

2017-2021

FICELCO & FEU

COLLECTIVE
BARGAINING
AGREEMENT
(CBA)

CORPORATE SECRETARY'S CERTIFICATE

I, TERESITA T. SOLEDAD, of legal age and presently residing at Western Poblacion, Baras, Catanduanes, after having duly sworn certify that:

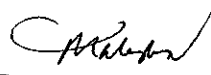
1. I am the duly elected and incumbent Corporate Secretary of the FIRST CATANDUANES ELECTRIC COOPERATIVE, INC., a corporation duly organized and existing under by virtue of the Laws of the Philippines, with principal office at Marinawa, Bato, Catanduanes, and as such, I have custody and possession of corporate books and other records of corporation, including the minutes of the meetings of stockholders/members and Board of Directors of the corporation.
2. On the 2nd of September 2017, at the 40th Annual General Membership Meeting (AGMM) held at Virac Municipal Plaza, Catanduanes, the General Assembly of aforesaid corporation adopted and ratified by viva voce, the herein below quoted resolution:

"RESOLVED, AS IT IS HEREBY RESOLVED, to seek the approval of the general assembly to approve the 2017-2021 Collective Bargaining Agreement proposal granting the employees an increase in hazard pay and other performance-based incentives such as reduction in system loss, high collection efficiency, no absences and no tardiness/ under time;"

"RESOLVED FINALLY, to furnish a copy of this resolution to National Electrification Administration (NEA) for their information and approval and to FICELCO Departments for information, reference and appropriate action".


3. The said resolution is valid and subsiding up to the present and has not been amended, altered or revoked.
4. It is hereby warranted that the above resolution is consistent and in accord with the corporation's Articles in Incorporation, By-Laws and Policies and that the specimen signatures are authentic and belong to the designated signatories.

IN WITNESS WHEREOF, I have hereunto set my hand this SEP 25 2017 at _____


TERESITA T. SOLEDAD
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this SEP 25 2017 at Virac, Catanduanes, affiant exhibiting to me his/her Office of Senior Citizen Affairs (OSCA) ID. 01032

Doc. No. 8
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Book No. 156
Series of 157


FREDESWINDO A. GIANAN, JR.
NOTARY PUBLIC
San Vito, Virac, Catanduanes
Commission Expires December 31, 2018
ISF Lifetime Member No. 011209 as of 10/10/12
PTR No. 9521057-17527 Virac, Catanduanes
ICLE Compliance No. V-0016751 dated 3/2/16
Attorney's Roll No. 48935

EXCERPTS FROM THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE FIRST CATANDUANES ELECTRIC COOPERATIVE, INC. HELD ON SEPTEMBER 2, 2017 AT VIRAC MUNICIPAL PLAZA, VIRAC, CATANDUANES

Present:

Mrs. Teresita T. Soledad	-	Secretary
Mr. Robert C. Aquino	-	Treasurer
Mr. Rodolfo B. Vargas, Sr.	-	Auditor
Mr. Alexander C. Ang Hung	-	Business Manager
Mr. Jonathan G. Valles	-	OIC General Manager
		Ex- Officio Member

Newly-Elected Board of Directors:

Mrs. Marilyn T. Robles	-	District IV- San Miguel
Mrs. Arsenia G. Bernacer	-	District VI -Pandan & Caramoran
Mr. Julian S. Soneja	-	District III- San Andres

Outgoing Board of Director:

Esgt. Jorge I. Tabirara	-	District VI- Pandan & Caramoran
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Also Present:

FICELCO Employees	-	238
Guests	-	48

Member-Consumers from the following Districts:

District I- (Baras and Gigmoto)	-	206 & 19
District II (Bato)	-	606
District III (San Andres)	-	210
District IV (San Miguel)	-	440
District V (Virac)	-	1,663
District VI (Caramoran and Pandan)	-	58 & 33
District VII (Viga, Panganiban and Begamanoc)	-	38, 39 & 23
TOTAL	-	3,620 (7.3%)

BOARD RESOLUTION NO. 119, SERIES OF 2017

A RESOLUTION SEEKING THE APPROVAL OF THE GENERAL ASSEMBLY TO APPROVE THE 2017-2021 COLLECTIVE BARGAINING AGREEMENT PROPOSAL GRANTING THE EMPLOYEES AN INCREASE IN HAZARD PAY AND OTHER

BR No. 119, s/2017

Page 1 of 3

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PERFORMANCE-BASED INCENTIVES SUCH AS REDUCTION IN SYSTEM LOSS, HIGH COLLECTION EFFICIENCY, NO ABSENCES AND NO TARDINESS/ UNDER TIME

WHEREAS, the FICELCO Employees' Union (FEU) and the Management negotiated and concluded the 2012-2016 Collective Bargaining Agreement for a period of five (5) years;

WHEREAS, the contract between the two parties had expired last December 31, 2016, however, due to Typhoon Nina restoration activities, the CBA for 2017-2021 negotiation was deferred therefore, the Management and the FEU agreed to temporarily adopt the terms and conditions of the 2012-2016 CBA for the year 2017 until it was not formally renewed;

WHEREAS, last July 17, 2017, the two parties underwent another CBA negotiate and reached an agreement to grant an increase in hazard pay and other performance- based incentives to the employees who showed commendable performance like reduction of system loss, high collection efficiency, no absences and no tardiness/ under time;

WHEREAS, as per CBA provisions it is mandated to present the negotiated proposal to our member-consumers for their approval and for the purpose of transparency;

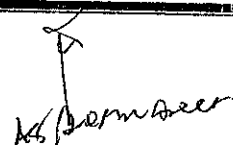
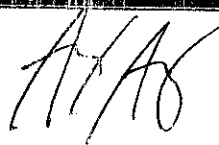
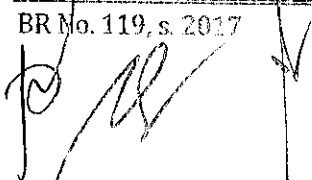
WHEREAS, the proposal was presented during the Annual General Membership Assembly (AGMA) for approval and it was duly approved through raising of hands;

NOW THEREFORE, it was unanimously approved by the member-consumers present, be it


RESOLVED, as it is hereby resolved, to seek the approval of the general assembly to approve the 2017-2021 Collective Bargaining Agreement proposal granting the employees an increase in hazard pay and other performance-based incentives such as reduction in system loss, high collection efficiency, no absences and no tardiness/ under time;

RESOLVED FINALLY, to provide copies of this resolution to NEA for information and approval and to FEU and FICELCO Departments for information, reference and appropriate action;


Unanimously Approved.



