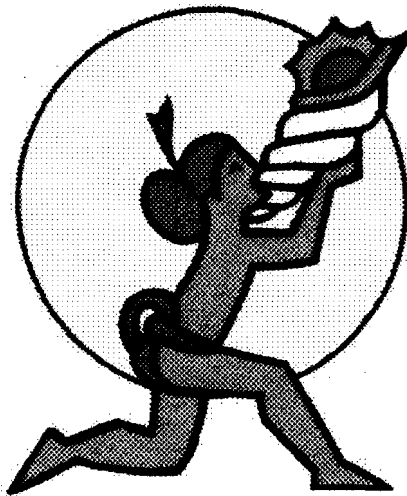


Palau National Communications Corporation



PERSONNEL RULES & REGULATIONS

Revised April 20, 2009

“Connecting Palau to the World”

TABLE OF CONTENTS

A.		AUTHORITY:	4
B.		APPLICATION OF REGULATIONS:	4
C.		PRIVACY OF COMMUNICATIONS AND RECORDS:	5
	1.	Customer’s Communications and Records:.....	5
	2.	PNCC Records:.....	5
	3.	Employee’s Records:.....	6
D.		EMPLOYMENT AND RECRUITMENT:	6
	1.	Hiring of Applicants:.....	6
	2.	Employment Preference:.....	6
	3.	Publication:.....	7
	4.	Equal Opportunity Policy:.....	7
	5.	Selection of Successful Applicants:.....	7
	6.	Probationary Status:.....	7
E.		OUTSIDE EMPLOYMENT:	8
F.		EMPLOYEE REPRESENTATION:	8
G.		COMPENSATION:	8
	1.	Employee and Job Classification; Advancement; Promotion; Transfer; Demotion; COLA; Quality Bonus:.....	8
	2.	Compensation for Acting Personnel or Temporary Assignment:.....	10
	3.	Pay Periods:.....	11
	4.	Work Period:.....	11
	5.	Overtime Compensation:.....	11
	6.	Compensatory Time:.....	12
	7.	Holiday Pay:.....	12
	8.	Shift Differential Pay:.....	12

	9.	Final Compensation:.....	13
	10.	Repayment of Training Costs:.....	13
H.		BENEFITS:.....	13
	1.	Insurance and Retirement:.....	13
	2.	Paid Time-Off:.....	14
I		PERFORMANCE REVIEW:.....	16
J.		EMPLOYEE AWARDS:.....	17
	1.	Merit Award:.....	17
	2.	Service Awards:.....	17
	3.	Retirement Award:.....	17
K.		RESIGNATIONS AND TERMINATIONS:.....	18
	1.	Resignations:.....	18
	2.	Termination for Medical Reasons:.....	18
L.		DISCIPLINARY ACTIONS:.....	19
	1.	Reason for Action:.....	19
	2.	Violations Justifying Disciplinary Action:.....	19
	3.	Processes to be employed for Disciplinary Actions:.....	20
M.		TARDINESS:.....	23
N.		GRIEVANCE PROCEDURES:.....	23
	1.	Definition:.....	23
	2.	Resolution by Employee(s):.....	23
	3.	Presentation of Grievance:.....	24
	4.	Decision:.....	24
	5.	Request for Review:.....	24
O.		FRAUD POLICY:.....	25

A. AUTHORITY:

The Palau National Communications Corporation (PNCC) is an autonomous public corporation wholly-owned by the National Government of the Republic of Palau. PNCC was established on August 23, 1982 by RPPL No. 1-40, Chapter 3, title 15 of the Palau National Code, which provides the Board of Directors the authority to establish regulations and policies regarding the affairs of PNCC. The law specifically provides that the General Manager shall manage the operations of PNCC and shall, in accordance with policies established by the Board, retain, direct and terminate the services of PNCC employees.

B. APPLICATION OF REGULATIONS:

These Personnel Rules and Regulations (hereafter “Regulations”) are promulgated by the Board to govern PNCC’s relationship with all employees. The rights and obligations of contract employees generally are controlled by their employment contracts and unless otherwise specifically stated, reference herein below to “employee” or “employees” does not include contract employees.

It is the responsibility of each employee to read, understand and comply with the PNCC Rules & Regulations. Each employee shall acknowledge receipt of these Regulations by signing a form attesting to receipt, a copy of which shall to be filed with the employee’s personnel records.

The PNCC Board of Directors reserves the right in its discretion to add to, delete from, or amend the contents of these Rules & Regulations at any time based on recommendations from management. Except where circumstances warrant more immediate change, employees shall be given at least ten (10) working days notice of any deletions, additions, or amendments before such becomes effective.

Copies of the PNCC Rules and Regulations, including any approved deletions, additions, and/or amendments shall be provided to all PNCC employees.

