** – a formal notice in writing or warning to an employee for the commission of a minor offense or an offense committed for the first time as provided in the Code of Discipline. It serves as a warning to improve employee performance and workplace behavior.
- 4.8 **Suspension** – is temporary disengagement from service without pay for a specified number of days as a sanction for the offense/violation committed.
- 4.9 **Preventive Suspension** – is putting an employee under suspension usually imposed against subject employee while the company is conducting an investigation for alleged violation in order to prevent employee from causing further harm or damage to the company or his co-employees. This also applies in cases where investigation may be jeopardized or can be unduly influenced by the presence of the employee suspected of committing the infraction.
- 4.10 **Dismissal** – is the separation of an employee from service or termination of employment for grave violation of Company rules and regulations.



APEX MINING CO., INC.

Masara, Maco, Compostela Valley Province



4.11 **Amendment** – is any revision, change or damage in the content of the provision in the policy.

5. PROCEDURE

5.1 Manner of Liability

- a. An employee violates this Code of Discipline when:
 - 5.1.1.1 An employee commits any act and/or omission specified under this Code of Discipline.
 - 5.1.1.2 An Employee conspires with, or aids the offender in the commission of such act as accomplice or accessory.
- b. In case of a violation of this Code of Discipline, the principal, the accomplice and the accessory shall be meted with the penalty provided for under the rules violated.
- c. The principal, accomplice, and accessory may be imposed with graduated penalties for the particular offense they committed. The Company may impose a lower penalty for the accomplice, and the accessory as may be proven by the evidence of each case, and after evaluation and deliberation on the case.
- d. Similarly, the principle of command responsibility applies, holding immediate supervisors and managers liable for an offense committed by an employee, provided that an apparent lack or failure of proper supervision is identified to be a contributory cause in the commission of an offense, thereby meted with the same penalty or sanction or as prescribed by the Committee on Discipline.

5.2 Degree of Commission

- a. The penalty for each offense as provided in the following rules will apply whether the offense is serious, less serious or light.
 - 5.2.1.1 **Very Serious Offense** is one that carries with it the penalty of Dismissal carrying legal and/or security implications.
 - 5.2.1.2 **Serious Offense** is one which carries a graduated penalty from one (1) to fifteen (15) days suspension, or up to thirty (30) days as may be warranted following further deliberation.
 - 5.2.1.3 **Light Offense** is one that attaches with a graduated penalty from Verbal Warning to Written Reprimand.

5.3 Treatment of Offenses

- a. The rule of progression shall always be observed on the imposition of corrective actions.
 - 5.3.1.1 All offenses shall be treated on a cumulative basis, within a prescriptive period of twelve (12) months.
 - 5.3.1.2 Succeeding offenses committed within the prescriptive period of twelve (12) months shall be meted with the higher corrective action, provided that the previous offense is still within the prescriptive period of twelve (12) months.



APEX MINING CO., INC.

Masara, Maco, Compostela Valley Province



- 5.3.1.3 If two (2) or more offenses emanating from a single act are committed by an employee, the penalty for the more severe offense shall be imposed.
- 5.3.1.4 In the absence of any specific provision of this Code of Conduct, an act committed by an employee analogous to the offenses and violations described and specified in this Code of Conduct, shall be penalized accordingly.
- 5.3.1.5 The provisions of the Labor Code and other applicable laws shall have supplementary effect as regards acts and omissions committed by an employee which are clearly contrary to law, morals, good customs, public order and public policy, but are not specifically described in the Company's Code of Conduct.

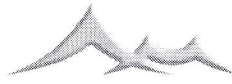
5.4 Due Process

- a. The **right to due process** shall at all times be observed. An employee reported to have committed an offense shall be given an objective, consistent and fair treatment to uphold the objectives of this policy.
- b. No penalty shall be imposed unless the alleged offender is given notice specifying the ground or grounds of the charges/s made against him, and that said employee is given a reasonable opportunity within which to explain his side.
- c. As part of the due process, the policy provides for appeal procedures.

- 5.4.3.1 An employee who is not satisfied with the corrective action applied by his immediate superior may appeal the decision within five (5) days upon receipt of the decision.
- 5.4.3.2 The appeal shall be done in writing, addressed to the officer holding the next higher position.