I HEREBY CERTIFY as to the correctness of the above quoted resolution.

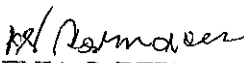

TERESITA T. SOLEDAD
Board Secretary

ATTESTED:

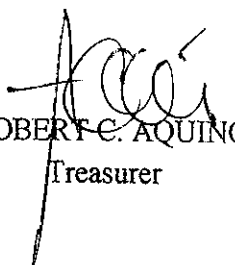

JONATHAN Q. VALLES
OIC-General Manager &
Ex-Officio Member

JULIAN S. SONEJA
P.I.O.

MARILYN E. ROBLES
Auditor


ARSENIA G. BERNACER
Member


RODULFO B. VARGAS, SR.
Vice-President


ROBERT C. AQUINO
Treasurer


ALEXANDER C. ANG HUNG
President

KNOW ALL MEN BY THESE PRESENTS:

This Collective Bargaining Agreement is made and entered into by and between:

FIRST CATANDUANES ELECTRIC COOPERATIVE, INC. (FICELCO), an electric cooperative duly organized and existing under and by virtue of the laws of the Philippines with principal office at Marinawa, Bato, Catanduanes, herein represented by its BOD President, Mr. **ALEXANDER C. ANG HUNG**, and Officer-In-Charge General Manager, Mr. **JONATHAN O. VALLES**, all of legal ages, Filipino and with postal address at Virac, Catanduanes, and referred to as the "ELECTRIC COOPERATIVE";

-and-

FICELCO EMPLOYEES UNION (FEU), a legitimate labor organization duly registered with the Department of Labor and Employment (DOLE) under Registration Certificate No. Res. 0730-93-UR-004 on July 30, 1993, with principal office and address at FICELCO Compound, Marinawa, Bato, Catanduanes, herein represented by its President, Mr. **ANTHONY A. URBANO**, hereinafter referred to as the "UNION".

WITNESSETH

WHEREAS, the UNION was certified by the Department of Labor and Employment (DOLE) as the sole and exclusive bargaining agent of all rank and file employees of the FIRST CATANDUANES ELECTRIC COOPERATIVE, INC.;

WHEREAS, the ELECTRIC COOPERATIVE and the UNION intend to negotiate and conclude a Collective Bargaining Agreement for a period of five (5) years effective January 1, 2017 to December 31, 2021;

WHEREAS, in consideration of the devastation brought to the province of Catanduanes by Typhoon Nina which affected severely the Cooperative's distribution system and financial standing and had undergone massive restoration of power lines, the ELECTRIC COOPERATIVE and the UNION agreed to suspend the negotiation and adopt the existing improvements of the previous CBA years 2012-2016 for the CBA year 2017 only until such new terms and conditions are negotiated;

WHEREAS, it is the sincere intent and purpose of the UNION and the ELECTRIC COOPERATIVE herein to improve and maintain industrial peace and mutual understanding between and among them, by promoting the welfare and improving the working conditions of its workers and thereby secure harmonious, continuous and efficient operation, prevent strikes, slowdowns and other disturbance or interference in its operations thereby obtaining the highest level of employees' performance;

NOW THEREFORE, for and in consideration of the premises, terms and conditions specified herein, the following are hereby mutually agreed upon by and between the UNION and the ELECTRIC COOPERATIVE.

**ARTICLE I
UNION RECOGNITION AND COVERAGE**

Section 1. The ELECTRIC COOPERATIVE recognizes the UNION as the sole and exclusive collective bargaining agent of all regular rank and file employees with the appropriate bargaining unit for the purpose of engaging in collective bargaining on matters of salaries/wages, allowances, hours of work and other terms and conditions of employment which are within the scope of this Agreement.

It, likewise, recognizes the duly constituted officers and representatives of the UNION in negotiations and other related matters with the ELECTRIC COOPERATIVE and its officers.

Section 2. "Rank and File" employees shall be understood to mean those employed by the ELECTRIC COOPERATIVE who neither actually discharge nor exercise managerial or supervisory power and/or prerogative

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Section 3. Exclusion from the collective bargaining unit. The following employees categorized below are excluded from the coverage by this Collective Bargaining Agreement:

- a.) Managerial and supervisory employees described and defined in Article 212 of the Labor Code, as amended by RA 6715;
- b.) Section Heads;
- c.) Casual, contractual and temporary workers/laborers;
- d.) Probationary employees;
- e.) Trainees and emergency laborers;
- f.) Security guards under contract by the Electric Cooperative.

Section 4. It shall be understood that this Agreement, particularly the economic provisions hereof, shall apply only to those employees who are in the active service and covered by this Collective Bargaining Agreement as to the date of its ratification.

Employees who are in the *active service* shall mean regular rank and file employees, whether member or non-member of the collective bargaining unit.

Section 5. Any regular rank and file employee who shall be appointed, promoted, or transferred to any excluded category as enumerated in Section 3 of this Article shall be disqualified or removed from the bargaining unit provided the ELECTRIC COOPERATIVE shall notify the UNION of such matter.

Section 6. Pre-existing practices and benefits that are not expressly provided for in this CBA but which are being extended by the ELECTRIC COOPERATIVE to all regular rank and file employees in accordance with its policies, by operation of law, and sound industrial relations will be maintained by the ELECTRIC COOPERATIVE and shall be deemed part of this CBA.

ARTICLE II UNION SECURITY/STATUS OF NON-MEMBERS/FEEES

Section 1. Union Security/Membership - All regular rank and file employees of the ELECTRIC COOPERATIVE at the signing of this Agreement who are members of the UNION and those who subsequently become members thereof shall maintain their membership in good standing with the UNION for the duration of this Agreement.