C. PRIVACY OF COMMUNICATIONS AND RECORDS:

1. CUSTOMER’S COMMUNICATIONS AND RECORDS:

The privacy of PNCC's customers' communications and records is a basic principle of our business, both legally and because our customers trust our integrity. An employee shall not tamper with, intrude upon, or otherwise listen to or monitor customers’ conversations, except where authorized by law or when required for legitimate business purposes, for example: monitoring customer interaction calls to ensure service quality for our customers. An employee shall not disclose to any unauthorized person, including other employees who do not have a legitimate need to know, the existence of legal wiretaps, the purpose or location of telephone company equipment, or any other information about our customers, their conversations, or their records. Customer records include personal data and any billing data such as amount billed, call details, past due balances, account identifiers or passwords and types of accounts.

Our customers have a right to expect employees to abide by these standards. Maintaining our customers’ trust is a fundamental part of the way we do business and should guide the decisions we make about the information we have access to. Remember that access to company data is limited to those employees who have a legitimate business or technical need to know the information.

An employee who receives a request from anyone, including law enforcement or other governmental agency, that involves the privacy of our customers’ communications shall immediately refer the request to a supervisor who, in turn, shall immediately refer the same to the General Manager.

An employee who violates the provisions of this section shall be dismissed. The provisions of this section apply to contract employees.

2. PNCC RECORDS;

During the course of employment by PNCC, an employee may gain knowledge of certain trade secrets of PNCC; said trade secrets consisting of but not necessarily limited to technical information such as methods, processes, formulas, compositions, systems, techniques, inventions, machines, computer programs and research projects, and business information such as customer lists, pricing data, sources of supply, financial data and marketing, production, or merchandising systems or plans.

An employee shall not during their employment with PNCC, or at any time after the termination of their employment with PNCC, use for themselves or others, or disclose or divulge to others, including future employees, any trade secrets, confidential information, or any other proprietary data of PNCC. For purposes of this part, "others" is defined to include any person who is not a director, officer or employee of PNCC.

Upon termination of employment from PNCC an employee shall return to PNCC all documents and property of PNCC in the employee's possession or control, including but not necessarily limited to: drawings, blueprints, reports, manuals, correspondence, customer lists, computer programs, and all other materials and all copies thereof relating in any way to PNCC's business, and shall not retain copies, notes or abstracts of the foregoing.

The provisions of this section apply to contract employees.

3. EMPLOYEE'S RECORDS:

No personal records of an employee shall be disclosed without the employee's written consent, unless such disclosure is either required by law or required by PNCC for operational purposes, as authorized through the department head and/or the General Manager.

The provisions of this section apply to contract employees.

D. EMPLOYMENT AND RECRUITMENT:

1. HIRING OF APPLICANTS:

In all cases, hiring of positions shall be made in accordance with all applicable laws and these PNCC Regulations. A department head shall recommend applicants for recruitment. The final decision concerning the hiring of applicants shall be the responsibility of the General Manager. The PNCC Board must review and approve all contracts of employment between PNCC and an expatriate (non-citizen) contract employee, before such contracts become effective.

2. EMPLOYMENT PREFERENCE:

Preference in employment shall be given to Republic of Palau citizens. However, this is not to be construed as prohibiting the hiring of qualified non-citizen personnel when circumstances warrant. PNCC shall promote from within PNCC whenever there are PNCC employees who are qualified applicants for the vacant position.

3. PUBLICATION:

Job vacancies shall be posted and publicized as follows:

- a. PNCC shall post an in-house job vacancy announcement for a minimum of five (5) working days before posting or publishing notice of a job vacancy to the general public.
- b. When a PNCC employee is deemed qualified to fill a job vacancy PNCC is not required to publicly post or publish the job vacancy and shall promote such employee pursuant to these Regulations.
- c. If no in-house candidate meets the required qualifications for a job vacancy, then PNCC shall post and/or publish a job vacancy announcement within Palau for a period of at least ten (10) working days before filling the position and, if the recruitment of non-citizens is considered necessary to fill the position, may also publish a job vacancy announcement outside of Palau. Except as otherwise allowed by applicable laws, a job vacancy announcement generally must run for a minimum of thirty (30) days before a position may be filled with a non-citizen.

4. EQUAL OPPORTUNITY POLICY:

Except as set forth above, no job applicants shall be barred from PNCC employment on the basis of sex, race, and place of origin, religion, and social status or clan affiliation.

5. SELECTION OF SUCCESSFUL APPLICANTS:

Selection of applicants shall be based upon those best qualified for the position in terms of education, training, experience and aptitude.

6. PROBATIONARY STATUS:

All new PNCC employees are on a probationary status for the first six (6) months of their employment and are subject to reassignment or termination during their probationary period at the discretion of the General Manager.

