ALFREDO A. MENDROS, JR., PETITIONER, VS. MITSUBISHI MOTORS PHILS. CORPORATION (MMPC), RESPONDENT.

G.R. No. 169780. February 16, 2009

Ponente: VELASCO JR., J.

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VELASCO JR., J.:

This is an appeal, via a petition for review under Rule 45, from the Decision[1] dated November 18, 2004 of the Court of Appeals (CA) in CA-G.R. SP No. 84790 which reversed and set aside the Resolutions dated September 23, 2002[2] and January 30, 2004 of the National Labor Relations Commission (NLRC) in NLRC NCR CA No. 028205-01, and reinstated the February 27, 2001 Decision[3] of the Labor Arbiter in NLRC Case No. RAB-IV-9-11454-99-R.

The Facts

From the petition and its annexes, the respondent's comment thereto, and the parties' respective memoranda, the Court gathers the following facts:

In April 1994, respondent Mitsubishi Motors Philippines Corporation (MMPC) hired petitioner Alfredo A. Mendros, Jr. as regular body prepman, later promoting him as assembler major in the company's manufacturing division.

Due to the severe drastic slump of its vehicle sales brought about by the financial crisis that hit the country and other Asian economies in 1997, MMPC, per its audited financial statements, sustained a financial loss of PhP 470 million in 1997 and PhP 771 million in 1998. In the face of these setbacks and in a bid to cushion the impact of its business reversals and continue operations, MMPC implemented various cost-cutting measures, such as but not limited to: cost reduction on the use office supplies and energy, curtailment of representation and travel expenses, employment-hiring freeze, separation of casuals and trainees, manpower services (guards and janitorial services) reduction, intermittent plant shutdowns, and reduced work week for managerial and other monthly-salaried personnel.

In February 1998, MMPC finally instituted the first stage of its retrenchment program affecting around 531 hourly manufacturing employees, a step which later proved not adequate enough to stem business reverses. Hence, after holding special labor-management meetings with the hourly union, MMPC launched a temporary lay-off program to cover some 170 hourly employees. This batch included Alfredo who, sometime in January 1999, received a letter dated December 19, 1998, informing him of the temporary suspension of his employment, inclusive of benefits. As there indicated, the temporary lay-off scheme, initiated due to continuing business contraction, was for six months from January 4 to July 2, 1999.

In the interim, MMPC updated the temporarily-suspended Alfredo, et al. of its business condition.

As later events unfolded, the temporary lay-off move was still not enough to avert further losses. In fact, the market situation even slid down. This development impelled MMPC to embark on another retrenchment program

affecting the hourly employees. Accordingly, on May 31, 1999, MMPC sent separate notices to Alfredo and other affected personnel advising them of their permanent lay-off, but with retrenchment benefits, effective July 2, 1999. The drop in company sales and market share was the stated reason for MMPC's latest move. As in the first instance, a copy of the audited financial statements (AFS) was not appended to the letter-notice to substantiate, as Alfredo would later bemoan, the acute business losses MMPC claimed to have suffered.

It may be mentioned at this juncture that the July 1999 retrenchment of 170 hourly employees was preceded by the retrenchment of monthly-salaried MMPC employees. In effect, therefore, the lay-off of the 170 employees was the second retrenchment implemented by MMPC in 1999 and the third since 1998.

On June 1, 1999, a letter dated May 31, 1999 and addressed to Director Alex Maraan was filed with the Department of Labor and Employment (DOLE), advising him that the temporary lay-off of the 170 MMPC hourly employees is being made permanent effective July 2, 1999 due to continuing adverse market conditions.

In September 1999, Alfredo filed a case for illegal dismissal and damages before the NLRC's Regional Arbitration Branch No. IV, docketed as NLRC Case No. RAB-IV-9-11454-99-R.

