



Carsem

A Member of the Hong Leong Group

EMPLOYEE HANDBOOK

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Congratulations on your new employment with Carsem SDN BHD. We are excited to have you onboard, whether you are a new hire or an employee that has been with us now for a lengthy period of time.

We believe that your success is our success. That's why we've developed this Employee Handbook to help outline our policies and procedures and to help guide you throughout your relationship with us.

This Employee Handbook is not a promise or contract of employment, but a tool to help you learn about the rules and expectations around your employment with us. As an employee of Carsem SDN BHD, please be advised this Employee Handbook and all of its contents should be kept completely confidential.

We'd like to express the following:

Please take the time to view read and review this Employee Handbook as thoroughly as possible, specifically the sections that relate to the type of work you will be doing or the particular employment relationship you have with us. If you have any questions, please reach out to your supervisor

Welcome

SECTION A: INTRODUCTION

This Employee Handbook:

This Handbook describes, summarizes, and explains the Company's policies, procedures, benefits (if applicable) and expectations regarding employees and their employment. This Handbook will cover rules related to employment. Complying with all of the provisions of this Handbook is a necessary requirement and condition of employment.

While this Handbook strives to give as much information as possible regarding the Company's practices, there may be situations that it does not cover. As such, please do not consider this Handbook a comprehensive, all-encompassing document. The policies and procedures outlined in this Handbook are meant to be a basis for and supplement to other official Company documents, the human resources division of the Company, and any other specific information as may arise from time to time.

If there are any specific questions about anything contained in this Handbook, the employee should consult the appropriate individual or department within the Company.

This Handbook replaces and supersedes any and all previous employee handbooks, rules, practices, or other policies, written or oral, express or implied. Individual employment agreements between an employee and the Company may, however, control over the terms of this Handbook.

Policy Changes:

The Company may, at various points in time, and in our sole and exclusive discretion, change the terms of this Handbook. We have the express right to change, revise, revoke, modify, amend, add to, or otherwise vary the terms of this Handbook and any other Company paperwork, documentation, or information.

The terms can only be changed in writing and updated in this handbook, no terms will be changed orally. If we change the terms herein, we will send written notice to all employees. All employees will be responsible for being aware of any policy changes after notice is received. If there are any questions or issues arising from or relating to anything contained within this Handbook, employees should ask their supervisor or the human resources subdivision within the Company.

At-Will Employment:

Unless a specific, contrary written employment agreement is received by the employee and signed by an authorized representative of the Company (which shall only be the Company's highest officers), all employees of the Company are to be considered at-will employees. In other words, either the Company or the at-will employee may terminate the employment relationship at any time for any

reason, with or without notice. Nothing in this Handbook shall be construed to change or modify the at-will relationship between the Company and employee. Further, nothing in this Handbook shall be construed to limit the Company's right to change the terms of the at-will employment relationship, including through wage alterations, promotions, demotions, benefit changes or any other material change.

No Guarantees & Interpretation:

The Company's interpretation of anything contained within this Handbook will govern and be absolute. Further, nothing contained herein should be construed to guarantee any kind of employment, any terms of employment, any continued employment or any specific relationship between any current employee and the Company. Only an executed, written employment agreement can alter the terms of this general Handbook.

1. EMPLOYMENT POLICIES

Confidentiality

In the course of employment with the Company, employees may have access to certain non-public Confidential Information (as hereinafter defined). Confidential Information refers to any information which is confidential and commercially valuable to the Company. The Confidential Information may be in the form of documents, techniques, methods, practices, tools, specifications, inventions, patents, trademarks, copyrights, equipment, algorithms, models, samples, software, drawings, sketches, plans, programs or other oral or written knowledge and/or secrets and may pertain to, but is not limited to, the fields of research and development, forecasting, marketing, personnel, customers, suppliers, intellectual property and/or finance or any other information which is confidential and commercially valuable to the Company.

You, as an employee of the Company, hereby agree that the Confidential Information is secret and valuable to the Company and that the Company desires to maintain the secret and private nature of the Confidential Information.

Confidential Information may or may not be disclosed as such, through labeling, but is to be considered any information which ought to be treated as confidential under the circumstances through which it was disclosed.

As consideration for your continued employment, you agree:

- I) Not to disclose the Confidential Information via any unauthorized means to any third parties throughout the duration of your employment;
- II) Not to discuss the Confidential Information in any public places;

III) Not to remove hard copies of the Confidential Information from the physical premises of the Company without authorization;

IV) Not use the Confidential Information for any purpose except those contemplated and authorized by the Company.