Section 2. A member of the UNION who ceased to be in good standing by reasons of resignation may be retained in the employment of the ELECTRIC COOPERATIVE. For the purpose of this section, membership in the UNION may be lost on the following grounds, which shall be considered just causes for expulsion from the UNION:

- a. Failure to pay fees and other assessments imposed by the UNION;
- b. Forming, joining or working for another union during the lifetime of this Agreement;
- c. Working in the interest of other labor organizations;
- d. Violation of the UNION'S Constitution and By-Laws;
- e. Commission of acts inimical to the interest of the UNION;
- f. Insubordination to UNION Officers;
- g. Conviction of a crime involving moral turpitude;
- h. Any member who does not attend regular meeting called for within a year by the UNION for three (3) times without any valid reasons;
- i. Any UNION member who does not participate or join legal strike, but instead report for work; Refer to Index 2, Strike and Lockouts; and
- j. Resignation from the UNION outside the 60 days freedom period.

Provided, however, if the offensive acts of the terminated member/s constitute just cause as defined under the Labor Code, the UNION shall undertake to file a complaint before the grievance of the COOPERATIVE for the termination of employment of the terminated member.

Section 3. UNION'S Disciplinary Action - The UNION may impose upon its erring members such disciplinary actions as may be provided for in their Constitution and By-Laws and shall include but not limited to expulsion from or suspension of UNION membership, provided said member has been accorded due process by the UNION. The UNION shall be solely in charge of the due process to its members through the UNION grievance committee and the Management shall be informed and furnished of the UNION'S decision and conduct separate investigation. Refer to Index 3, FEU Constitution & By-Laws.

Section 4. The ELECTRIC COOPERATIVE may give preference to the UNION recommendation in the hiring of new employees who will occupy new or vacant position falling within the bargaining unit, provided, the recommended applicant possesses the basic requirement and qualifications for the job.

Section 5. The ELECTRIC COOPERATIVE agrees that duly authorized representatives of the UNION shall, upon seeking approval from the Management have access to COOPERATIVE premises in order to investigate a grievance or concern or other matters involving UNION affairs.

Section 6. The ELECTRIC COOPERATIVE shall in no way discriminate against UNION member in any employment matter.

Section 7. Check-Off - The ELECTRIC COOPERATIVE shall deduct from the salaries of the members of the UNION their monthly dues, fees, special assessments upon authority given by the members which shall be recognized for the duration of this Agreement except when such member is permanently transferred to projects outside the control and supervision of the ELECTRIC COOPERATIVE, or promoted to managerial position or such any other justifiable reasons.

Section 8. Transmittal of the Check-Off Collected - The ELECTRIC COOPERATIVE shall remit to the UNION'S Treasurer the amount collected by means of check payment within (5) working days after the payday.

Section 9. Agency Fees - The ELECTRIC COOPERATIVE shall deduct from the salaries of non-union members within the bargaining unit without necessity of check-off authorization, agency fees equivalent to the dues paid by the UNION members, provided that such non-union members accept the benefits under this Agreement. The sum collected shall be turned-over to the Treasurer of the UNION or its duly authorized representative within five (5) working days after payday. The terms and conditions re: Agency Fee as discussed in the Minutes of the FEU Meeting dated February 2, 2012 will be adopted. Refer to Index 3B, Agency Fee.

Section 10. Time-Off - The ELECTRIC COOPERATIVE shall grant the UNION time-off as follows:

- a. For the purpose of attending CBA negotiations and conferences with the Management panel, all officers of the UNION negotiating panel can avail of the time-off;
- b. For the purpose of the Labor Management Committee meetings, only members of the Labor Panel can avail of the time-off;
- c. On matters concerning grievance, disputes, or complaints which employees may have in connection with the employment matters or any disputes on interpretation, application or complaint of violation of any provision of the CBA which are brought to the UNION, only members can avail the time-off. It must be understood, however, that if such negotiation is held inside the ELECTRIC COOPERATIVE premises, a representative of the UNION shall be granted time-off while negotiations being held outside the coverage area of the ELECTRIC COOPERATIVE, members of the negotiating panel at their option may avail UNION leave.

ARTICLE III
JOB SECURITY / SECURITY OF EMPLOMENT

Section 1. Right to Hire and Discipline - The ELECTRIC COOPERATIVE may hire employees upon such compensation as may be agreed upon at the time of hiring, and it shall notify the union of such hiring especially if it will affect the financial standing of the ELECTRIC COOPERATIVE. The ELECTRIC COOPERATIVE guarantees the security of tenure of every employee, hence, no penalty such as dismissal, suspension, demotion in rank and salary including written reprimand shall be imposed against any employee without first exhausting the grievance procedure outlined in Article VI of this Agreement and observance of labor laws.

Section 2. Notice of Vacancy - All vacancy that may occur in the ELECTRIC COOPERATIVE shall be posted by the Management in conspicuous place so that any interested applicant may be notified and avail themselves of the vacancies. The ELECTRIC COOPERATIVE agrees to consider applications for such positions from among existing employees before seeking outside applicants. The positions shall carry the appropriate salary scale.

Should any vacancy occur in any position included in the bargaining unit, the ELECTRIC COOPERATIVE agrees to give due notice to the UNION and may give priority to UNION members and recommended applicants.

Section 3. In the case of inevitable lay-off due to authorized termination of employment in accordance with article 283 of the Labor Code, the ELECTRIC COOPERATIVE will initiate first by way of offering early retirement special packages among employees *if qualified* before the ELECTRIC COOPERATIVE could resort to lay-off and retrenchment of UNION members. Such lay-off or retrenchment program shall apply the principle of "LAST IN, FIRST OUT" (LIFO), provided, that those laid off or retrenched UNION members shall be given priority in re-hiring over new applicants to fill up new and/ or any vacant position. Advanced notice of at least one (1) month shall be given to employees affected with a copy of the notice furnished to the UNION in accordance with Article 285 of the Labor Code.

Further, in case of expiration and renewal of franchise, any party of interest shall respect the rights, benefits and welfare of all employees in relation to their security of tenure in accordance with law.

Section 4. Separation Pay - The ELECTRIC COOPERATIVE shall grant separation pay to any affected UNION member under Section 3 hereof, following the computation on retirement plan on top of other benefits he/she may be entitled from the ELECTRIC COOPERATIVE'S practices, other provisions of this Agreement and from the NEA policy or any government agency.

Section 5. Closure or Relocation - In case of closure or relocation of the ELECTRIC COOPERATIVE or any of its office or department, by reason of the occurrence of natural calamities, such as fires, floods earthquakes and the like, the ELECTRIC COOPERATIVE shall grant affected workers a separation pay in the amount equivalent under a Retirement Plan, plus other benefits due to him/her from the ELECTRIC COOPERATIVE, other provisions of the CBA and from any government agency. However, if the affected worker chooses to be relocated or transferred to any other office or department, said worker shall be extended relocation assistance.