The Ruling of the Labor Arbiter

Conciliation efforts having failed, hearings were held, followed by a directive for the submission of position papers. In its position paper, MMPC defined the criteria used in considering employees for retrenchment. And among the documents it filed together with its pleadings were its 1997-1996 and 1998-1997 Financial Statements prepared by SGV & Co. On February 27, 2001, Labor Arbiter Enrico Portillo rendered a Decision finding for MMPC and against Alfredo, his complaint for illegal temporary lay-off and retrenchment being dismissed.[4]

From the arbiter's ruling, Alfredo appealed to the NLRC, its appeal docketed as NLRC NCR CA No. 028205-01.

The Ruling of the NLRC

The NLRC saw things differently. By Resolution dated September 23, 2002, the NLRC's First Division reversed and set aside the decision of Labor Arbiter Portillo, disposing as follows:

> IN VIEW THEREOF, the judgment appealed from is hereby REVERSED and SET ASIDE and a new one ENTERED declaring the temporary lay-off / retrenchment as illegal and ordering the respondent [MMPC] to immediately reinstate the complainant [Alfredo] to his former position without loss of seniority rights and other benefits accorded the regular employees pursuant to their Collective Bargaining Agreement, with full backwages which as of September 16, 2002 amounts to P447,349.99.
>
> A ten percent (10%) attorney's fee is likewise adjudged.
>
> The computation submitted by the Computation and Examination Unit is hereby adopted as Annex "A" and an integral part hereof.
>
> SO ORDERED.[5]

While it agreed with the labor arbiter's holding on MMPC's compliance with the substantive and procedural requirements for retrenchment, the NLRC deemed the merit rating system adopted by MMPC as additional and dominant criterion for retrenchment to be erroneous and arbitrary, being against the parties' then prevailing Collective Bargaining Agreement (CBA). The CBA, according to the NLRC, listed only "seniority" and "needs of the company" as determinative factors in the selection of who shall be laid off. To the NLRC, MMPC's arbitrary way and the fact that it did not notify Alfredo beforehand of the additional criterion, not to mention the findings of the merit valuation, vitiated the retrenchment proceedings.

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By Resolution of January 30, 2004, the NLRC denied MMPC's motion for reconsideration, sending the company to the CA on a petition for certiorari, its recourse docketed as CA-G.R. SP No. 84790.

The Ruling of the CA

On November 18, 2004, the appellate court rendered the appealed Decision finding for MMPC, the dispositive portion of which reads, as follows:

> WHEREFORE, finding merit in the petition, We hereby GRANT the same. The assailed Resolutions of public respondent National Labor Relations Commission (NLRC) are hereby REVERSED and SET ASIDE and the Decision of the Labor Arbiter dated February 27, 2001 is hereby REINSTATED.
>
> SO ORDERED.[6]

In reinstating the labor arbiter's ruling and setting aside that of the NLRC, the appellate court addressed two central issues: first, whether MMPC used fair and reasonable criteria in ascertaining who would be retrenched; and second, whether MMPC should have had furnished Alfredo copies of its AFS and the findings of its merit evaluation. It resolved the first issue in the affirmative and the second in the negative.

Following the denial of his motion for reconsideration, per the CA's resolution of September 13, 2005, Alfredo interposed this petition.

The Issues

Petitioner Alfredo, through his Memorandum, raises the following issues for our consideration:

> I.
>
> WHETHER OR NOT PETITIONER'S RETRENCHMENT WAS ILLEGAL.
> A.
>
> WHETHER OR NOT MERIT RATING AND RANKING ARE PART OF THE CBA MANDATED CRITERIA IN DETERMINING THE REGULAR EMPLOYEE TO BE RETRENCHED.
>
> B.
>
> WHETHER OR NOT [MMPC] CAN VALIDLY ADOPT MERIT RATING AND RANKING AS PART OF THE CRITERIA IN DETERMINING THE REGULAR EMPLOYEE TO BE RETRENCHED.
>
> C.
>
> WHETHER OR NOT [MMPC] SHOULD HAVE DISCLOSED IN ITS NOTICE OF RETRENCHMENT TO PETITIONER, THE LATTER'S LOW MERIT RATING AND RANKING AS THE PRINCIPAL REASON FOR HIS RETRENCHMENT AND FURNISHED PETITIONER WITH THE CORRESPONDING [AFS] TO SUBSTANTIATE ITS CLAIM OF LOSSES.
>
> D.
>
> WHETHER OR NOT PETITIONER'S RETRENCHMENT CAN BE DEEMED VALID JUST BECAUSE [MMPC'S] EARLIER RETRENCHMENT OF HIS OTHER CO-EMPLOYEES HAD BEEN ADJUDGED BY OUR COURTS TO BE VALID.