Employees may be required to sign a Non-Disclosure Agreement prior to beginning work with the Company.

Conflicts of Interest

No employee must have any direct or indirect financial interest with any current or prospective customer, competitor or supplier of the Group or person affiliated with any of them, which could cause divided loyalty or the appearance of divided loyalty or give rise to or likely give rise to a conflict of interest situation.

Employment of Minors

The Company strictly follows the child labor provisions. These provisions were created to ensure that the nation's youth do not work in jobs that may pose risks to their health and safety. The law generally sets minimum age's for work across various sectors, restricts the hours that minors may work, and disallows minors under the age of 18 from work in hazardous jobs.

Probationary Period

For all new hires, the following period is considered an introductory or probationary period of 6 months. During this time, Management will monitor the new employee's progress and performance. Employees are also expected to ascertain their fit with the Company during this time, including learning specific job duties and getting to know with other employees. After the Probationary Period ends, there will be a performance review for the employee completed by their immediate manager or supervisor.

If the Company determines that the employee has satisfactorily performed and opts to continue employment beyond the introductory period, the employee will be given additional details, including information on improvements needed. At this time, the employee is expected to offer any ideas that could improve Company operations. Getting through the Probationary Period does not guarantee employment with the Company for any fixed period of time. All Company employees are considered at-will employees and the employment relationship may be terminated by the employee or the Company at any time with or without cause and with or without advance notice.

Privacy

The Company takes employee privacy very seriously.

Employee personal information will only be disclosed as required for business operations. All healthcare benefits information is separately stored from other human resources documents. Claims and healthcare information related to Workers' Compensation is not considered protected health-related data and information will be only be released on a need-to-know basis.

If needed, the Company will establish the protocol employees and management are to follow that will maintain compliance with the requirements of the Personal Data Protection Act 2010 (PDPA).

Falsification of information

Carsem Industries places a high importance of the integrity of its employees. Therefore, if, at any time, prior or subsequent to the appointment, it is found that any information contained in the employment application documents or any other declarations made is false or misleading, the employee shall be liable to instant dismissal or subject to other disciplinary actions as deemed appropriate by the company. For new hires who have not joined the company or under probationary period, such employment offer shall be rescinded immediately.

Employee Classification

Employees in Carsem Industries are classified into two categories:

Job Category	Description
Executive	Manager
	Executive
Non-Executive	Staff
	Operator

The management reserves the right to review, amend and create employee classifications as and when deemed necessary

Job Description

You shall be given your job description and duties upon joining the company by your Supervisor / Manager. Due to the necessity of flexibility, your job responsibilities may change at any time during your employment. The company reserves the right, at any time to alter or change job responsibilities, reassign or

transfer job position or assign additional responsibilities. You will be given prior notification when such changes are necessary.

You shall be able to review your job description at E-SPEC as below attached path:-

E-spec> Internal Specification> ECN/TECN> Quality System> 5.0 Management Responsibility> 5.5 Responsibility & Communication

Notice of Termination

- i. Notice of termination of employment must be given in writing. It commences from the date of notice and the required notice period is as follow:

Job Category	Probationary Notice	Confirmed Notice
<i>Executive</i>	<i>1 Month</i>	<i>3 Months</i>
<i>Non-Executive</i>	<i>2 Weeks</i>	<i>1 Month</i>

- ii. The notice period stated above is applicable to both parties, the company and the employees.
- iii. 60% of salary in lieu of notice may be given by either party.

Employee Self Service Portal

Human Resources Department in Carsem Industries uses the Carsem Web System to manage and administer employees personal information, change of information, daily attendance, leave application and transaction, overtime and salary payment, employee training and development and etc.

Career Advancement and Promotion

The company subscribes to the philosophy of Continuous Learning and Career Advancement. The Company shall promote employees based on their performance, suitability and availability of a position. When a promotion takes place, the employees shall be informed in writing.

Performance Appraisal

It is the Company's firm belief that all employees will require regular review and evaluation of their performance at work. Formal performance appraisal takes place once a year.

Retirement Age

The retirement age for all employees shall be upon the attaining of 60 years of age.