Employees under probationary status are not eligible for any PNCC benefits.

E. OUTSIDE EMPLOYMENT:

A PNCC employee may have outside employment provided that the employee discloses such in writing in advance to the General Manager, and the General Manager, acting in his or her sole discretion, determines that the outside employment does not conflict or interfere with the employee’s performance of his or her job, or compete with any PNCC business. A PNCC employee who fails to disclose outside employment as set forth herein, or engages in unapproved outside employment, shall be subject to disciplinary action.

F. EMPLOYEE REPRESENTATION:

PNCC encourages employees to join civic, service, and other related community organizations. However, employee participation in such organizations is not official PNCC business, and shall not conflict or interfere with the employee’s job at PNCC.

G. COMPENSATION:

1. EMPLOYEE AND JOB CLASSIFICATION; ADVANCEMENT; PROMOTION; TRANSFER; DEMOTION; COLA; QUALITY BONUS:
-

a. General:

There are three distinct groups of PNCC employees. For purpose of this section they are called “Craft”, “Management” and “Contract.” Craft and Management employees are regular employees subject to the provisions of PNCC’s personnel rules and regulations. While contract employees may work at craft or management jobs, the rights and obligations of contract employees are determined by their employment contracts.

Unless otherwise specifically stated, reference in this Part F. to “employee” or “employees” does not include contract employees.

Each job classification falls within either the craft or management group. Each group of employees has its own wage and salary schedule. Within each schedule there are several different levels of wages and salaries. Each job classification has a corresponding wage and salary level. Each level of wage or salary has a range of steps.

b. Advancement:

It is the policy of PNCC that advancement by a PNCC employee within a wage or salary level shall be based upon the employee's commitment and determination to succeed and on the employee gaining the experience, knowledge and skills necessary to meet PNCC's immediate and long-term goals and objectives, as evaluated through the employee's performance review process.

Each PNCC position is assigned a job classification. Each job classification has established criteria and/or standards. Generally, a new employee shall be paid at the entry step of the wage or salary level for the job classification; provided, however, that the new employee may start at a higher step if such is recommended by the department head on the basis that the employee possesses the necessary experience, knowledge or skills to justify such higher step and such recommendation is approved by the General Manager.

Advancement shall be within the steps of any wage or salary level. To advance to any pay step within any particular wage or salary level, an employee shall be required to demonstrate that he or she has acquired the experience, knowledge and skills to justify advancement.

Each wage or salary level has several steps. Advancement of steps within a particular wage or salary level shall not be considered until the employee has worked a minimum of one (1) year at the current step classification.

It is the responsibility of the employee's supervisor or a department head to consider an employee's advancement from one pay step to another during the employee's performance review. Any recommendation for advancement must be based on the employee's performance reviews and a determination that the employee has acquired the experience, knowledge and skills to justify advancement.

c. Promotions:

A promotion is a reassignment from one PNCC job classification level to another wherein the employee is paid at a higher wage or salary level than before. A promotion is within a department and should be justified by outstanding performance evaluation.

Generally, a promoted employee shall be paid at the entry step of the wage or salary level for the new job classification; provided, however, that the promoted employee may start at a higher step if such is recommended by the department head on the basis that the employee possesses the necessary experience, knowledge or skills to justify such higher step and such recommendation is approved by the General Manager.

d. Transfer:

Transfer is defined as a reassignment of an employee within or from one department to another within the company, provided a vacancy exists. The salary and step placement shall be determined as justified by the transfer request and the same anniversary date shall be maintained.

Transfer request shall be recommend and must be justified and made in writing and, if made by a supervisor, concurred by a department head.

All recommendations for transfer request must be approved by the General Manager before becoming effective.

e. Demotions:

A demotion is for disciplinary reasons and is a reassignment from one PNCC job classification to another wherein the employee is paid at a lower wage or salary level or step than before.

f. Cost of Living Adjustment:

A cost of living adjustment (“COLA”) is an increase in wages or salaries applied uniformly to all levels and steps of PNCC’s wage or salary schedules to adjust employee compensation for inflationary trends. A COLA shall be considered by the General Manager at least once every two (2) years, and the General Manager shall submit a recommendation to the Board of Directors. A COLA may be implemented only if adopted by a Resolution of the Board of Directors.

g. Quality Bonus:

A quality bonus is a one time bonus given to all employees in recognition of outstanding corporate performance for the year. A quality bonus may only be implemented if adopted by a Resolution of the Board of Directors.

2. COMPENSATION FOR ACTING PERSONNEL OR TEMPORARY ASSIGNMENT:

An employee may be temporarily assigned to perform the duties of any other position within PNCC.