II.

WHETHER OR NOT THE [CA] CORRECTLY FOUND THAT THE NLRC COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN REVERSING AND SETTING ASIDE THE DECISION OF LABOR ARBITER PORTILLO AND ORDERING THE REINSTATEMENT x x x.[7]

The fundamental issues tendered actually boil down to the legality and/or validity of Alfredo's temporary lay-off and eventual retrenchment.

The Court's Ruling

We deny the petition.

The right of management to retrench or to lay-off workers to meet clear and continuing economic threats or during periods of economic recession to prevent losses is recognized[8] by Article 283 of the Labor Code, as amended, partly providing:

> Art. 283. Closure of establishment and reduction of personnel.--The employer may also terminate the employment of any employee due to x x x retrenchment to prevent losses or the closing or cessation of operations of the establishment x x x by serving a written notice on the worker and the [DOLE] at least one month before the intended date thereof. x x x In case of retrenchment to prevent losses, the separation pay shall be equivalent to one (1) month pay or at least one-half month pay for every year of service whichever is higher. x x x (Emphasis ours.)

Decisional law teaches that the requirements for a valid retrenchment are: (1) that the retrenchment is reasonably necessary and likely to prevent business losses which, if already incurred, are not merely de minimis, but substantial, serious, and real, or only if expected, are reasonably imminent as perceived objectively and in good faith by the employer; (2) that the employer serves written notice both to the employees concerned and the DOLE at least a month before the intended date of retrenchment; (3) that the employer pays the retrenched employee separation pay in an amount prescribed by the Code; (4) that the employer exercises its prerogative to retrench in good faith; and (5) that it uses fair and reasonable criteria in ascertaining who would be retrenched or retained.[9]

In F.F. Marine Corporation v. National Labor Relations Commission, the Court expounded on the concept, requisites, and justification of retrenchment in the following wise:

> Retrenchment is the termination of employment initiated by the employer through no fault of the employees x x x resorted to by management during periods of business recession, industrial depression, or seasonal fluctuations or during lulls occasioned by lack of orders, shortage of materials, conversion of the plant for a new production program or the introduction of new methods or more efficient machinery, or of automation. Retrenchment is a valid management prerogative. It is, however, subject to faithful compliance with the substantive and procedural requirements laid down by law and jurisprudence.
>
> There are three (3) basic requisites for a valid retrenchment to exist, to wit: (a) the retrenchment is necessary to prevent losses and such losses are proven; (b) written notice to the employees and to the DOLE at least one (1) month prior to the intended date of retrenchment; and (c) payment of separation pay x x x.
>
> Jurisprudential standards to justify retrenchment have been reiterated by this Court in a long line of cases to forestall management abuse of this prerogative, viz:
> . . . . Firstly, the losses expected should be substantial and not merely de minimis in extent. If the loss purportedly sought to be forestalled by retrenchment is clearly shown to be insubstantial and inconsequential in character, the bonafide nature of the retrenchment would appear to be seriously in question. Secondly, the substantial loss apprehended must be reasonably imminent, as such imminence can be perceived objectively

> and in good faith by the employer. There should, in other words, be a certain degree of urgency for the retrenchment, which is after all a drastic recourse with serious consequences x x x. Because of the consequential nature of retrenchment, it must, thirdly, be reasonably necessary and likely to effectively prevent the expected losses. The employer should have taken other measures prior or parallel to retrenchment to forestall losses, i.e., cut other costs than labor costs. An employer who, for instance, lays off substantial numbers of workers while continuing to dispense fat executive bonuses and perquisites or so-called "golden parachutes", can scarcely claim to be retrenching in good faith to avoid losses. To impart operational meaning to the constitutional policy of providing "full protection" to labor, the employer's prerogative to bring down labor costs by retrenching must be exercised essentially as a measure of last resort, after less drastic means--e.g., reduction of both management and rank-and-file bonuses and salaries, going on reduced time, x x x costs, etc.--have been tried and found wanting.