Section 6. Transfer or Re-Assignment - The ELECTRIC COOPERATIVE may transfer or re-assign personnel after due notice before the intended transfer or re-assignment. Any member who refuses to a valid transfer and/or re-assignment to any position offered by THE ELECTRIC COOPERATIVE without any justifiable reason may be treated as refusal to follow lawful order and therefore could be subjected to any disciplinary action from the ELECTRIC COOPERATIVE.

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Section 7. Promotion - The ELECTRIC COOPERATIVE shall notify the UNION in writing at least ten (10) working days before the intended promotion of any UNION member. Any member who refuses to be promoted by the ELECTRIC COOPERATIVE shall not be treated as refusal to follow lawful order and therefore could not be subjected to any disciplinary action from the ELECTRIC COOPERATIVE. The ELECTRIC COOPERATIVE considers Seniority on electric cooperative-wide basis as the determining factor only if all other factors and consideration in the selection process are equal between candidates for promotion.

Section 8. Acting Capacity - When a UNION member is assigned to a position which is considered a promotion, he/she shall be in acting capacity in that position for not more than three (3) months. The assignment shall be in writing, signed by authorized officer and a copy of which shall be furnished to the employee concerned and the Administrative Department. Unless the employee is reverted to his/her original position or positions of the same level, this shall be considered permanently appointed by the ELECTRIC COOPERATIVE.

Section 9. New Position/Title - In the event a new position/title is created, the ELECTRIC COOPERATIVE shall inform the UNION whether or not said position/title falls within the bargaining unit.

Section 10. In the event that the ELECTRIC COOPERATIVE introduces changes in job requirements due to introduction of new technologies, priority to undergo training must be given to affected employees to familiarize themselves with the new technologies.

Section 11. In the event that the ELECTRIC COOPERATIVE may want to introduce new or any revision of its existing policy, the ELECTRIC COOPERATIVE recognizes the UNION's right to be informed in its formulation and decision making processes if such will directly affect the employees right, benefit and welfare.

Section 12. Definition

- a. **Party of Interest** is any private juridical entity who acquires the franchise due to the expiration and/or renewal of the ELECTRIC COOPERATIVE's franchise.
- b. **Probationary Employee** is one hired by the ELECTRIC COOPERATIVE on trial or probation for the purpose of occupying, if found fit and qualified a regular position in the ELECTRIC COOPERATIVE. Before such a probationary employee becomes regular, he/she shall be required to serve probationary or trial period of at least six (6) months. If retained in the service beyond the maximum period herein stipulated, he/she shall thereafter be deemed as part of the ELECTRIC COOPERATIVE's regular workforce. The ELECTRIC COOPERATIVE may shorten the probationary period should the employee merit such consideration.
- c. **Apprentice.** One who is accepted for training in the ELECTRIC COOPERATIVE in accordance with law.
- d. **Trainee.** One who is allowed by the ELECTRIC COOPERATIVE to train and learn operations prerequisite to graduation or for purpose of taking a government examinations. This is also known as job-training.
- e. **Casual.** Is the one hired to perform specific job at a limited time whose nature of work is not directly related to the principal business or regular operations of the ELECTRIC COOPERATIVE.
- f. **Temporary.** Is the one hired to perform specific temporary jobs or as a temporary replacement for a regular employee on leave, such employee retains his/her temporary status until the completion of the work or until the term for which he/she was hired, whichever comes first.
- g. **Project.** Is one hired to perform specific work not connected with the regular operations of the ELECTRIC COOPERATIVE and who retains his/her temporary status as such until the job for which he/she is hired shall have been completed irrespective of the time required to finish the job.
- h. **Regular.** Is the one hired on a regular basis after satisfactory completion of the probationary period.
- i. **Immediate Family Member** refers to parents, spouse, son, daughter, brother, sister by consanguinity.

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ARTICLE IV

CONSIDERATION OF HIRING OF NEAREST KIN OF RETIRED, DECEASED, DISABLED REGULAR EMPLOYEES

Section 1. To enhance the chance of employment of the nearest of kin of employees retired, deceased and/or disabled union member, the ELECTRIC COOPERATIVE will give an immediate family member an opportunity for job employment in the ELECTRIC COOPERATIVE. Such in-plant training will not exceed three (3) months. He/She will undergo the normal recruitment and hiring procedure of the ELECTRIC COOPERATIVE; and for which he/she qualifies, he/she will undergo probationary work for not more than six (6) months. However, further, that only one (1) member of the family will enjoy this privilege.

The ELECTRIC COOPERATIVE and the UNION agree that only regular rank and file employees who have rendered at least fifteen (15) years of service and/or reaches the age of fifty (50) years and above can avail the privilege granted in hiring of the next kin as stipulated above.

ARTICLE V

RIGHTS AND OBLIGATIONS OF THE PARTIES

Section 1. The Parties hereto shall commit their best effort to improve productivity, enhance efficiency, maintain quality of work and promote goodwill between the ELECTRIC COOPERATIVE and its employees by helping minimize, if not eradicate, absenteeism; prevent and/or eliminate waste, inefficiency, work disruptions, slowdowns and other practices which shall curtail operational performance.

Section 2. Management Right - The following are considered by the UNION as Management's Rights and Obligations:

1. The UNION recognizes that it is the right of the Management to take disciplinary actions against any erring employee who violates any provision of the ELECTRIC COOPERATIVE rules and regulations, provided that such rules and regulations are published and are made available to any employees. Provided, further, that the rules and regulations are not a violation to the rights of workers provided in the Labor Code.
2. To lay down and execute personnel policies. Provided, such policies are not contrary to law, public order and are not enforced with grave abuse of discretion.
3. To transfer the location of operation. In the event any covered employee will be transferred or re-assigned, such transfer shall not result to diminution of benefits, loss of seniority rights, unfair labor practices, not prejudicial to the workers and do not constitute union busting upon prior consent of the affected employees.
4. To promote employees, provide merit increases and incentive schemes provided clear criteria were set with the active participation of the UNION in its deliberation and formulation in accordance with Coop Policies, Labor Code and NEA guidelines.
5. To determine working conditions and hours of work and as such shall provide employees with just and humane conditions of work.