- a. If the position to which the employee is temporarily assigned is vacant by reason of another employee’s illness, education or vacation leave, and/or for similar reasons, the employee who is temporarily assigned shall receive no increase in compensation for the first ninety (90) days or less of the temporary assignment. In the event such temporary assignment exceeds 90 days and the entry level salary for the position to which the employee has been temporarily assigned is higher than the employee’s normal salary, for the period in excess of 90 days the employee shall be

compensated at his normal salary plus ten percent (10%) or at the entry level salary for the position to which the employee has been temporarily assigned, whichever amount is greater.

- b. If the temporary assignment is to a position which is vacant by reason of termination, resignation, demotion, promotion and/or transfer, and if the entry level salary for the position to which the employee has been temporarily assigned is higher than the employee's normal salary, then commencing immediately upon the assignment, the employee who is temporarily assigned shall be compensated at his or her normal salary plus ten percent (10%) or at the entry level salary for the position to which the employee has been temporarily assigned, whichever amount is greater.
- c. In all instances, the decision of the General Manager as to the reason a position is vacant shall be final. At the expiration of the temporary assignment, the employee shall be returned to his or her normal position and salary level.
- d. If the position to which the employee is temporarily assigned for whatever reason is the position of the General Manager, in the event such temporary assignment exceeds ninety (90) days, for the period in excess of 90 days the employee who is temporarily assigned to the position of General Manager shall be compensated at his or her normal salary plus ten percent (10%).

3. PAY PERIODS:

An employee shall earn compensation as stated in the PNCC employment action on the basis of a work year consisting of biweekly pay periods.

4. WORK PERIOD:

PNCC's normal work day is from 8:00 am through 5:00 p.m. Monday through Friday with one hour lunch period. However, the employee's work day and workweek may vary from time to time according to the need of PNCC as determined by management, to include shift assignment schedules. Every effort shall be made to maintain a reasonable five (5) day, forty (40) hour workweek.

5. OVERTIME COMPENSATION:

- a. If time worked and paid leave total over eighty (80) hours in the same pay-period, a non-salaried employee shall be paid for the time worked over eighty hours (80) at the rate of one and one-half (1.5) times the employee's basic hourly pay rate.
- b. Salaried employees are paid a salary and are not eligible for overtime pay.

- c. Scheduled overtime must be requested in advance by the employee's supervisor and approved by the department head.
- d. Because of the public nature of its business, PNCC expects all of its employees to be available for emergency non-scheduled work. In the event that emergency work is necessary, then the policies governing overtime compensation shall apply.

6. COMPENSATORY TIME:

- a. All compensatory time must be requested and approved on the overtime authorization form and recorded on the bi-weekly timesheets. Any charging of compensatory time must be requested and approved on the PNCC leave application form.
- b. Salaried employees may be granted compensatory time off if the employee's supervisor and a department head determines that the employee compensatory time worked had been excessive.
- c. Non-salaried employees may earn compensatory time by the General Manager's determination on a case by case basis during special occasions that PNCC shall request non salaried employees to volunteer their time during non working hours.

7. HOLIDAY PAY:

- a. All employees are entitled to an automatic eight (8) hours regular pay during any PNCC approved holidays without charge to time off benefits. In this part of the Rules, the automatic (08) hours is also considered time earned.
- b. In addition to the eight (8) hours automatic pay, non-salaried employees required to work on a PNCC approved holiday shall be compensated at one and one half (1.5) times their base wage rate for the total number of hours worked. Salaried employees are not entitled to this benefit.

8. SHIFT DIFFERENTIAL PAY:

An employee shall be paid additional compensation in the form of a shift differential of fifteen percent (15%) of base pay rate for each hour the employee works between 7:00 p.m. to 6:00 a.m. when such hours are part of the employee's regular scheduled work hours. Salaried employees are not entitled to shift differential pay.

9. FINAL COMPENSATION:

An employee's final compensation shall be disbursed on the payroll period subsequent to the employee's effective date of employment termination. All amounts due and owing PNCC by the employee shall be deducted from the employee's final compensation before it is disbursed to the employee.

10. REPAYMENT OF TRAINING COSTS:

PNCC is interested in enhancing its employees' abilities and skills and in this regard may, from time to time, send an employee to a training school at PNCC's cost. However, PNCC expects to benefit from this training through the employee's continued employment with PNCC. In certain instances, upon notice from PNCC, an employee sent for training shall be required to sign a document in advance agreeing that in the event the employee leaves the employment of PNCC for any reason within twelve (12) months of having attended such training, the employee shall be required to repay PNCC a prorated portion of the training costs, including without limitation tuition, transportation, lodging, per diems and other incidental expenses that PNCC paid in connection with the training.