Re-Hiring

- i. Only when the ex-employee has acquired an additional / special skill needed by the company.
- ii. The last performance rating before resignation must be 3 and above.
- iii. Proper and sufficient resignation notice was tendered during resignation.
- iv. No disciplinary and absent without notice record during his/her previous service.
- v. Those re-hired upon resignations shall start with new terms and conditions of employment (Employee number, date join, leave entitlement etc)

Ex-Carsem employee who resigned and intend to rejoin the Company is required to serve the below re-employment terms and conditions. All re-employment application is subject to Management approval.

- a) Only One (1) time rehiring is allowed as per Hong Leong Group policy
 - One (1) time rehiring is referring to 2nd time employment application
- b) Cooling period must be served based on job category
 - Executive Level = 1 year from last employment date
 - Non-Executive Level = 6 months from last employment date
- c) Reference check

2. WORKING SCHEDULE

Working Hours and Work System.

This contract of employment is not to be construed as being fixed in work hours or work systems. The total official working hours is 48 hours per week. Different types of work hours and work systems have been designed to suit the company's operations. New work hours and new work systems may be designed at any time at the discretion of the company as and when deemed necessary, to meet changing business need. Any changes will be announced to affected employees as far in advance as possible. Employees will be required to work in hours or work systems as assigned.

Employees shall be provided with individual work system calendar for reference.

The **major work systems** that include the majority of the employees are as follows:

NORMAL SHIFT

OFFICE	OFFICE HOUR	8.30AM TO 6.15PM
HALF DAY OFFICE	FIRST HALF	8.30AM TO 1.00PM
	SECOND HALF	2.00PM TO 6.15PM

12 HOURS SHIFT	MORNING	6.30AM TO 6.30PM
	NIGHT	6.30PM TO 6.30AM

Attendance (Time Management System)

All Carsem employees are issued with an Electronic Identification Badge that also serves as an entrance and exit access card. Thus, it cannot be lent to any other person for any use or reason, whatsoever. Employees have to wear the badge at all times in the Company premises.

Employees are required to clock-in and clock-out each time they enter or leave the company premises. Failure to do so will affect the computation of their monthly salary and may lead to disciplinary actions to be taken against the employees who refuse to clock-in and out.

Meal Breaks

Work System	Breakfast/Supper	Lunch/Dinner
<i>Office</i>	<i>20 Minutes</i>	<i>1 Hour</i>
<i>12 hours shift</i>	<i>30 Minutes</i>	<i>40 Minutes</i>

Rest Days

Employees shall be eligible for rest day based on the work system's calendar.

Public Holidays

The company recognizes and observes the following 13 paid public holidays per year:

PUBLIC HOLIDAYS	NO. OF DAYS
1. HARI RAYA PUASA	2 DAYS
2. CHINESE NEW YEAR	2 DAYS
3. BIRTHDAY OF PERAK SULTAN	1 DAY
4. AGONG'S BIRTHDAY	1 DAY
5. THAIPUSAM	1 DAY
6. LABOUR DAY	1 DAY
7. NATIONAL DAY	1 DAY
8. DEEPAVALI	1 DAY
9. HARI RAYA HAJI	1 DAY
10. CHRISTMAS	1 DAY
11. MALAYSIA DAY	1 DAY
	13 DAYS

Where a public holiday falls on **rest day only**, a replacement off day will be granted on the day preceding or after the public holiday, as deemed appropriate by the company. The company shall have the right to require an employee to work on a public holiday where necessary in accordance with the section 60D of the employment Act 1955.

3. COMPENSATION AND BENEFITS

Payment of Salary

Job Category	Half Month	End Month
Executive	-	28th
Staff	-	5th
Operator	-	5th

Statutory Deductions

Salaries are paid net of EPF, SOCSO and EIS contribution, income tax deductions and any legal deductions. Details of the deductions is itemized in the salary slip.

Ceiling Pay

Category	New
<i>Operator Cat 1</i>	<i>RM 1,400</i>
<i>Operator Cat 2</i>	<i>RM 1,500</i>

Night Shift Allowance

RM 5/per night allowance provided for production assistant that performing work on a shift rotating basis and worked not less than 12 hours as per scheduled.