5.5 Corrective Measures

- a. The corrective measures are as follows:
 - Verbal Warning
 - Written Reprimand
 - Suspension of three (3) days
 - Suspension of seven (7) days
 - Suspension of fifteen (15) days
 - Dismissal
- b. The company reserves the right to put an employee on a maximum thirty (30) days suspension as per recommendation by the HR Department, either aggravating or mitigating where necessary for disciplinary procedures following further review and deliberation of a Serious Offense.
- c. The Company reserves the right to put an employee on preventive suspension for not more than thirty (30) days pending result of a case investigation of the employee involvement.



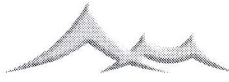
APEX MINING CO., INC.

Masara, Maco, Compostela Valley Province



5.6 Procedure in Handling Infractions

- a. The following procedures are promulgated to ensure proper handling of employee cases, further define the degree of committed offenses, and streamline the escalation process where it concerns the involvement of departments responsible for carrying out the disciplinary management and process, and ultimately the imposition of the disciplinary action on erring employees.
 - 5.6.1.1 Upon the commission of an infraction, or discovery of the commission of the infraction, the immediate supervisor of the employee shall file and incident report.
 - 5.6.1.2 The immediate supervisor shall inform the employee concerned of the commission of the infraction or the discovery of the infraction, and shall require the employee to accomplish an Incident Explanation Slip (IES) to be submitted with a written explanation regarding the incident.
 - 5.6.1.3 After the concerned employee has filed his written explanation, the immediate supervisor shall evaluate the written explanation and recommend the appropriate action to the Division/Department Manager.
 - 5.6.1.4 The immediate supervisor and/or the Division/Department Manager shall take the following actions:
 - 5.6.1.4.1 Forward to HR Department, through the Office of the Industrial Relations, the accomplished IES involving all Light and Serious Offenses, and discusses the proper action to take as regards the employees
 - 5.6.1.4.2 Forward to the Security Department, (or the Safety Department for cases involving damages to property and other serious safety violations) the incident report along with the submitted Written Explanation(s) of the involved employee(s) to request for investigation on the incident
 - 5.6.1.4.2.1 Security Department (or the Safety Department on serious safety violations) investigates the incident and comes up with a recommendatory report on the investigation conducted to be submitted to the HR Department.
 - 5.6.1.5 HR Department further reviews the case to determine the course of action to take. The HR Department will decide on the following:
 - 5.6.1.5.1 Call for a an Admin Hearing to further investigate the case or for clarificatory purposes
 - 5.6.1.5.2 Endorse the case to the Legal Department for legal actions, where the case involves legal implications.
 - 5.6.1.5.2.1 Legal Department conducts legal procedures, including the conduct of an Admin Hearing, after which, Legal decides on the case, thereafter forwarding the decision to the HR Department for the serving of the sanction/disciplinary action.

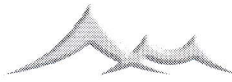


APEX MINING CO., INC.

Masara, Maco, Compostela Valley Province



- 5.6.1.6 HR finalizes its decision through a deliberation process conducted among the members of the Committee on Discipline.
- 5.6.1.7 HR Department, through the Industrial Relations Office shall implement the disciplinary action based on the HR policy.
- b. Each offense/violation or infraction has been defined in the Table of Penalties and each one has a corresponding penalty or sanction, which is to be used merely as a framework or reference and not as absolute criterion to be applied arbitrarily.