The amount to be repaid PNCC shall be calculated by dividing the total training costs by twelve (12) and multiplying that amount by the number of months of employment not completed by the employee in the twelve (12) month period following the training. For example, an employee works for eight (8) months following a training school, but then quits. In such circumstances the employee shall be required to repay 33% of the training costs. If the employee only works for six (6) months following a training school, but then quits, the employee shall be required to repay 50% of the training costs. If the employee works for twelve (12) months following a training school and then quits, the employee is not required to repay any of the training costs. Attendance at conventions, conferences, and workshops do not require repayment to PNCC in the event the employee leaves the employment of PNCC within twelve (12) months of the event.

H. BENEFITS:

1. INSURANCE AND RETIREMENT:

All full time employees are entitled to any insurance and retirement plans that PNCC has entered into on their behalf.

2. PAID TIME-OFF:

a. Annual Leave:

All full time employees shall receive annual leave with pay based upon years of PNCC services as follows:

Years of Service	Days Earned Annually	Annual Carry Over:
1 to 4	10 days	none
5 to 9	15 days	10 days
Over 10 years	20 days	15 days

b. Health Leave:

All full time employees shall earn health leave with pay at the rate of:

<u>Years of Service</u>	<u>Days Earned Annually</u>
1-5	20 Days
6 and over	30 Days

c. Family Bereavement Leave:

All full time employees shall be granted paid family bereavement leave not to exceed three (3) working days in the event of the death of an immediate family member, without such being charged to any paid leave.

d. Initiation of Time-off Requests:

1. Annual Leave:

Employees shall be responsible for initiating requests for annual leave with their immediate supervisors and shall initiate such request sufficiently in advance so as to enable management to make necessary personnel adjustments. Telephone calls or other verbal requests to the supervisor requesting annual leave on the same day that an employee is scheduled to work shall not normally be approved. Management shall be responsible for reviewing all requests for annual leave in the light of staff needs, available replacements, and policy requirements. The employees' immediate supervisors may approve, disapprove or arrange modifications of annual leave requests. Employees cannot assume that their annual leave requests shall be automatically granted.

2. Health Leave:

Employees who are unable to report to work because of a sickness or injury or because of a sickness or injury affecting an immediate family member, must notify their immediate supervisor directly or a department head prior to work hours or as soon as possible on the same working day. Any absence from duty of more than two (2) working days must be supported in writing by a certified attending physician. An “immediate family” member is defined herein as father, mother, sister, brother, spouse and children.

3. Family Bereavement Leave:

Employees who are unable to report to work because of a death of an immediate family member must notify directly their immediate supervisor or the appropriate department head as soon as possible on the same working day. An “immediate family” member is defined herein as father, mother, sister, brother, spouse and children.

e. Carry Over of Annual Earned Leave:

1. Annual Leave:

Employees in the 1-4 years of service category may not carry-over annual leave. Those employees in the 5-9 years of service category are permitted to carry-over not more than 10 days of their annual leave balance, while those who are in the over 10 years or service category are permitted to carry-over not more than 15 days of annual leave. Carry over of additional annual leave may be requested and shall be approved by the General Manager when it is determined to be in the interest of PNCC.

2. Health Leave:

All health leave balances are carried over from year to year at the end of each calendar year.

f. Lump Sum Payment:

Upon termination of employment, an employee may receive a lump sum payment for all annual leave accrued to the employee’s credit at the time of separation. Employees terminated for cause are eligible for this benefit. Any amounts due and owing PNCC shall be deducted from the lump sum payment before it is disbursed to the employee.

g. Holidays:

1. With the exception of those who are scheduled to work, all PNCC employees shall observe all Republic of Palau legal holidays.
2. August 23, 1982 marked the transformation of telecommunications in Palau. This day is therefore observed annually as a special holiday for PNCC.

h. Advance Time-off with Pay:

The General Manager, with the consultation of the appropriate department head, may grant advance annual and health leave with pay up to a maximum of one-half (½) of the total earnable leave credits for the year.

I. Administrative Leave:

Administrative leave is an authorized absence from duty, without loss of pay and without charge to paid time-off. Such requests must be in writing and approved by the General Manager, based upon the best interest of PNCC.

j. Time-off without pay:

Time-off without pay (leave of absence without pay) to include job related training and education. Such requests must be in writing to the immediate supervisor in concurrence with department head and approved by the General Manager, based upon the best interest of PNCC to full time employees for a period not to exceed one (1) year.