Lastly, x x x alleged losses if already realized, and the expected imminent losses sought to be forestalled, must be proved by sufficient and convincing evidence. The reason for requiring this quantum of proof is readily apparent: any less exacting standard of proof would render too easy the abuse of this ground for termination of services of employees.[10] (Emphasis supplied.)

Given the foregoing legal perspective, the resolution of the basic core issue should be in the affirmative. We are one with the appellate court in finding that the essential requisites for a valid retrenchment laid down by law and jurisprudence are obtaining.

First, there can hardly be any dispute that MMPC suffered substantial and heavy losses in FY 1997 and continued to bleed in 1998. Even the NLRC conceded this reality. To be precise, MMPC, as duly shown in its AFS for those fiscal years,[11] incurred an aggregate loss of PhP 1.242 billion for its two-year operation. To be sure, the AFS in question and necessarily the figures appearing therein cannot be assailed as self-serving, as these documents were prepared and signed by SGV & Co., a firm of reputable independent external auditors. Any suggestion that a billion peso plus loss is de minimis in extent has to be dismissed for sheer absurdity.

Alfredo's lament about not being furnished a copy of the 1997-1996 and 1998-1997 AFS and other financial documents, as well as the finding of the merit evaluation rating, at the time he was notified of his lay-off cannot be accorded tenability. The CA explained succinctly why:

> x x x There is no law or rule that requires an employer to furnish an employee to be retrenched copies of its [AFS] and other documents (e.g. finding of its merit evaluation). The law only requires that the employer serve a written notice of the retrenchment on the employee concerned and the [DOLE] at least one (1) month before the intended date thereof. [Alfredo's] contention that he should have been notified of his merit rating in order for him to seek a clarification and even a reconsideration of the same from [MMPC] is without merit. The appropriate forum for an employee to contest the reality or good faith character of the retrenchment asserted as ground for dismissal from employment is before the [DOLE].[12] (Citation omitted.)

Second, Alfredo cannot plausibly feign ignorance that MMPC was in dire straights in 1997 and 1998. Neither can he impugn the bona fides of MMPC's retrenchment strategy. Recall that MMPC, while experiencing business reverses, implemented expense-cutting measures starting from reduction on the use of utilities and office supplies, curtailing of representation and travel expenses and deferring the implementation of set projects and programs. It froze hiring and letting its casual employees and trainees go. And as the records show, a reduced work week was set in place for managerial employees who, doubtless at management's behest, agreed to a 5% salary cut. In fine, the retrenchment of Alfredo's batch on July 2, 1999 was not a spur-of-the-moment decision, but was resorted to after cutbacks to minimize operational expenses have been explored, but failed to forestall business losses. In fact, MMPC risked and in fact faced suits by effecting two earlier retrenchment actions, itself an indicium that it imposed the retrenchment on Alfredo in good faith, not to circumvent his security of tenure.

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Third, it bears to state that the aforequoted Art. 283 of the Code uses the phrase "retrenchment to prevent losses." The phrase necessarily implies that retrenchment may be effected even in the event only of imminent, impending, or expected losses.[13] The employer need not wait for substantial losses to materialize before exercising ultimate and drastic option to prevent such losses. In the case at bench, MMPC was already financially hemorrhaging before finally resorting to retrenchment.