4. LEAVE

Annual Leave

All employees are entitled to paid annual leave as follow:

LENGTH OF SERVICE	CATEGORY		
	OPERATOR	STAFF	EXEC/MANAGER
LESS THAN 2 YEARS OF SERVICE	8 DAYS	10 DAYS	14 DAYS
2-5 YEARS OF SERVICE	12 DAYS	12 DAYS	17 DAYS
ABOVE 5 YEARS- 10 YEARS OF SERVICE	17 DAYS	17 DAYS	19 DAYS
ABOVE 10 YEARS OF SERVICE	19 DAYS	19 DAYS	22 DAYS

Employees can accumulate their annual leave up to the maximum of their yearly entitlement. On the carry forward leaves towards the next year allowed is 4 Days only. Annual leave will be credited on the 7th of each month.

At the time of resignation, any annual leave earned but not taken will be included in the employees final pay salary (if the employees service their full notice of period)

- ***Annual leave applications need to be done 7 days ahead of the actual date and MUST obtain approval prior taking the day off. This***

procedure is applicable for every situation exceptional only for Emergencies.

Medical Leave

In case of illness, employees shall consult the appointed company panel doctors.

In case of emergency, employees may seek treatment from the government medical centers or any medical practitioners from non-company panel clinics.

Prior submitting the MC to the clinic, every employee needs to obtain approval on the MC slip from their respective supervisors and record the MC details accordingly on the MC book available at the clinic and then drop the MC into the collection box.

All employees are entitled to medical leave (non-hospitalization) according to the length of their service as follows:

	CATEGORY		
LENGTH OF SERVICE	OPERATOR	STAFF	EXEC/MANAGER
LESS THAN 2 YEARS SERVICE	14 DAYS	14 DAYS	14 DAYS
2 YEARS-5 YEARS SERVICE	18 DAYS	18 DAYS	18 DAYS
ABOVE 5 YEARS SERVICE	22 DAYS	22 DAYS	22 DAYS

Outstation and Non Panel Medical Leave

The outstation and non-panel clinics medical leave will be recognized by the company under the following two conditions:

- It is supported by relevant documents and justifications on the decision made
- Employees to obtain approval on the MC from their respective supervisors and record it accordingly on the MC book available at the clinic prior dropping the MC slip into the collection box.

Hospitalization Leave

An employee is entitled to 60 days of paid leave in aggregate, inclusive of the medical leaves (non-hospitalization) as mentioned under medical leaves.

Prolonged Illness Leave

Benefit is only applicable for those that fall into the list of Critical Illness in the file attached and it will kick off once the Hospitalization Leave is exhausted. If, after utilizing the prolonged illness leave, the employee is still unfit for employment as certified by the Specialist Medical Practitioner or a Government Medical Officer, he/she shall be referred for medically board.

YEARS IN SERVICE	FULL PAY	HALF PAY	UNPAID
< 5 YEARS	1ST 2 MONTHS	NEXT 2 MONTHS	SUBSEQUENT 2 MONTHS
> 5 YEARS	1ST 3 MONTHS	NEXT 3 MONTHS	SUBSEQUENT 3 MONTHS