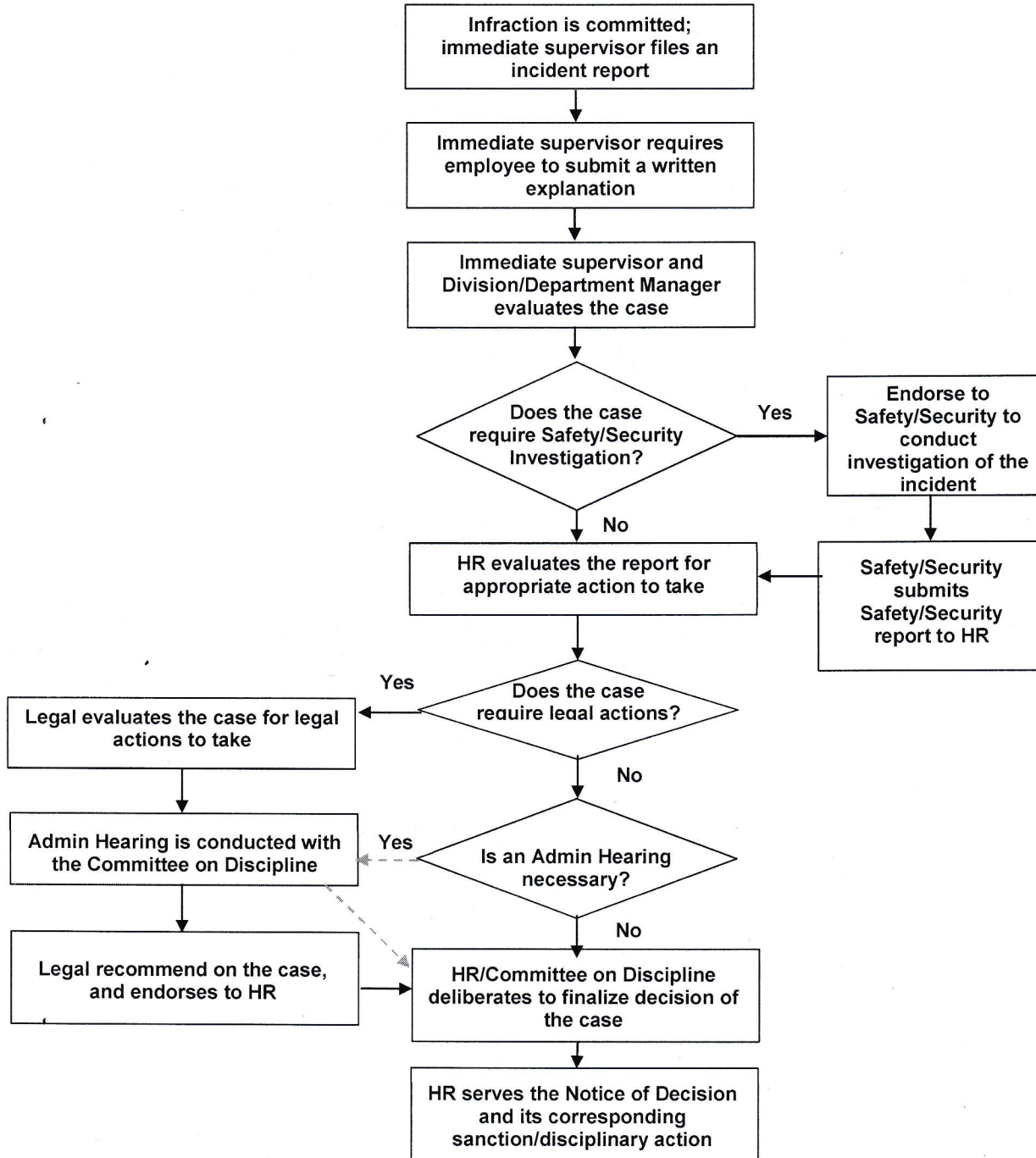


APEX MINING CO., INC.

Masara, Maco, Compostela Valley Province



5.7 Summary of Procedures for Handling Infractions





APEX MINING CO., INC.

Masara, Maco, Compostela Valley Province

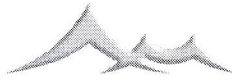


5.8 Appeal for Reconsideration

- a. All cases resulting to sanctions of more than seven (7) days suspension to dismissal are decided in accordance with the requisites if the law, and the administrative disciplinary procedures.
- b. If unsatisfied with a received Approved Recommended Decision, the respondent employee may file a written appeal or plea for reconsideration to the SVP/RM, within a non-extendible period of three (3) working days from his or his representative's receipt of the said Approved Recommended Decision/Notice of Approval of Recommended Decision. After the lapse of said 3-day period, said approved decision shall be deemed final, and no further appeals or pleas shall be entertained.
- c. Upon receipt by the office of the SVP/RM of such appeal or plea, said office shall have the sole discretion in determining, granting or denying the same, within 3 calendar days or earlier, after which the same shall be deemed final and no longer subject to appeal or reconsideration. Where a filed appeal or plea is not acted upon by the office of the SVP/RM and the 3 calendar-day period has lapsed, the said appeal or plea shall be deemed denied-by-inaction, and the received Approved Recommended Decision under appeal will then be deemed final and executory.