I. PERFORMANCE REVIEW:

1. It is the responsibility of each employee's supervisor to review the employee's job performance with the employee annually within thirty (30) days of the anniversary of the employee's first day of PNCC service and or the most current transaction date of status change in terms of class and pay. The job performance of all probationary employees shall be reviewed at least thirty (30) days prior to the end of their probationary period. The review shall be conducted using standardized criteria applicable to all employees. A supervisor or manager's performance review shall be conducted by the applicable department head. A department head's performance review shall be conducted by the General Manager. Interim or special evaluations may be performed at any time. Each performance review shall be deposited in the employee's personnel file. PNCC shall maintain a list of employees' first day of service and/or status change anniversaries.

Each employee's personnel file shall be periodically reviewed by the Human Resources personnel to assure that the required performance reviews have been conducted.

2. Employees who have been subject to disciplinary action in the year preceding any particular review may not receive a scheduled wage step increase for the year immediately following that review period.

J. EMPLOYEE AWARDS:

1. Merit Award:

A merit award is a one-time payment awarded to an employee for extraordinary and/or noteworthy job performance, and overall rating of 4.5 or above on the performance evaluation. The immediate supervisor or the department head may consider a merit award for each employee based on the employee's performance review rating. A recommendation for a merit award must be justified and shall be made in writing separate from the performance review form and concurred by the department head. All recommendations for merit award shall be approved by the General Manager. Recommendations for merit award, approved or disapproved, shall be deposited in the employee's personnel file. The appropriate amount of a merit award shall be determined by the General Manager, based on the overall financial health of PNCC and not to exceed 10% of employee's annual base pay.

2. Service Awards:

To recognize PNCC employees for their years of dedication, awards shall be given to employees pursuant to their years of services on a five (5) year increment. The award values may vary based on the financial health of PNCC.

3. Retirement Award:

The retirement award applies to employees eligible for retirement under the Republic of Palau Pension Plan and Retirement Fund Act of 1987. The following is the formula for setting the amount for the retirement award:

\$100.00 plus \$10.00 for each year of non-management services and
\$100.00 plus \$20.00 for each year of management services.

K. RESIGNATIONS AND TERMINATIONS:

1. Resignations:

- a. Resignations shall be in writing and shall be addressed to the General Manager submitted to the employee's immediate supervisor at least thirty (30) working days in advance of the effective date.
- b. Subject to the General Manager's discretionary approval, with the advice of the department head, the withdrawal of a resignation may be permitted provided the employee submits the reasons for withdrawal, in writing, prior to the effective date of the resignation.
- c. Any employee who has unauthorized absences for five (5) or more working days, whether consecutive or not, during any six (6) consecutive month period shall be considered to have resigned from employment with PNCC and shall be appropriately processed.
- d. Unless otherwise permitted by the General Manager, an employee who is unable to report to work because of a sickness or injury for a period of more than thirty (30) days, consecutive or not, during any six (6) consecutive month period, shall be considered to have resigned from employment with PNCC and shall be appropriately processed.

2. Termination for Medical Reasons:

- a. Employees may be terminated from PNCC without their consent if they contract a serious long-term contagious disease that endangers the health of others, or if they become mentally incapacitated or if they are otherwise permanently physically disabled and due to such mental incapacity or physical disability are unable to satisfactory perform the duties of their assigned position.
- b. A termination for medical reasons without the employee's consent shall only be based on a medical examination of the employee. PNCC may request that an employee submit to a medical examination whenever the General Manager reasonably believes that the employee has a medical condition as set forth above or is unable to satisfactory perform the duties of their assigned position due to mental incapacity or physical disability. The refusal by the employee to submit to a medical examination when requested by PNCC shall be cause for immediate termination.

[L.] DISCIPLINARY ACTIONS:

Notes

The bracketed [L.] above reads “I” in the original regulation and was changed to “L” to conform with the lettering format.

1. Reason for Action

Every well-organized business must have rules to protect the interests of both the business and its employees. The following activities are strictly prohibited by PNCC and, at the discretion of the General Manager, constitute cause for disciplinary action that may include reprimand, suspension, demotion and/or dismissal. PNCC shall exercise its right to take appropriate disciplinary action against any employee who commits or assists another employee in committing any of the following offenses. As used herein, the term “General Manager” means the General Manager or any person designated as Acting General Manager and “worksite” includes all PNCC buildings or property or any location to which the employee is assigned to work.

2. Violations Justifying Disciplinary Action.

Each of the following shall be considered a cause for disciplinary action. The causes stated herein apply to contract employees.

- a. Failure to perform job duties that may be required of the employee to the reasonable satisfaction of PNCC.
- b. Gambling while on the job or at the worksite.
- c. Carelessness or negligence while on the job or at the worksite.
- d. Insubordination while on the job or at the worksite.
- e. Excessive tardiness or unauthorized absences from work. Tardiness for five (5) or more working days, whether consecutive or not, during any six (6) consecutive month period shall be considered to be excessive.
- f. Failure to report to assigned work.
- g. Failure to maintain the company assigned communication resources as to such that the employee cannot be contacted by a supervisor.
- h. Failure to report injuries incurred while on the job or at the worksite.
- I. Leaving the worksite without approval before the end of the workday.
- j. Smoking in prohibited areas while on the job or at the worksite.
- k. Willfully interfering with the work of others while on the job or at the worksite.