LIST OF CRITICAL ILLNESS/ SENARAI PENYAKIT KRITIKAL	
1. STROKE	1. STROK
2. HEART ATTACK	2. SERANGAN JANTUNG
3. END STAGE KIDNEY FAILURE	3. KEGAGALAN BUAH PINGGANG
4. CANCER	4. KANSER
5. CORONARY ARTERY BYPASS SURGERY	5. PEMBEDAHAN KORNERI ARTERI (JANTUNG)
6. OTHER SERIOUS CORNARY ARTERY DISEASE	6. PENYAKIT KORNERI ARTERI SERIUS YANG LAIN
7. ANGIOPLASTY OR OTHER INVASIVE TREATMENTS FOR MAJOR CORONARY ARTERY DISEASE	7. ANGIOPLASTY ATAU RAWATAN UNTUK KORNERI ARTERI
8. END STAGE LIVER FAILURE	8. PENYAKIT HATI YANG KRONIK
9. FULMINANT VIRAL HEPATITIS	9. HEPATITIS VIRAL FULMINANT
10. COMA	10. KOMA
11. BENIGN BRAIN TUMOR	11. TUMOR OTAK BENIGMA
12. PARALYSIS/PARAPLEGIA	12. KELUMPUHAN
13. BLINDNESS/ TOTAL LOSS OF SIGHT	13. BUTA/ KEHILANGAN PANDANGAN MATA
14. DEAFNESS/TOTAL LOSS OF HEARING	14. PEKAK/KEHILANGAN PENDENGARAN
15. MAJOR BURNS	15. KELECURAN PARAH
16. HIV DUE TO BLOOD INFUSION	16. HIV KERANA PEMINDAHAN DARAH
17. END STAGE LUNG DISEASE	17. PENYAKIT PARU-PARU YANG KRONIK
18. ENCEPHALITIS	18. ENSEFALITIS
19. HEART VALVE REPLACEMENT	19. PENGANTIAN INJAP JANTUNG
20. SURGERY TO AORTA	20. PEBEDAHAN AORTA
21. LOSS OF SPEECH	21. KEHILANGAN KEBOLEHAN BERTUTUR
22. BACTERIAL MENINGITIS	22. MENINGTIS BACTERIAL
23. MAJOR HEAD TRAUMA	23. TRAUMA UTAMA DI KEPALA
24. MAJOR ORGAN TRANSPLANT	24. PEMINDAHAN ORGAN UTAMA
25. MAJOR NEURONE DISEASE	25. PENYAKIT NEURONE MOTOR
26. MULTIPLE SCLEROSIS	26. SKLEROSIS BERGANDA
27. MUSCULAR DYSTROPHY	27. DISTROFI OTOT
28. CHRONIC APLASTIC ANEMIA	28. ANEMIA APLASTIC KRONIK
29. PARKINSON'S DISEASE	29. PENYAKIT PARKINSON
30. PULMONARY ARTERIAL HYPERTENSION	30. HIPERTENSI PULMONARI ARTERIAL
31. SEVERE CARDIOMYOPATHY	31. KARDIOMIOPATI YANG SERIUS
32. ALZHEMIER'S DISEASE/IRREVERSIBLE ORGANIC DEGENERATIVE BRAIN DISORDERS	32. PENYAKIT ALZHEMIER
33. TERMINAL DISEASE	33. PENYAKIT MEMBAWA MAUT
34. BRAIN SURGERY	34. PEMBEDAHAN OTAK
35. SYSTEMIC LUPUS ERYTHEMATOSUS MEDULALRY CYSTIC DISEASE	35. PENYAKIT SISTEMIK LUPUS ERYTHEMATOSUS (SLE)

Compassionate Leave

CATEGORY		
OPERATOR	STAFF	EXECUTIVE
2 DAYS	2 DAYS	2 DAYS
SPOUSE / CHILDREN / PARENTS / PARENTS IN LAW / GRANDPARENTS / BROTHERS / SISTERS		PARENTS IN LAW / GRANDPARENTS / BROTHERS / SISTERS
N/A	N/A	3 DAYS
		SPOUSE / CHILDREN / PARENTS

Marriage Leave

CATEGORY	FIRST LEGAL MARRIAGE	LEAVE
OPERATOR / STAFF	FIRST LEGAL MARRIAGE	2 DAYS
EXECUTIVE		4 DAYS

Paternity Leave

On the birth of legal child/children per delivery provided at the time of the birth of the employee's legal child/children, He or she has 5 or less surviving children 2 working days.

Sport Leave

In the case where an employee represents the company or state or Malaysia in any sports for official event. The number of days is at the total discretion of the company.

Examination Leave

Confirmed employees who participate in company approved education and training programs are eligible to apply and the days are total discretion of the company.

Unpaid Leave

Employees who wish to take leave for unavoidable situation at the time where other paid leaves are exhausted, may apply for unpaid leave. The approval shall be at the discretion of the department Manager.

- ***Unpaid leave applications need to be done 7 days ahead of the actual date and MUST obtain approval prior taking the day off. This procedure is applicable for every situation exceptional only for Emergencies.***

Absent without Approved Leave

An employee shall be deemed to have broken his contract of service with the company and shall be liable to be dismissed if he/she has been absent from work for more than two (2) consecutive working days.

- Without prior approved leave from the Company or without acceptable reasons.
- Without informing or attempting to inform his/ her respective Supervisors or Managers of reasons of absent prior to or at the earliest opportunity during such absence.

The company shall have the right to terminate the employees' service in accordance with the section 15(2) of the Employment Act 1955.

Maternity Leave

Employees are eligible for a maternity leave of 60 days upon confinement. Maternity leave will only granted after 28 weeks of pregnancy.

Leave on account of miscarriage, premature birth or any illness arising out of or in the course of pregnancy prior to the 28th week of pregnancy, is not a maternity leave, it is classified as medical leave.