5.9 Summary of Offenses and Violations

- Section A. Offense Against Persons
- Section B. Offense Against Company Property
- Section C. Offense Against Security and Public Order
- Section D. Offense Against Health and Safety Conditions
- Section E. Offense Against Public Morales
- Section F. Offense Against Company Interest
- Section G. Other Offenses



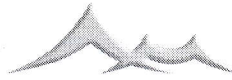
APEX MINING CO., INC.

Masara, Maco, Compostela Valley Province



5.10 Table of Offenses

SECTION A. OFFENSE AGAINST PERSONS	Verbal Warning	Written Reprimand	3 Days Suspension	7 Days Suspension	15 Days Suspension	Dismissal
1. Threatening, intimidating, coercing or interfering with other employee's functions, duties and responsibilities.				1st	2nd	3rd
2. Encouraging, inducing, or threatening another employee to perform acts that violate this Code of Discipline.				1st	2nd	3rd
3. Making false or vicious accusations, testimonies or malicious statements against a supervisor, fellow employee and/or about the company or its products.			1st	2nd	3rd	4th
4. Sowing intrigue against another employee which tends to discredit or destroy one's reputation.				1st	2nd	3rd
5. Willful disrespect to co-employees, visitors, and contractors (i.e. making vicious, profane or obscene remarks to offend the person during working hours and/or within company premises.				1st	2nd	3rd
6. Provoking or instigating a fight within company premises of company.					1st	2nd
7. Inflicting bodily injury upon any employee, visitors and contractors on company time or off time within the company premises or during any company- sponsored activity in any kind of dispute either personal or involving one's employment.						1st
8. Where the physical injuries inflicted resulted to the death of another, either willfully or due to reckless imprudence or gross negligence.						1st
SECTION B. OFFENSE AGAINST COMPANY PROPERTY AND PROPERTY OF OTHERS *	Verbal Warning	Written Reprimand	3 Days Suspension	7 Days Suspension	15 Days Suspension	Dismissal
1. Damaging of company property or the property of others.						
1.1 Through negligent acts.				1st	2nd	3rd
1.2 Through willful or malicious acts (destruction).				1st	2nd	3rd
2. Sabotage, direct or indirect act, which causes serious or substantial damage to company property including injury of persons or company output.						1st
3. Attempting or stealing company property or property of co-employee inside the company premises on company time or off time.						1st
4. Using company material(s) or company machinery or equipment to do unauthorized work on company time or off time.			1st	2nd	3rd	4th
5. Substituting or attempting to substitute company material(s) or equipment with another of inferior quality or of lesser value not belonging to the company.					1st	2nd
6. Obtaining or attempting to obtain company material(s) on fraudulent orders or procedure.						1st
7. Improper or incorrect use of parts, tools, equipment or materials and facilities which may cause loss or damage to the company.		1st		2nd	3rd	4th
8. Deliberate use of parts, tools, equipment or materials and facilities which may cause loss or damage to the Company.				1st	2nd	3rd
9. Lost/Misplaced property (unintentional loss) of company or others.				1st	2nd	3rd
10. Bringing or 'Safekeeping' of Equipment, outside of the workplace or tenement or beyond its restricted location of transfer, without any justifiable reason or motive, and for an unreasonable period of time.					1st	2nd
11. Alteration or removal, without prior authorization, of any property of the company or of other employees					1st	2nd



APEX MINING CO., INC.