- l. Sleeping while on the job or at the worksite.
- m. Stealing while on the job or at the worksite.
- n. Possessing or drinking alcoholic beverages while on the job or at the worksite.
- o. Possessing or taking illegal drugs while on the job or at the worksite.
- p. Being under the influence of alcoholic beverages or illegal drugs while on the job or at the worksite.
- q. Verbally or physically assaulting, endangering, and/or harassing any person while on the job or at the worksite.
- r. Possession of a firearm while on the job or at the worksite.
- s. Intentional damage to or improper use of PNCC property.
- t. Falsifying PNCC records or documents, including marking another employee's timecard or having your timecard marked by someone else.
- u. Conviction of a felony.
- v. Violating the PNCC Drug and Alcohol Prevention Policy.
- w. Violating the privacy of customers' communications or records.
- x. Using for themselves or others, or disclosing or divulging to others any trade secrets, confidential information, or any other proprietary data of PNCC.
- y. Refusing to submit to a medical examination when requested by PNCC.
- z. Having unauthorized outside employment or a conflict of interest.
- aa. Violating any written PNCC rules, policies, procedures, guidelines, etc. not set forth above.

3. Processes to be employed for Disciplinary Actions:

a. Reprimand:

The immediate supervisor of a PNCC employee or their managers may issue a written or verbal reprimand to the employee for cause. A verbal reprimand must promptly put in to writing by the supervisor or manager issuing the reprimand. A copy of any written reprimand or documentation of a verbal reprimand shall be placed in the employee's personnel file. There is no appeal from a reprimand.

The issuance of a reprimand does not prevent or prohibit PNCC from considering the same event or reason for which the reprimand was issued when suspending, demoting or dismissing an employee based on a subsequent event.

b. Suspension:

1. The General Manager or a department head, with the approval of the General Manager, may suspend any PNCC employee for cause. Suspensions shall not exceed thirty (30) working days.
2. The employee shall be promptly provided with a written notice of suspension stating the reasons supporting the suspension, the period of the suspension, as well as the employee's appeal rights set forth below.
3. The appeal rights set forth below shall be provided to any employee who is suspended for more than ten (10) days. Otherwise, there is no appeal from a suspension of ten (10) days or less.
4. An employee entitled to appeal his/her suspension may do so to the General Manager within two (2) working days of the employee's receipt of the written notice of suspension. The appeal must be in writing and advise the General Manager of why the suspension should not take place. In his/her sole discretion, the General Manager may hold further proceedings to allow the employee to present documents and the testimony of witnesses on his/her behalf at a designated time and location. The General shall consider the appeal and advise the employee of his/her decision within five (5) working days of the written appeal or the last proceeding held on the appeal. The General Manager's decision shall be final.
5. At the discretion of the General Manager an employee may be suspended immediately, with or without pay pending an investigation or hearing of any charge against the employee. When such a suspension is made and the charge subsequently dropped or not substantiated, the employee shall be reinstated without loss of pay or other benefits.

c. Demotion:

1. The General Manager, or a department manager, with the approval of the General Manager, may demote any PNCC employee for cause. A demotion is a reassignment of an employee from a higher to a lower class and pay. Reassignment may be to any department in PNCC.
2. The employee whose demotion has been recommended shall be provided with a written notice of demotion stating the reasons supporting the demotion, as well as the employee's appeal rights, if any.

3. The appeal rights set forth below shall be provided to any employee who has been demoted.
4. An employee entitled to appeal his/her demotion may do so to the General Manager within two (2) working days of the employee's receipt of the written notice of demotion. The appeal must be in writing and advise the General Manager of why the demotion should not take place. In his/her sole discretion, the General Manager may hold further proceedings to allow the employee to present documents and the testimony of witnesses on his/her behalf at a designated time and location. The General Manager shall consider the appeal and advise the employee of his/her decision within five (5) working days of the written appeal or the last proceeding held on the appeal. The General Manager's decision shall be final.

d. Dismissal:

1. The General Manager, or department manager, with the approval of the General Manager, may recommend the dismissal of an employee for cause.
2. An employee whose dismissal has been recommended shall be provided with a written notice of dismissal by the General Manager.
3. The written notice of dismissal shall notify the employee of the following:
 - a. The reason(s) supporting the dismissal, including any applicable names, times and places.
 - b. The employee is entitled to review his/her personnel file and any other material used by PNCC to support the reason(s) specified in the letter.
 - c. The employee may appeal the notice of dismissal by responding to the same orally and/or in writing and present documents and the testimony of witnesses on his/her behalf at a hearing before the General Manager to be held at the time and location designated in the notice. Full consideration shall be given to any answer or presentation the employee chooses to make at the time of the hearing.
 - d. The General Manager shall consider the employee's appeal and shall issue and present a written decision to the employee within five (5) working days of the hearing.
 - e. The employee may appeal to the General Manager's written decision to the PNCC Board of Directors through the grievance process.
4. At the discretion of the General Manager, an employee against whom a notice of dismissal is pending may be retained on active duty status with pay.