- ***Documentary evidence must be provided to In-house clinic personnel when applying for these leaves. If the evidence is found to be false, employees shall be liable to disciplinary action.***

Pilgrimage Leave

Muslim employees are granted a special 14 days paid leave. Pilgrimage leave is allowed only once in the entire service of a staff and is subject to staff's confirmation with at least 10 years of service during the application.

Calamity Leave

Employees affected by calamity are entitled to 2 days of paid leave per case.

5. MEDICAL CLAIMS AND BENEFITS

Company Panel Clinics

The company appoints an extensive panel of Company doctors to provide medical services to employees and their immediate dependents (spouse and children only). All new hires will be given the list during their Orientation Program. Employee can seek medical consultation in any of the company panel clinics by bringing along their Employee Identification Badge. There is no limitation to the number of visits for employees. If the employees do not bring along their Employee Identification Badge, they have to pay the medication cost accordingly and subsequently submit a claim for reimbursement. The reimbursement is subjected to the limit as stated in the HR Policy.

- ***The list of the Company panel clinics is available at In-House Clinic and notice boards.***

Social Security Organization (SOCSO)

This is an insurance scheme provided by the Social Security Act to provide compensation for employees should they get injured or die from an accident during the course of their work or arising out of their employment.

Contributions will be automatically made through deduction from employees' wages each month. This Act provides with two insurance scheme contingencies:

- Employment Injury (including occupational disease)
- Pension Scheme

Please report to the Human Resources Department regarding your SOCSO reference number and other details on the first day you report for work.

6. OTHER BENEFITS

Company Transport

The company provides free bus services to transport shift and office-hour operator level employees only to and from work along the prescribed routes and at specific pick-up times and points.

All bus riders are to take note of the following:

1. It is the responsibility of the employees (bus rider) to see Human Resources Personnel regarding the change of shift, department, address, bus route or to stop taking the bus service.
2. No reservation of seat is allowed on the bus.

➤ ***Others whom wish to enjoy this privilege needs to obtain approval from the respective Head of HR and General Manager ahead. Eligibility total discretion of the company.***

Company Hostel

The company manages and provides hostel accommodation to operator level outstation female employees and foreign employees only for a nominal monthly charge. Company hostels are conceivable furnished and are conveniently located along main bus routes to the company. Female employees who require such assistance are required to see Human Resources Personnel for further details.

➤ ***Others whom wish to enjoy this privilege needs to obtain approval from the respective Head of HR and General Manager ahead. Eligibility total discretion of the company.***

Cafeteria/Mini-Mart

The Company provides a 7-day week cafeteria/Mini-Mart in order to accommodate all the rotating shifts. The cafeteria/Mini-Mart sells halal food at controlled prices.

➤ ***Non-halal or Beef foods/products are prohibited to be sold or consumed in the company premises***

Surau

The company provides prayer rooms (surau) for Muslim employees. Employees are required to keep the surau clean and tidy at all times.

➤ ***Every employees are advised to strictly obey the prayers time accordingly***

Locker

Lockers are provided to all the active employees to store their work related items/tools but are not meant for valuable personal belongings. The issuance of a locker is subjected to its availability.

Library

The company has a mini library in the HRD Department. Employees may borrow the reading materials and must return them in good order within the stipulated time.

Personal Protective Equipment (PPE)

It is a legal requirement on the employer to provide protective equipment (PPE) to all employees who are working in an environment that require such equipment. Whilst the company takes the responsibility of providing employees with the necessary PPE, it is also legally an obligation on the part of each employee to appropriately wear/use/properly keep the PPE provided. PPE provided by the company include Jumpsuit, Smock, face mask, finger coats, wrist straps, boots and related. The PPE should also be sent for the In-House Laundry only within the stipulated time.

In-House Clinic

Opens during normal office hours and at night shifts. Every sick employee must obtain permission from their respective superior prior to seeing the Nurse.

Notice Board

Employees are advised to read the notices on the notice boards located at the Company regularly to keep abreast with the new announcement or information pertaining to the company. Any information posted on the notice board will be deemed to have been read by all employees and the Management is not responsible if the employees are not aware of any information which has been posted on the notice board.

Smoking Corner

Smokers are advised to smoke at designated areas only. Kindly adhere to all smoking areas rules and regulations when using the facility. Employee must adhere to the standard smoking time. Disciplinary action will be taken for employees who violated.