Nothing in this Agreement shall be deemed to limit the right of the ELECTRIC COOPERATIVE to exercise its regular and customary functions, including the adoption of such rules and regulations related to the operations of its business provided further, that these rights are in just and lawful manner, and not for the purpose of discriminating against any employee because of UNION membership and UNION activities.

Section 3. Trade Union Rights – The following are considered by the ELECTRIC COOPERATIVE as UNION Rights and Obligations:

1. To exercise the rights and duties in protecting the interests of its members, defending their rights under the law, and such, the ELECTRIC COOPERATIVE shall not interfere or commit any action that would tend to prevent it from exercising such rights provided for in this Agreement, in its Constitution and By-Laws, and in accordance with the provisions of the Philippine Constitution and Labor Code. Such rights are as follows:
 - a. The right to self-organization;
 - b. The right to collective bargaining and negotiation;
 - c. The right to fair labor standards\the right to special insurance\the right to state regulation of relations between workers and employees;
 - d. The right to due process of law.

Section 4. Right To Information - In addition to what is provided for by law, the UNION shall, upon request, be informed and be given copy of the ELECTRIC COOPERATIVE's rules and regulations, personnel policies, memoranda to covered employees and all directives and reports related to employment of the employees.

Section 5. The ELECTRIC COOPERATIVE will permit the use of designated facilities on its premises for legitimate UNION activities provided the following conditions are complied:

- a. The UNION guarantees to maintain and return the same to the ELECTRIC COOPERATIVE in the same conditions as furnished.
- b. The ELECTRIC COOPERATIVE received the UNION request for the use of the facilities not less than twenty-four (24) hours before the scheduled use; and
- c. Such facilities will be available subject to the operating needs of the ELECTRIC COOPERATIVE.

**ARTICLE VI
GRIEVANCE MACHINERY AND VOLUNTARY ARBITRATION**

The Articles 260 to 262-B, **Grievance Machinery and Voluntary Arbitration of the Labor Code** shall be adopted. Refer to Index 4.

**ARTICLE VII
LABOR MANAGEMENT COUNCIL**

Section 1. A **Labor Management Council (LMC)** shall be created and shall meet regularly or whenever necessary to study and discuss matters of mutual interest, particularly those affecting labor management relations with the end view of increasing productivity, ensuring smooth operations of the ELECTRIC COOPERATIVE, and avoiding labor disputes.

Section 2. Aims and Functions - The LMC which shall serve as an umbrella organization to any other sub-committee that may be formed by both labor and management for equal participation in discussing matter of mutual interest aims to:

- a. Create small groups or committees that may be necessary to discuss specific concerns that shall promote workers participation in establishing labor-relations climate conducive to productivity,

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work efficiency, improve the quality of working life, livelihood program, achieve and sustain economic growth;

- b. Provide a direct channel of communications for morale purposes between employees and the management;
- c. Provide a means for constructive cooperation in managing the occurrence of labor and the management;
- d. Mutually seek for solutions to any problem that may disrupt work efficiency and productivity.

Section 3. Composition and Meeting - The LMC shall be composed of six (6) members, three (3) of them shall be nominated by the UNION and the other three (3) shall be nominated by the management. A Secretary who shall not be a member of the LMC shall be appointed by both parties and shall take the recordings of minutes in every LMC Meeting and other functions inherent to the position of Secretary. LMC shall meet every Friday of the months as its regular meeting and emergency meeting may be called as the need arises.

Section 4. Matters falling under the exclusive jurisdiction of the grievance machinery or other appropriate agencies of the Department of Labor and Employment may, upon agreement of the Parties, be subject of the LMC's discussions/deliberations. In the event the Parties fail to reach an agreement or resolve the issue(s), any of the Parties may at its option, refer the matter to the appropriate body vested with jurisdiction over such cases for resolution.

**ARTICLE VIII
PROMOTION**

The Coop Policy No. 3-36B Policy on Employees' Promotion, Selection and Hiring of New Co-op Personnel shall be adopted. Refer to Index 5.

**ARTICLE IX
JOB EVALUATION AND WAGE/SALARY ADMINISTRATION**

Section 1. The NEA-Approved Salary Scale for EC Employees/NEA Memorandum 2015-020 corresponding to the Cooperative's classification and financial standing shall be adopted. Refer to Index 6.

Section 2. The Parties shall earnestly strive to continuously improve the existing classification and ranking of all job positions and job level covered by this Agreement. In line with these objectives, the Electric Cooperative shall conduct during the lifetime of this Agreement:

- a. An electric cooperative-wide job evaluation
- b. A study on job standard measurement

The Union shall participate in the review of the findings and recommendations of these studies upon their completion.

Section 3. Should it become necessary to establish new jobs or positions within the bargaining unit, the ELECTRIC COOPERATIVE shall jointly review with the UNION the job descriptions and job level thereof.

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**ARTICLE X
RULES AND REGULATION**

Section 1. The employees shall abide with the House Rules to be promulgated by the ELECTRIC COOPERATIVE and the UNION.

Section 2. The ELECTRIC COOPERATIVE agrees to consult the UNION regarding any proposed new rules and regulations or any change in the existing house rules.

Section 3. The ELECTRIC COOPERATIVE shall provide each employee with a copy of all applicable rules and regulations in effect. New house rules shall be printed and disseminated to all concerned for their information.

Section 4- Incorporation of the ELECTRIC COOPERATIVE house rules in the CBA booklet.

**ARTICLE XI
SALARIES AND OTHER WAGES**

Section 1. Nothing in this Agreement shall prevent the ELECTRIC COOPERATIVE from granting any wage increase, allowance or other economic benefits in addition to what is already provided for in this CBA and any applicable laws which may be promulgated in the future.

Section 2. Hazard Pay – The Management and the UNION agreed that an amount of One Thousand Four Hundred Pesos (PhP1,400.00) per month as Hazard Pay shall be granted to all employees and officers effective January 1, 2018. The amount is understood by the parties not to form part of the existing employee basic salary.

Section 3. Loyalty Incentive – The Coop Policy on Loyalty Incentive, 3-42 shall be adopted. Refer to Index 7.