However, when, in his/her sole discretion, the General Manager determines that the circumstances are such that the retention of the employee in active duty status may result in damage to PNCC property, or may be detrimental to the interests of PNCC, the employee's fellow workers or the general public, the employee may be placed in a non-duty status with or without pay pending the final decision.

M. TARDINESS:

All employees are expected to report to work when scheduled and to be on time. All employees must call management if they are going to be late more than fifteen (15) minutes. If the employee cannot reach their supervisor, the employee must notify the next higher management personnel. If neither person can be reached, the employee must call the General Manager's Office. Leaving a message with the General Manager's assistant is sufficient. Otherwise, the employee must speak directly to management personnel. A messages left with other PNCC employees or voicemail messages are not acceptable. If an employee is more than thirty (30) minutes late and has not notified PNCC as per the above procedure, the employee may be sent home for the day and the absence shall be recorded as an unauthorized absence.

N. GRIEVANCE PROCEDURES:

1. Definition:

A grievance is a claim by an employee of violations, misinterpretations or inequitable application of these Personnel Rules and Regulations, the policies of the Board of Directors, of PNCC administrative directives or procedures, or of the right to fair and equal treatment.

2. Resolution by Employee(s):

Prior to presenting a grievance to the General Manager, the aggrieved employee shall make every effort to resolve the grievance through established administrative processes. In other words, an aggrieved employee shall first discuss the grievance with the employee's immediate supervisor and manager, then with the employee's department head for resolution. If the problem persists, the employee may then bring it up to the General Manager, through the Human Resources Office, who shall resolve the grievance or seek Board policy guidance. If two or more employees share a common grievance, such grievance should, to the extent it does not prejudice individual rights, be jointly presented.

3. Presentation of Grievance:

The employee must present to the General Manager a written statement of the grievance.

The statement:

- a. Must be presented within ten (10) working days of the failure to informally resolve the grievance, and in no event may it be presented more than fifteen (15) working days from the acts forming the basis of the grievance;
- b. Must include a general description of the nature of the grievance; a specific description of the acts upon which the grievance is based, including the time, date and place of such act or acts; and the names of all persons alleged to be involved in the acts giving rise to the grievance.
- c. Must include documentation of all prior efforts made to resolve the grievance.

4. Decision:

Upon receipt of the statement from the aggrieved employee, the General Manager shall make a decision within ten (10) working days and communicate such decision in writing to the aggrieved employee or employees.

5. Request for Review:

If the grievance is not resolved by management to the satisfaction of the aggrieved employee, the aggrieved employee has five (5) working days to submit a written request to the Board of Directors to review the decision, with copies to the General Manager and Human Resources Manager. Such review is wholly within the discretion of the Board but not to exceed thirty (30) calendar days for action. Unless it finds the decision constituted an abuse of discretion, in all cases the Board shall uphold the General Manager's decision if it finds that the management's reasons for its action or decision is even partially substantiated.

The Board shall advise the General Manager in writing of its recommendation at the close of its review. The General Manager is required to advise the aggrieved employee of the Board of Directors decision within five (5) working days thereof. The General Manager's decision at this point is final.

O. FRAUD POLICY

PNCC is receptive to receiving information on a strictly confidential basis from any employee who suspects that fraudulent or other criminal activity has occurred within PNCC. The employee should contact either the General Manager or a member of the PNCC Board of Directors and should not attempt to confront the accused or conduct an independent investigation.

PNCC shall exercise all due care in investigating allegations of fraudulent activities so as to avoid mistaken accusations. Allegations or the results of any PNCC investigation of allegations shall not be disclosed or discussed with anyone other than those PNCC personnel who have legitimate need to know in order to perform their duties and responsibilities. This does not preclude the disclosure of the results to law enforcement authorities for prosecution under legal authority. Any face-to-face interview of a suspected individual shall only be performed under the supervision of the General Manager or the PNCC legal counsel.

During an investigation, the General Manager may suspend a suspect employee with pay. Based upon the results of the investigation, the employee shall either be reinstated or appropriately disciplined. Criminal fraudulent activities shall be prosecuted to the fullest extent of the law.