7. SECURITY

Employee Identification Badge

All employees are issued with an electronic Employee Identification badge which is to be worn in the Company premises at all times. Employee shall notify the Human Resources Department on duty of any lost or damaged badge. The Human Resources Department will issue a replacement badge to the related

employee and will be charged an amount of RM10.00 for each badge replacement for loss caused by the employee's negligence.

Property Gate Pass (*eSecurity*)

A validated Property Gate pass is required before employees are allowed to take the Company's property out from the plant. The form must be filled via eSecurity and approved by an authorized Manager and to be presented to the security guard on duty at the Company entrance for security clearance. The form is available in the Carsem Web System.

Exit Pass (*eExitPass*)

An employee has to present a validated Exit Pass to the security guard on duty before leaving the plant during working hours. The form must be filled via eExitPass and approved by the employees immediate Supervisor/Manager. The form is available in the Carsem Web System.

Visitor Pass

Visitors/ Vendors/ Suppliers/ Contractors requesting to visit any employee during working hours will be issued with a Visitor's pass by the Security Guards on duty. No visitors will be allowed entry into the Company Premises without prior appointment.

Visitors are prohibited from entering the production areas but if the visit requires to do so, they must be accompanied by an employee at all times.

The visitors shall be received by an employee from the guard house or usher by the guard to the lobby or waiting room assigned.

Security Check

Every employee who leaves the plant will be checked by the Security Guards on duty. Employees are advised to follow security check procedure/ instructions at all times.

Vehicles moving out from the plant will be checked by the Security Guards in random. Security Guard has the right to request the driver to declare his/ her belongings when deemed to be necessary. Drivers are advised to follow Security Guards instruction.

Confidentiality

To maintain confidentiality, proprietary information, trade secrets and intellectual property to which the Company holds rights must not be discussed with anyone else unless authorized to do so. Violating this policy may lead to disciplinary action or termination.

The obligations not to disclose the Company's proprietary information shall continue even though employees have resigned or been terminated for whatsoever reason. All employees are subject to sign the Employee Confidentiality Agreement on their first day upon joining the Company. The ECA must be returned to the Human Resource Department on the same day after reading and signing by the employee on the first day of work.

Mobile Phone Usage

All employees except authorized personnel are forbidden from bringing mobile phone into the production area. Productions staffs are advised to keep their mobile phone in the locker.

8. CONDUCT AND DISCIPLINE

Standard of Business Conduct

a) Moonlighting

Employees are to devote their full time and attention and commitment to the Group during working hours. Additionally, employees shall not engage in any outside work, employment or services for any customer, competitor or supplier of the Group or persons affiliated to any of them under any circumstances.

b) Entertainment , Gifts , Favors and Other Gratuities

No employee and / or any member of their family, shall accept any gifts or gratuities or loans or discounts or other personal favours or preferential treatment from any current or prospective customer, competitor or supplier of the Group or persons affiliated to any of them.

Excluded from this limitation are the exchange of normal business courtesies such as reasonable dining, refreshments and gifts of nominal value. These should be of limited value and in such form that they cannot be viewed as a bribe or payoff or public disclosure of the facts surrounding them would not embarrass any party.

Similarly, no employee shall give money or gifts of significant value to any of the aforesaid persons if it could be reasonably viewed as being done to gain unfair business advantage or giving rise to a potential conflict of interest situation.

In the event of any doubt in this area, employees should consult the Chief Executive of the respective operations for direction.

c) Family

No employee shall conduct any business dealings on behalf of the Group with any person with whom they are related to by blood or marriage, without first highlighting the relationship to the Head of HR and obtaining the written permission of the Group Managing Director.

Such permission shall only be granted if the Group Managing Director is satisfied that the employee would not be in a position nor would have the opportunity to influence that business dealings.

Corrective Action

Unacceptable situations do arise which require actions to be taken against employees by their Supervisors/ Managers. The purpose of the corrective action process is meant to improve the employee's performance or behavior to a sustainable and acceptable level.

An employee who does not respond favorably to repeated corrective actions might warrant for disciplinary action, including termination of employment.

a) Verbal Warning/Reminder

This is to give the employee an opportunity to correct the behavior or action

b) Warning Letter

To formally document the seriousness of the employee's behavior and action and to reprimand the employee for his/ her wrong doing. The warning letter will also state the expected changes in the behavior of the employee concerned

c) Suspension from Work

The company may, after due inquiry suspend the employee without pay

Misconduct

In case where an employee commits any offence or fails to follow any of the Company's rules and regulations, whether express implied, oral or in writing, he/ she will be subjected to a disciplinary action.