Masara, Maco, Compostela Valley Province



12. High grading of ore includes but is not limited to the following:					
12.1 The act of breaking up or sorting out pieces of ore in a manner not consistent with his work procedure set by his superior.					1st
12.2 Unjustified presence in a location known to have high-grade ores when routine works does not require the presence of the employee at the area.					1st
12.3 Concealing storing of ore in the mine camp, or recovering ore previously concealed, or disposing thereof.					1st
12.4 Possession of special bags, wrapping papers, tapes, grease, grinding bowl or other paraphernalia used for smuggling high grade samples.					1st
12.5 Bringing or attempting to bring ore out of any working area of the mine or both, except as required by normal working procedure such delivery to Mill COB and Assay building; and					1st
12.6 Being caught in possession of any piece of ore, anytime, anyplace within the company premises.					1st

* Where damage or loss of company property or property of others incurs cost, the following shall apply either way where suspension is warranted:

- a. Cost of loss or damage divided by the employees daily rate multiplied by the number of suspension days provided in the Table of Penalties and payment of the exceeding amount that corresponds to the equivalent depreciated book value of the property.
- b. Cost of loss or damage divided by the employees daily rate to determine the number of suspension days, but not exceeding thirty (30) days suspension

SECTION C. OFFENSE AGAINST SECURITY AND PUBLIC ORDER		Verbal Warning	Written Reprimand	3 Days Suspension	7 Days Suspension	15 Days Suspension	Dismissal
1.	Refusal to submit to security measures and/or failure to meet security requirements of the company, such as, but not limited to:						
1.1	Refusal to wear Company ID card along with the prescribed company uniform, or any required form of identification that identifies an individual as an employee of the Company while inside the Company premises			1st	2nd	3rd	4th
1.2	Refusal to submit for inspection of personal belonging				1st	2nd	3rd
1.3	Refusal to undergo body search					1st	2nd
1.4	Refusal to submit vehicles for inspection (including personal vehicles)					1st	2nd
1.5	Other analogous circumstances (penalty shall depend on the gravity of the offense committed).					1st	2nd
2.	Unauthorized or illegal possession or concealing of firearms, explosives or any deadly weapons as defined by the law within the company.						1st
3.	Conviction in a criminal offense or committing a crime on company time or premises punishable under the revised penal code.						1st
4.	Allowing and/or failing to report unauthorized persons loitering within one's work area.			1st	2nd	3rd	4th
5.	Unauthorized occupying or transferring to any company owned living quarters (order to vacate shall be issued in addition to the scheduled penalty.)			1st	2nd	3rd	4th
6.	Entering restricted areas without proper authorization.				1st	2nd	3rd
7.	Selling, collecting dues/bills during working hours and inside the work place; soliciting or collecting contribution, money, material items for any purpose not sanctioned by the company.			1st	2nd	3rd	4th



APEX MINING CO., INC.

Masara, Maco, Compostela Valley Province



8. Subversive acts including the distribution of subversive materials within company premises, engaging in sabotage, or other acts inimical to the security and interest of the company.						1st
--	--	--	--	--	--	-----

SECTION D. OFFENSE AGAINST HEALTH AND SAFETY CONDITIONS*	Verbal Warning	Written Reprimand	3 Days Suspension	7 Days Suspension	15 Days Suspension	Dismissal
1. Improper disposal of garbage, waste water, human waste, etc.		1st	2nd	3rd	4th	5th
2. Bathing/washing of clothes in places other than places constructed or designated for the purpose.		1st	2nd	3rd	4th	5th
3. Refusal to submit to drug testing						1st
4. Violating safety rules or company policies against tobacco smoking in areas not designated for such purposes				1st	2nd	3rd
5. Allowing domestic animals to roam around the camp (like dogs, pigs, chickens, goose, ducks, goats, etc.) causing harm and/or disturbance		1st	2nd	3rd	4th	5th
6. Failure to conduct housekeeping in assigned work areas, residences or quarters to maintain good or clean living environment.		1st	2nd	3rd	4th	5th
7. Failure to report to the company physician or proper health authorities for contracting any contagious disease and / or his/her family which may endanger the health of other employees or company residents.		1st	2nd	3rd	4th	5th
8. Violation of company safety or hygienic rules while on duty.			1st	2nd	3rd	4th
9. Not wearing the prescribed apparel and safety gadget.		1st	2nd	3rd	4th	5th
10. Not wearing the prescribed apparel and safety gadget or any violation of safety rules and regulations resulting to injury of co-employee and/or damage to company property.				1st	2nd	3rd
11. Refusal or failure to submit to the required medical requirements of the Company				1st	2nd	3rd
12. Unauthorized use of company vehicle or performing other duties resulting in injury of passengers/ or damage to the Company vehicle or loss of company property.				1st	2nd	3rd
13. Reckless driving of company vehicle resulting in loss or damage to the person's / or company property.						1st
14. Commission of unsafe acts which may cause injury or damage to person/s or property, loss of working time or equipment downtime.					1st	2nd
15. Commission of unsafe acts which may cause loss of life or extensive damage to property, loss of working time or equipment downtime.						1st

*All provisions in the Safety Manual not covered in this Table of Penalties shall be dealt with a corresponding penalty depending on the gravity of the violation to be determined by the Committee on Discipline.