Section 4. Thirteenth (13th) Month Pay shall be given to all regular rank and file employees equivalent to the monthly basic salary pay. The computation of the 13th month pay must be based on the basic monthly salary income of the employee under the following schedule:

- a. One half ($\frac{1}{2}$) of the required payment shall be paid on or before June 1st of every calendar year;
- b. Remaining half shall be paid on or before the 30th of November of every calendar year.

Section 5. Year End Bonus – The ELECTRIC COOPERATIVE shall grant a yearly bonus to all members of the bargaining unit an amount of Twenty Thousand Pesos (PhP20,000.00) plus one (1) month salary to be given on or before the 20th of December of every calendar year.

**ARTICLE XII
WORKING DAYS, PAID HOLIDAYS REST DAYS, HOURS OF WORK AND PREMIUM**

Section 1. The regular working days of the week shall be from Monday to Friday only. Work performed other than the regular working days specified above shall be considered as overtime work and shall be compensated in accordance with the terms and conditions set forth thereof.

Section 2. The annual regular holidays with full pay which shall be reflected during any payroll period of occurrence, shall be in accordance to existing ELECTRIC COOPERATIVE practices and/or what is provided in the Labor Code or NEA policy.

Section 3. Rest days, regular working hours, overtime premium rates, on call system as provided for in the previous ELECTRIC COOPERATIVE practices and or what is provided for in the Labor Code or NEA policy shall be adopted.

Section 4. Rank and file employees assigned to render work from 10:00PM to 6:00AM of the following day shall adopt the existing coop policy on additional night premium differential of ten per cent (10%) rate of pay for that particular day.

**SECTION XIII
MISCELLANEOUS PROVISIONS**

Section 1. Sleeping Quarter – Free sleeping quarters to outgoing night shift employees shall be provided by the ELECTRIC COOPERATIVE to avoid night travel and prevent accidents and other untoward incidents.

Section 2. Bulletin Board – The ELECTRIC COOPERATIVE shall provide the UNION a bulletin board on which they shall post official notices at such convenient location as the ELECTRIC COOPERATIVE may designate.

Section 3. Union Office – The ELECTRIC COOPERATIVE shall provide the UNION, free of charge, with an office space within the ELECTRIC COOPERATIVE'S building/premises for the conduct of UNION affairs.

**ARTICLE XIV
LEAVE OF ABSENCE**

Section 1. Sick Leave – All regular rank and file employees of the ELECTRIC COOPERATIVE shall be entitled to fifteen (15) days sick leave every year with full pay. Coop Policy 3-6B Vacation & Sick Leave. Refer to Indices 8 and 8B.

Section 2. Vacation Leave – adopt the existing Coop Policy. (15 days leave)

Section 3. Maternity Leave – The Maternity Leave benefits of the concerned employees shall be given in accordance with the existing labor laws and other pertinent laws relative to maternity leave and existing practices.

Section 4. Paternity Leave – An employee shall be entitled to seven (7) working days leave with pay in case of labor and/or delivery by his lawful wife. For caesarian delivery, the same shall be extended to ten (10) working days leave. Refer to Index 9, RA 8187.

Section 5. Union Leave – The ELECTRIC COOPERATIVE shall authorize only one (1) officer or member of the UNION who will attend DOLE and NEA-related trainings, seminars, meetings, conventions, conferences, fora, symposia and other related labor activities and shall be entitled to a union leave with full pay for the duration of the aforementioned activities, including travel cost and per diem subject to the existing ELECTRIC COOPERATIVE policy and practices. A second (2nd) UNION member who wishes to attend the same shall be allowed by the ELECTRIC COOPERATIVE on official time only and all other expenses shall be charged to the UNION fund.

Section 6. Other Leaves – The ELECTRIC COOPERATIVE shall grant leave(s) in the following:

a. **Privilege Leave** – adopt Coop Policy 3-44, Special Leave Privileges. Refer to Index 10.

b. **Special Leave** – Any regular rank and file employee shall be granted three (3) working days special leave for taking up licensure, board, bar, civil service and any related government examinations, provided that:

1. The employee concerned must file an application with his/her department head at least a month prior to the scheduled examination date in order to allow the ELECTRIC COOPERATIVE sufficient time to reschedule the work assignments or arrange for a temporary replacement.
2. He/she shall furnish the ELECTRIC COOPERATIVE certification that he/she has actually taken the examination or that he/she failed to take the same with no fault on his/her part.

c. **Indefinite Leave** – The ELECTRIC COOPERATIVE may grant, during a worker's employment an indefinite leave of absence for a period not exceeding one (1) year per Coop Policy No. 3-26, Indefinite Leave of Absences of Employees. Refer to Index 11.

In case of any grant of leave specified in (c) of this section, the employee shall be considered resigned with the forfeiture of all his/her accrued benefits if he/she fails to report for work or unable to return to work after conclusion of the leave with no notice or explanation given to the ELECTRIC COOPERATIVE within five (5) working days from the last day of leave of absence.

ARTICLE XV GROUP INSURANCE

The ELECTRIC COOPERATIVE'S existing Group Insurance scheme shall be adopted. Refer to Index 12.

ARTICLE XVI TRANSPORTATION AND OTHER ALLOWANCES FOR FIELD WORKERS/EMPLOYEES

The ELECTRIC COOPERATIVE'S existing policy on granting transportation and meals and overnight allowances shall be adopted per Coop Policy 4-26 and 4-31, respectively. Refer to Indices 13 & 14.

ARTICLE XVII MEDICAL, DENTAL AND HOSPITALIZATION BENEFITS

The ELECTRIC COOPERATIVE'S existing policy on medical benefits and hospitalization and NEA Guidelines on granting medical and dental allowance to employees shall be adopted. Refer to Index 12 and Coop Policy 4-33 as Index 15.

ARTICLE XVIII OTHER BENEFITS

Section 1. Educational Benefits – The Policy on Continuing Professional Education and Educational Support Program for FICELCO employees shall be adopted. Refer to Index 16.

Section 2. Regular rank and file employees shall be provided with safety shoes, raincoats, working gloves, safety hats and other personal protective equipment as required by the nature of their work. Replacement of the above specified items shall be made only upon surrender of the old items

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determined by the ELECTRIC COOPERATIVE as no longer usable subject to the management implementing guidelines.