Fourth, MMPC had complied with the prior written notice and separation pay requirements. Alfredo was duly apprised of his fate a month before the effectivity of his retrenchment, and the DOLE duly informed likewise a month before the July 2, 1999 effectivity through a letter dated May 31, 1999 sent on June 1, 1999. And as determined by the labor arbiter, it appears that the retrenched employees have already received their separation benefits of one-month salary for every year of service,[14] except perhaps those who opted to challenge their retrenchment.

Finally, as the Court sees it, the merit rating system MMPC adopted as one of the criteria for selecting who are to be eased out was fair and reasonable under the premises. Alfredo, of course, latches the success of his cause principally on the propriety of the criteria thus adopted, faulting the CA in the manner it construed Art. V of the CBA then governing the employer-employee relationship between MMPC and the hourly employees.

For clarity, we reproduce the pertinent provisions of Art. V of the CBA on lay-off and other personnel/employee movements, specifically Sections 1 to 6, to wit:

> ARTICLE V
>
> PROMOTIONS, TRANSFERS, LAY-OFFS
> AND RECALLS
>
> SECTION 1. FACTORS TO BE FOLLOWED IN EMPLOYEE MOVEMENTS -- In the exercise of customary functions of Management as regards promotions, transfer, lay-off and recall, the COMPANY shall be guided by the following: Seniority, Efficiency and Attitude, Job Knowledge and Potential, and Attendance and the COMPANY shall exercise just and fair evaluation of such factors. It is understood that this provision is applicable only to members of the bargaining unit and to movements within the bargaining unit.
>
> SECTION 2. In the application of the foregoing criteria, the following definition shall be observed
>
> (a) SENIORITY; Defined:
>
> - Department Seniority -- starts from the day of permanent assignment to a Production Department or Non-Production Department.
>
> - Job Security -- starts from the day of permanent assignment to the job in Production or Non-Production Department.
>
> - Corporate Seniority -- starts as of the first day of the probationary period of a regular employee.
>
> (b) EFFICIENCY AND ATTITUDE -- is defined as follows:
>
> - Ability to perform good work in accordance with COMPANY standards.
>
> - Ability to cooperate with supervisory staff and fellow employees.
>
> - Readiness to accept supervisor's instructions and to perform them properly.
>
> - Compliance with COMPANY policies, rules and regulations.
>
> - Physical fitness.

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(c) JOB KNOWLEDGE AND POTENTIAL -- as defined as follows:

- Knowledge and ability to perform the job in accordance with COMPANY standards.

- Possession of broad knowledge of various types of work which will assure satisfactory performance of other work assignments.

- Adaptability to learn new work procedures.

- Ability to improve work methods.

(d) ATTENDANCE is defined as follows:

Promptness in reporting to work; in other words, prompt observance of time signals, scheduled starting time, morning and afternoon breaktime, lunch time and quitting time. x x x

SECTION 3. PROMOTIONS -- Promotion is the movement of a qualified employee to a higher job classification or lateral movement to a higher level within the same job classification and shall entitle such employee to the appropriate wage range applicable to the new position or job level.

x x x x

SECTION 4. TRANSFERS -- Transfers are considered movements from one job assignment to another, either on a temporary or permanent basis. In all cases of transfers, whether temporary or permanent, the COMPANY will be guided by the factors mentioned in Section 1 above.

x x x x

SECTION 5. LAY-OFFS - Lay-Offs shall be guided by the following factors:

(a) TEMPORARY LAY-OFF -- is the adjustment or reduction in work force due to x x x and other causes that will necessitate the temporary reduction of work force.

(b) PERMANENT LAY-OFF -- is a reduction in work force due to decrease in COMPANY business.

(c) LAY-OFF PROCEDURE -- in case of lay-off whether in the Production or Non-Production Departments, all temporary, casual and probationary employees will be laid-off first. Regular employees will be laid-off taking into consideration corporate seniority (last-in, first-out) and the needs of the COMPANY.

(d) No employee will be upgraded due to lay-off.

SECTION 6. RECALLS TO WORK -- When there is a need to increase the work force after a lay-off, preference shall be given to retrenched employees on the basis of corporate seniority and provided they are qualified for the job opening. (Emphasis ours.)