APEX MINING CO., INC.

Masara, Maco, Compostela Valley Province



SECTION E. OFFENSE AGAINST PUBLIC MORALS	Verbal Warning	Written Reprimand	3 Days Suspension	7 Days Suspension	15 Days Suspension	Dismissal
1. Reporting to work on an unacceptable level (above 0.0%) of alcohol in the body.					1st	2nd
2. Working while under an unacceptable level (above 0.0%) of alcohol in the body.						1st
3. Bringing or attempting to bring, possessing alcoholic drinks inside the company premises on the way to work/shift.			1st		2nd	3rd
4. Using / taking prohibited drugs and / or being under the influence of narcotics while working or on off-time, within the company premises.						1st
5. Conduct of grossly indecent nature or using defamatory language in addressing another person on company time and within the company premises.				1st	2nd	3rd
6. Gossiping, rumor mongering and making false accusations against a co-employee or superior.			1st	2nd	3rd	4th
7. Taking part in, or abetting any gambling or any other game of chance against the law, during company time and/or within the Company premises.						1st
8. Operating a gambling game within the Company premises. The owner or tenant of the room or house where the gambling is held shall be considered as the operator and shall be liable and be penalized under this provision.						1st
9. Committing any immoral act or adultery/concubinage within the Company premises.					1st	2nd
10. Any form of sexual harassment as stated in Republic Act 7877, and as stipulated under the Anti-Sexual Harassment in the Workplace Policy						1st

SECTION F. OFFENSE AGAINST COMPANY INTEREST	Verbal Warning	Written Reprimand	3 Days Suspension	7 Days Suspension	15 Days Suspension	Dismissal
1. Integrity, Trust and Confidence						
1.1. Accepting outside employment which in any way interferes with job requirements or performance.			1st			2nd
1.2. Engaging in companies or business which may be in competition with the Company's business or which shall be in conflict of interest with the Company.						1st
1.3. Appropriating or joining any business venture, opportunity or potential opportunity discovered or developed in the course of employment that is in any way related to any business in which the Company is or may become engaged.				1st	2nd	3rd
1.4. Giving contributions, donations or gifts to politicians, political candidates or parties by any of its employees on behalf of the Company.				1st	2nd	3rd
1.5. Violation of any provisions of any confidentiality agreement.				1st	2nd	3rd
1.6. Swindling/estafa, malversation/embezzlement, and/or other frauds in relation to position. Acts made possible by violation of one's trust, or position in employment. Regardless of value of damage, property or money.					1st	2nd
1.7. Abusing one's position, reputation or other attribute arising from one's employment or connection with the company, for the purpose of borrowing, transacting, lending, selling, or other similar personal transactions, for money, goods, or other similar commodities, unless required by law or due to other justifiable cause or causes.					1st	2nd



APEX MINING CO., INC.