Section 3. Clothing Allowance – The ELECTRIC COOPERATIVE shall annually provide all regular rank and file employees within the bargaining unit an amount in accordance with NEA guidelines on granting clothing allowances to ECs or Six Thousand Pesos (Php6,000.00) whichever is higher, intended for employees uniforms.

Section 4. Rice Allowance – The ELECTRIC COOPERATIVE agrees to grant every employee Two Thousand Five Hundred Pesos (Php2,500.00) per month or any other amount as approved by NEA, whichever is higher, as Rice Allowance, to be given every 1st day of the month.

Section 5. Labor Day Fund – The ELECTRIC COOPERATIVE shall appropriate fund in the amount of Fifty Thousand Pesos (Php50,000.00) to defray expenses of the activities for the annual Coop Labor Day Celebration.

Section 6. Employees Incentives – The ELECTRIC COOPERATIVE recognizes employee productivity and excellent performance. The following incentives shall be given to all employees if the following monthly targets specified below are achieved:

SYSTEMS LOSS INCENTIVE

Cap	13%
Maximum incentive per month (Php)	500.00

Bracket	Incentive per month (Php)	%
12-12.99%	325.00	65%
11-11.99%	350.00	70%
10% - 10.99%	400.00	80%
9.99% and below	500.00	100%

* To be released after the finalization of MFSR

COLLECTION EFFICIENCY INCENTIVE

Cap	95%
Maximum incentive per month (Php)	500.00

Bracket	Incentive per month (Php)	%
95.01 to 96.99%	450.00	90%
97 to 99.99%	475.00	95%
100% and up	500.00	100%

* To be released 5 days after the finalization of MFSR

Zero absences

Incentive per month (Php)	500.00
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No absence

No leave except privilege and forced and maximum of 1 day sick leave per month

Forced leave shall be filed at least 7 working days before the date of leave

Privilege shall be filed at least three days before the date of leave

* To be released 35 days after the last day of the month

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Zero tardiness/undertime

Incentive per month (Php) 500.00

No undertime regardless of rank

No tardiness regardless of rank

No personal pass out

Properly filled out gate pass; indicate the number of hours

* To be released 35 days after the last day of the month

**ARTICLE XIX
SIGNING BONUS**

Section 1. Signing and RATIFICATION Bonus – The ELECTRIC COOPERATIVE shall grant the amount of Six Thousand Pesos (PhP6,000.00) as signing and ratification bonus to all members of the bargaining unit. Said bonus shall be given to all rank and file employees within two weeks after the ratification of this Agreement.

**ARTICLE XX
IMPLEMENTATION OF THE PROVISIONS**

Section 1. The ELECTRIC COOPERATIVE and the UNION agree to use their best influence to enforce compliance with the spirit, as well as, to the letter of this Agreement. Neither party shall issue rules and regulations that may be in conflict with any provisions herein contained.

Section 2. The UNION agrees to observe and uphold such reasonable rules and regulations which the ELECTRIC COOPERATIVE from time to time may promulgate as long as they are not in conflict with the provisions of this Agreement. It is not the intention, however, that this Agreement shall operate in such a way as to restrict or curtail the expression of grievance of employees or impede due process of Management.

Section 3. Copies of this Agreement shall be printed and distributed to all rank and file employees at the expense of the ELECTRIC COOPERATIVE after its registration with the Department of Labor and Employment. The UNION shall be furnished twenty-five (25) copies of this Agreement.

**ARTICLE XXI
REOPENING CLAUSES**

Section 1. The ELECTRIC COOPERATIVE agrees that in the event there are changes in business conditions, changes in incomes, prices and taxes that have direct effect on all employees, salaries and wages provision in the CBA shall be re-opened for negotiation.

**ARTICLE XXII
SEPARABILITY CLAUSE**

Section 1. Each article in the CBA is distinct, separate and independent from the other and is not to be construed or interpreted as having any restrictive or enlarging effect upon meaning, interpretation of execution of any other article of the CBA either implicitly or explicitly unless it is specifically provided.

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**ARTICLE XXIII
SAVING CLAUSE**

Should any part of this Agreement be rendered invalid by competent court or by legislation, such invalidation shall not affect the validity of the remaining portions of this Agreement, and they shall remain in full force and effect.

**ARTICLE XXIV
COMPLETE SETTLEMENT CLAUSE**

Section 1. The ELECTRIC COOPERATIVE and the UNION acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter nor removed by laws from the area of the Collective Bargaining Agreement and that the Parties after the exercise of such right and opportunities have agreed to the terms and conditions set forth in this Agreement.

Section 2. Addition to the responsibilities provided elsewhere in this Agreement, the following shall be observed:

- a. All grievances shall be strictly observed, disposed promptly and settled in accordance with this Agreement;
- b. The UNION agrees with the ELECTRIC COOPERATIVE on the method of handling complaints as set forth in this Agreement, allowing UNION members full and complete redress of any grievance which they have against the ELECTRIC COOPERATIVE and afford full protection against violation of this Agreement.

**ARTICLE XXV
STATUS OF THE AGREEMENT**

Section 1. It is expressly understood and agreed that this Agreement supersedes any and all agreements now existing or previously executed between the ELECTRIC COOPERATIVE and the UNION. Provided that any benefits accorded by such or yet to be implemented shall remain in force and an outstanding obligation of the ELECTRIC COOPERATIVE.

Section 2. It is further understood and agreed that all provisions of this Agreement shall be binding upon the successors or assigns of the ELECTRIC COOPERATIVE. In the case of a consolidation or merger, representative of the ELECTRIC COOPERATIVE and the UNION will meet expeditiously without delay and negotiate in good faith for proper provisions for the protection of the rights and benefits of the Parties of this Agreement.

Section 3. All ELECTRIC COOPERATIVE and UNION policies in contravention of the provision of this Agreement shall be null and void.

**ARTICLE XXVI
TERM OF THE AGREEMENT**

Section 1. This Agreement shall become effective January 1, 2017 and shall remain in force and effect for a period of five (5) years until December 31, 2021 and/or until a new Agreement is reached, subject to the provision of the Labor Code as amended by Republic Act 6715.

All existing company benefits and NEA policies shall be observed to be implemented.