Alfredo argues that since Art. V, Sec 5(c) of the CBA provides for only two factors, i.e., (1) seniority (last-in, first-out) and (2) the needs of the company, to be considered in retrenching MMPC employees, the company is bereft of authority to arbitrarily impose other factors or criteria in effecting his retrenchment.

We are not persuaded.

Evaluation Method Used by MMPC in Determining the
Employees to be Retrenched Is in Accord with the CBA

It is well-entrenched that if the terms of a contract are clear and leave no doubt as to the intention of the contracting parties, the literal meaning of the stipulations shall control.[15]Courts, in appropriate cases, will intervene only when the terms of the contract are ambiguous or uncertain and only to construe them to seek the

real intent of the parties and not to alter them.[16]

Just as settled is the rule that contracts should be so construed as to harmonize and give effect to the different provisions of these contracts.[17] Under Art. 1374[18] of the Civil Code, contracts cannot be construed by parts; stipulations and clauses must be considered in relation to one another to give effect to the whole. The legal effect of a contract is not determined alone by any particular provision disconnected from all others, but from the whole read together.[19]

Following the above rules, the aforequoted Secs. 1 and 2 should be read as qualifying the factors mentioned in the succeeding Sec. 5(c). It may be that Sec. 5(c) mentions only "seniority" and "needs of the company" as factors to be considered in the retrenchment selection process. But these twin factors cannot plausibly be given exclusivity for Sec. 1 is clear in that the factors or criteria provided therein, i.e., seniority, efficiency and attitude, job knowledge and potential, and attendance, are to be considered in the exercise of management as regards lay-off, among other personnel movements. Sec. 5 ought not to be treated alone, isolated from kindred provisions.

Sec. 1, Art. V of the CBA, to reiterate, allows MMPC, in the exercise of its customary management functions and prerogatives on matters of promotions, transfer, lay-off, and recall, to consider as guiding norms the following factors or criteria: "Seniority, Efficiency and Attitude, Job Knowledge and Potential, and Attendance." And to complement this prerogative, the company, in the same section, is given the discretion to "exercise just and fair evaluation of such factors," meaning that the company is accorded a reasonable latitude to assign a corresponding weight to each factor. On the other hand, Sec. 2 merely defines or describes the factors or criteria mentioned in Sec. 1.

As couched, Sec. 1 is explicit in providing the criteria or factors for all employee movements. A reading of the other provisos would show the following: Sec. 3 on PROMOTIONS does not specifically mention any criterion or factor, logically implying that the factors expressly mentioned in Sec. 1 shall apply to promotional appointments; Sec. 4 on TRANSFERS, on the other hand, provides that the factors mentioned in Sec. 1 apply; Sec. 5 on LAY-OFFS provides the factors of seniority and needs of the company; while Sec. 6 on RECALLS TO WORK provides the sole factor of seniority. Given the way the provisions were couched relative to Sec. 1, it is clear to our mind, despite the seeming limited factors provided in Secs. 5 and 6, that the factors or criteria provided in Sec. 1, as defined in Sec. 2, encompass and apply to all employee movements.

Alfredo's posture that the Sec. 1 criteria are to be viewed as a general standard and must be made to yield to those specifically provided in Sec. 5(c) is specious at best and does not commend itself for concurrence.

As aptly noted by the CA, the Sec. 5(c) "needs of the company" factor, if viewed by its lonesome self without linking it to the Sec. 1 criteria, would be a meaningless, if not unreasonable, standard. Worse still, it may well-nigh give MMPC a carte blanche and unchecked license to determine what the needs of the company would be relative to the lay-off, retrenchment, or retention of any employee. Such construal as espoused by Alfredo cannot be allowed for Sec. 1 expressly mandates the use of salient criteria to be considered in lay-off situation and other personnel movements. In all, there is really no irreconcilable conflict between Secs. 1 and 5; they can and ought to be harmonized and read in conjunction with each other.