Masara, Maco, Compostela Valley Province



2. Dishonesty						
2.1.	Falsifying or conniving to falsify company records.					1st
2.2.	Carelessness or negligence in submitting any item of expense for the company's account.			1st	2nd	3rd
2.3.	Unauthorized disbursement and/or misappropriation of company funds or disposal of company properties.					1st
2.4.	Offering, giving or accepting anything of value in exchange for a job, work assignment, work location, favorable conditions of employment or other favors that might be perceived to unfairly influence a business relationship from any business, enterprise, organization, or person that is doing business or seeking to do business with the Company, or to a competitor of the Company, or with which the Company is considering investing in.					1st
2.5.	Giving company identification materials, information and voucher to any person not entitled to it; or assisting any person to enter the Company premises without proper permission.					1st
2.6.	Misrepresentation of personal data, job experiences and other required information about a person.					1st
2.7.	Disclosing information or company business or personal affairs of other employees.					1st
2.8.	Hacking/unauthorized accessing of files of another person or of the company, through computer and/or internet or electronic facilities.					1st
2.9.	Switching of shifts or changing of work schedule without proper approval.	1st	2nd	3rd	4th	
2.10.	False entries or misrepresentation of daily reports which cause or tend to cause the company to lose certain amount.				1st	2nd
2.11.	False accusation or giving false testimony during investigation.				1st	2nd
2.12.	Planting, tampering, unauthorized destruction, willful suppression, of evidences in relation to any company-related issue, proceedings or inquiries, or incidents.				1st	2nd
2.13.	Using company time to do unauthorized work or activity for personal benefit.	1st	2nd	3rd	4th	
3. Insubordination						
3.1.	Willful refusal to obey or follow the order(s) of one's superior to perform assigned work.			1st	2nd	3rd
3.2.	Failure to observe written regulations prescribed by any competent authority other than those mentioned herein.			1st	2nd	3rd
3.3.	Showing insolence and/or discourtesy and humiliating gestures towards any person in authority while in the performance of duty or during off-time within the company premises, (Term "person in authority" shall mean all company staff members, superiors, lead man, security guards on duty within his assigned post area, security investigator conducting official investigation).	1st		2nd	3rd	
3.4.	Frequently receiving visitors during office hours to do personal business, (5x in 1-2 weeks is considered one (1) offense.)	1st	2nd	3rd		4th
3.5.	Receiving or making frequent personal telephone call or unreasonable / inconsiderate prolonged use of the telephone for personal business during office hours.	1st	2nd	3rd		4th

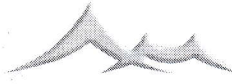


APEX MINING CO., INC.

Masara, Maco, Compostela Valley Province



4. Negligence of Duty						
4.1	Leaving work assignment or working place before the end of office hours.					
	Regular shift worker with no reliever			1st	2nd	3rd
	Shift worker with a reliever but without consent from the immediate supervisor			1st	2nd	3rd
4.2	Sleeping while on duty.			1st	2nd	3rd
4.3	Littering			1st	2nd	3rd
4.4	Loitering during working hours			1st	2nd	3rd
4.5	Malingering / pretending to be sick			1st	2nd	3rd
4.6	Display of disorderly or unruly conduct such as horse playing, scuffling, catcalling, unnecessary shouting or throwing things around at work or company premises, or any conduct which disturbs the concentration of other employees during official hours			1st	2nd	3rd
4.7	Failure to report immediately an injury either to himself or to other employees that has come to his knowledge.	1st	2nd	3rd		4th
4.8	Abuse or extending break time period	1st	2nd	3rd	4th	5th
4.9	Negligence of duty resulting in the loss of company property and/or that which affects production or the work performance of other employees. (3 days suspension to dismissal, depending on the gravity of the offense, 50,000 and above – termination, any other amount below 50,000 subject to suspension)				1st	2nd
4.10	Negligence in the performance of reportorial duties resulting in the loss of time, opportunity and money or persistently doing unsatisfactory work including violation of standard operating procedures and long established practices.(3 days suspension to dismissal, depending on the gravity of the offense, 50,000 and above – termination, any other amount below 50,000 subject to suspension)				1st	2nd
4.11	Vandalism.			1st	2nd	3rd
4.12	Allowing unauthorized rider(s) or passenger(s), hitch hikers in Company vehicles.			1st	2nd	3rd
4.13	Failure to act or neglecting to attend legal request, valid claim or demand of employees.			1st	2nd	3rd
4.14	Failure to report damage to equipment and property occurring on company time.			1st	2nd	3rd
4.15	Frequent submission of an employee of incomplete and unsatisfactory reports, causing the delay of certain project(s) or other required report(s).			1st	2nd	3rd
4.16	Feather bedding. Is committed by four or less employees whom perpetrate willful holding back, slowing down, hindering or limiting work output, or giving instructions to fellow employees to hold back, slow down, hinder or limit output, and, while on duty hours, and within company premises, in relation to some work or labor related issue or purpose.				1st	2nd
4.17	Neglecting to obey or follow the orders of a superior to perform assigned work, resulting in unsatisfactory or poor work performance.			1st	2nd	3rd
4.18	Tardiness. Being late for more than three (3) times in a month.	1st	2nd	3rd	4th	5th



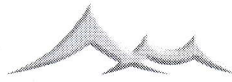
APEX MINING CO., INC.