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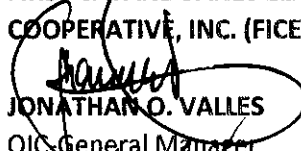
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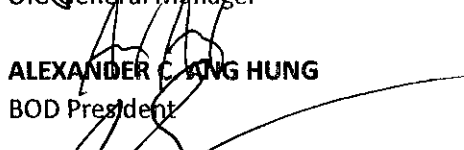
On matter of non-economic provisions which are not written in this Agreement or provided by the existing CBA, the Parties agreed to observe the Labor Code provisions and its implementing laws/regulations.

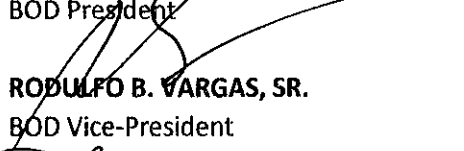
Section 2. The Agreement shall be subject to automatic extension for yearly periods thereafter unless a written notice by either party is given to the other within sixty (60) calendar days prior to its expiration indicating its intention to negotiate a superseding contract.

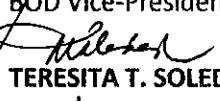
IN WITNESS WHEREOF, the Parties have caused these presents to be signed by their respective representative at FICELCO Main Headquarters, Marinawa, Bato, Catanduanes on this _____ day of _____ 2017.

**FIRST CATANDUANES ELECTRIC
COOPERATIVE, INC. (FICELCO)**


JONATHAN O. VALLES
OIC-General Manager

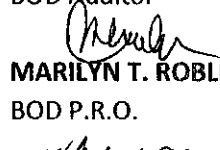

ALEXANDER C. ONG HUNG
BOD President

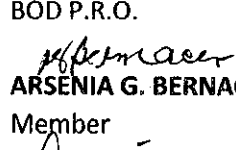

RODOLFO B. VARGAS, SR.
BOD Vice-President


TERESITA T. SOLEDAD
BOD Secretary

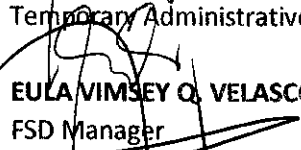

ROBERT C. AQUINO
BOD Treasurer

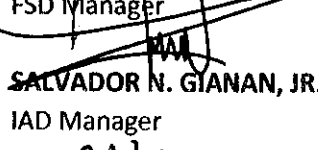

JULIAN S. SONEJA
BOD Auditor

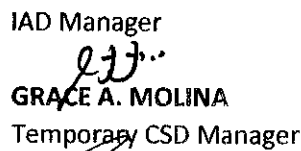

MARILYN T. ROBLES
BOD P.R.O.


ARSENIA G. BERNACER
Member


AILEEN G. MUÑOZ
Temporary Administrative Manager



EULA VIMSEY Q. VELASCO
FSD Manager

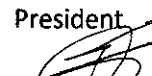

SALVADOR N. GIANAN, JR.
IAD Manager


GRACE A. MOLINA
Temporary CSD Manager

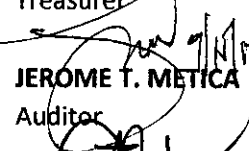

FRANCIS A. GIANAN
TSD Manager 10/3

**FICELCO EMPLOYEES UNION
(FEU)**

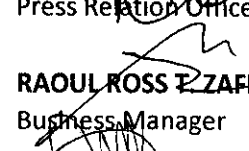

ANTHONY A. URBANO
President

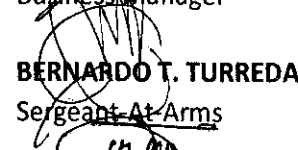

ALBERT R. REYES
Secretary

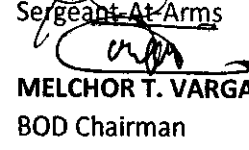

ROBERTO T. TINDUGAN
Treasurer


JEROME T. METICA
Auditor

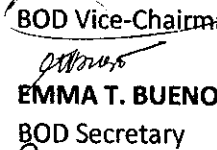

GERALDINE A. TOLEDO
Press Relation Officer

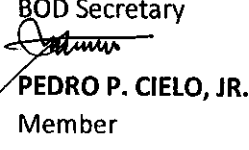

RAOUL ROSS T. ZAFE
Business Manager

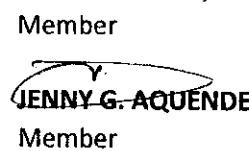

BERNARDO T. TURREDA
Sergeant At Arms


MELCHOR T. VARGAS
BOD Chairman


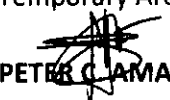

ANGELO A. MALINANA
BOD Vice-Chairman


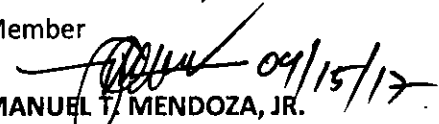


EMMA T. BUENO
BOD Secretary


PEDRO P. CIELO, JR.
Member


JENNY G. AQUENDE
Member


REYNALDO S. TABINAS, JR.
Member


WILLY T. SAN JUAN
Temporary Area Office Manager

PETER C. AMARO
Temporary CORPLAN Manager


FELIPE C. TAPADO, JR.
Member

MANUEL T. MENDOZA, JR.
Member

VICENTE P. UNAY, JR.
SENTRO

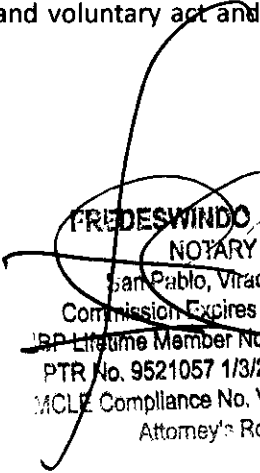
ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
Province of Catanduanes)S.S.

BEFORE ME, in Virac, Catanduanes this SEP 28 2017 day of _____ 2017 personally appeared before me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free will and voluntary act and of the principal which they represent.

WITNESS MY HAND AND SEAL.

Doc. No. 20
Page No. 72
Book No. 188
Series of 2017.


FREDESWINDO A. GIANAN, JR.
NOTARY PUBLIC
San Pablo, Virac, Catanduanes
Commission Expires December 31, 2018
JP Lifetime Member No. 011209 as of 10/18/12
PTR No. 9521057 1/3/27 Virac, Catanduanes
MCLE Compliance No. V-0016751 dated 3/2/16
Attorney's Roll No. 48935