The proper view, therefore, is that the Sec. 1 criteria qualify the factors of "seniority and needs of the company" in Sec. 5(c). Stated a bit differently, Sec. 5(c) should be understood in the light of Sec. 1 which, to stress, provides seniority, efficiency and attitude, job knowledge and potential, and attendance as among the factors that should guide the company in choosing the employees to be laid-off or kept. All other things being equal, a company would necessarily need to retain those who had rendered dedicated and highly efficient service and whose knowledge, attendance, and potential hew with company standards. Any other measure would be senseless in the

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business viewpoint. Accordingly, the merit rating used by MMPC based on Sec. 5 in conjunction with and as qualified by the factors provided under Sec. 1 is fair and reasonable, and, to be sure, well within the contemplation of the parties' CBA. In fact, Alfredo, shorn of the contention that the merit rating is against the CBA, has not shown any arbitrariness on the part of MMPC in the evaluation, selection, and retrenchment of employees.

We end this ponencia by taking stock that 60 of the first batch of 531 hourly employees retrenched in February 1998 challenged the legality of their retrenchment on the very same issue of arbitrariness in the implementation of the rating evaluation system. The labor arbiter, the NLRC, and effectively the CA were one in their ruling that the retrenchment program and the evaluation method used by MMPC passed the test of reasonableness and were arrived at in good faith; thus, the retrenchment was held legal and valid. In G.R. No. 155406, the Court found no reversible error in the CA judgment and dismissed the petition of the retrenched employees, thereby upholding the validity of retrenchment undertaken by respondent company.[20] The same result obtains in the instant petition.

WHEREFORE, the instant petition is hereby DENIED for lack of merit. Accordingly, the Decision dated November 18, 2004 of the CA and its Resolution of September 13, 2005 in CA-G.R. SP No. 84790 are hereby AFFIRMED.

No pronouncement as to costs.

SO ORDERED.

Quisumbing, (Chairperson), Carpio Morales, Tinga, and Brion, JJ., concur.

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[1] Rollo, pp. 68-80. Penned by Associate Justice Portia Aliño-Hormacheulos and concurred in by Associate Justices Rebeccah De Guia-Salvador and Aurora Santiago-Lagman.

[2] Id. at 139-149. Penned by Commissioner Alberto R. Quimpo and concurred in by then Presiding Commissioner Roy V. Señeres and Commissioner Vicente S.E. Veloso.

[3] Id. at 99-106. Penned by Labor Arbiter Enrico Angelo C. Portillo.

[4] Id. at 106.

[5] Supra note 2, at 147-148.

[6] Supra note 1, at 79-80.

[7] Rollo, pp. 410-411.

[8] Asian Alcohol Corporation v. NLRC, G.R. No. 131108, March 25, 1999, 305 SCRA 416, 428.

[9] Id. at 429-430.

[10] G.R. No. 152039, April 8, 2005, 455 SCRA 154, 164-167; citations omitted.

[11] Rollo, pp. 201-203. MMPC's AFS for 1997 and 1998.

[12] Supra note 1, at 20.

[13] Asian Alcohol Corporation, supra note 8, at 431-432.

[14] Supra note 3, at 106.

[15] Labasan v. Lacuesta¸ No. L-25931, October 30, 1978, 86 SCRA 16, 21; cited in Ayala Life Assurance, Inc. v. Ray Burton Development Corporation, G.R. No. 163075, January 23, 2006, 479 SCRA 462, 467-468.

[16] New Life Enterprises v. Court of Appeals, G.R. No. 94071, March 3l, 1992, 207 SCRA 669, 675.

[17] Reparations Commission v. Northern Lines, Inc., No. L-24835, July 31, 1970, 34 SCRA 203, 211.

[18] Art. 1374. The various stipulations of a contract shall be interpreted together, attributing to the doubtful ones that sense which may result from all of them taken jointly.

[19] Rivera v. Espiritu, G.R. No. 135547, January 23, 2002, 374 SCRA 351, 363-364; citing Reparations Commission, supra.

[20] Rollo, p. 281.

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