Masara, Maco, Compostela Valley Province



4.19	Absence Without Official Leave (AWOL):					
4.1.1	One (1) day	1st	2nd	3rd	4th	5th
4.2.1	Two (2) to three (3) days consecutive.		1st	2nd	3rd	4th
4.3.1	Four (4) or Five (5) days consecutive.			1st	2nd	3rd
4.4.1	Six (6) to seven (7) days consecutive.				1st	2nd
4.5.1	Eight (8) consecutive or more.					1st
4.20	Refusal to work on a compulsory overtime.	1st	2nd	3rd	4th	5th
4.21	Failure to work on rest day without valid reason after signifying to do so.			1st	2nd	3rd
5. Violation of Housing and Work Area Rules and Regulations						
5.1.	Housing or accommodating persons without permission	1 st		2 nd	3 rd	4th
5.2.	Use of lighting with open flame, except during emergencies, or otherwise authorized, or justified by established permitted standard procedure.	1 st		2 nd	3 rd	4th
5.3.	Continued accommodation of relative(s)/guest(s) inside the staff house(s)/bunkhouse(s) after expiry of the permit	1 st		2 nd	3 rd	4th
5.4.	Renovation, altering and/or installing additional light or other electrical fixtures without permission	1 st		2 nd	3 rd	4th
5.5.	Unnecessary wastage of water, paper, paper and other office supplies, power and other supplies provided by the company for consumption	1 st		2 nd	3 rd	4th
5.6.	Unauthorized bringing or possession of company furniture(s) and/or appliances furnished in every residence/quarter or work areas during relocation	1 st		2 nd	3 rd	4th
5.7.	Bringing and use of unauthorized kitchen or other similar electrical appliances personally owned, or of the company or other persons, including furniture and similar items.	1 st		2 nd	3 rd	4th

SECTION G. OTHER OFFENSES		Verbal Warning	Written Reprimand	3 Days Suspension	7 Days Suspension	15 Days Suspension	Dismissal
1.	Making false, vicious or malicious statement concerning the company.					1st	2nd
2.	Unauthorized posting any derogatory matter within company premises or unauthorized removal of company matter from official bulletin boards and posting places.					1st	2nd
3.	Failure to observe other company rules issued in a memo circular or Standard Operating Procedures (SOP) of the Company, not specifically mentioned in this Code.				1st	2nd	3rd
4.	Being a Habitual Offender. Committed by perpetrating a Fifth offense under this Code, within 365 days from the date of commission of the First offense.						1st
5.	In the absence of any provision of this Code of Conduct as regards the imposition of penalties for offenses committed by any employee, Sections 6.1.1 and 6.1.2 under Manner of Liability shall be applied.						







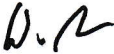
APEX MINING CO., INC.

Masara, Maco, Compostela Valley Province



5.11 Amendment to Procedure

- a. The Division/Department Manager who wishes to change, alter or revise in part or in whole, the provisions in this Code of Discipline shall submit his proposal to the Human Resources Manager for review.
- b. The Human Resources Manager shall review the proposed amendments and endorse the same to the Code of Discipline Review Committee composed of representatives from all departments, for further review and decision. The Discipline Review Committee shall be composed of at least four (4) Department Managers and representatives.
- c. Recommendations or decisions shall be made by the Code of Discipline Committee.
- d. Recommendations made by the Review Committee shall then pass for approval of the Approving Authorities before their implementation.
- e. The implementation of the amended provision/s shall be effective and binding on the effectivity date specified in the amendment.
- f. All employees should be informed of the amendments prior to its implementation.

Approving Body:	
 REYNALDO C. ROMERO HR Manager/CG Date: _____	 Atty. RODULFO A. PALMA Legal/HR Division Manager Date: _____
 ROSEMARIE F. PADILLA VP & Asst. Resident Manager for Finance Date: _____	 GIL A. MARVILLA SVP & Resident Manager Date: _____
 WALTER W. BROWN President & CEO Date: <u>10/11/12</u>	

/MDB, MDG, NMB