The Company will take various appropriate disciplinary actions deemed fit by the Management in accordance with the type, occasion and severity of the offence.

The Company has the sole discretion in determining the appropriate actions to be taken on a case to case basis. Appended below is a list of some of the offences

which are categorized as serious misconduct. The possible penalties for serious misconduct may include dismissal from the company.

Some examples of Major and Minor misconduct as follows **(HRD 0047):-**

TYPES OF OFFENCES

MINOR MISCONDUCT (WRITTEN WARNING)

1. Absent Without Notice
2. Absent Before/ After Public Holiday
3. Failure To Wear Company Badge
4. Work Negligence
5. Late To Work
6. Ceasing Work Before Time
7. Missing From The Workplace
8. Abuse Of Break time
9. Eating At Prohibited Area – Outside Work Area
10. Resting At Prohibited Area
11. Work Performance Not Up To Required Standard
12. Abuse Of Email Facilities
13. Littering
14. Fail To Notify Superior Or Medical Leave Within 48 Hrs.
15. Rumour Mongering

MAJOR MISCONDUCT (FINAL WRITTEN WARNING / DOMESTIC INQUIRY)

1. Repeated Misconduct
2. Work Negligence Resulting In Quality Issues Or Loss To The Company
3. Eating At Prohibited Area – Production Area
4. Smoking Inside Premise Excluding Smoking Zone
5. Violating Company Rules / Procedures Resulting In Quality Issue Or Loss To The Company
6. Violating Security / Safety Rules Or Procedures
7. Sleeping On Duty
8. Threatening Fellow Employees Or Superior Officer
9. Stealing / Cheating/ Dishonesty
10. Fighting / Inciting To Fight/ Assault
11. Sexual Harassment (SOP HRD 00111)
12. Abuse Of Email Facilities To Incite Others Against The Company / Fellow Employees Or To Distabilize Work Environment
13. Abusive Language, Insulting Or Derogatory Behaviour
14. Indecent Exposure / Immoral Act
15. Rumour Mongering Which Distabilize Work Environment
16. Corruption/ Criminal Breach Of Trust
17. Strike / Go Slow / Boycott
18. Insubordination / Refusal To Obey Reasonable Order

19. Abuse Of Authority
20. Boycott Overtime Work
21. Falsifying / Amending / Deface Of Company Documents
22. Vandalism / Graffiti
23. Divulging Company Secrets / Proprietary Information / Confidential Information
24. Bringing / Consuming Alcoholic Drinks/ Intoxicate State While AT Work
25. Consuming / Trafficking/ Possessions Of Drugs
26. Willfully Concealing Or Withholding Critical Information From Management Or Misrepresentation Of Facts
27. Violation Of Company's Standards Of Business Conduct

NOTE: ALL REPEATED MINOR INFRINGEMENTS OR THOSE WITH POTENTIALLY SERIOUS CONSEQUENCES WILL BE CLASSIFIED AS MAJOR MISCONDUCTS.

(THIS LIST IS ILLUSTRATIVE AND NOT EXHAUSTIVE)

Employee Grievance Procedure

Employees are encouraged to raise work-related concerns with their immediate Supervisor or Manager. If an employee has a complaint, a suggestion or a question about his/ her job or working condition, the employee may raise his/her concern first to his/her Supervisor following these steps:

1. Employee should raise the concern soonest possible to his/her immediate supervisor.
2. If the Supervisor is not the appropriate person or if the issue is not resolved by the Supervisor, the employee may present it to the next level of Management for example Section Manager, Department Manager, Human Resources Manager or Department.

Dismissal

An employee can be dismissed from the Company for breach of the Company's Rules and Regulations or for Committing including persistently or habitually committing any misconduct.

- ***The company may, after due inquiry dismiss the employee without pay***

9. Standard Rules and Regulations

Dressing/Attire

Male and female employees are not allowed to wear indecent attire while inside the Company premises.

The dress code should be properly decent office wear or smart casual attire. The Security Guard in-charge shall reserve the right to stop any employee or personnel from entering the Company premises should they be found not dressing appropriately.

Cleanroom

Employees entering the cleanroom must adhere to all cleanrooms rules, regulations and procedures displayed at the respective entrances.

Usage of mobile phone in the production cleanroom and changing room is strictly prohibited. Any employee caught using mobile phone either cleanroom or changing room can be subjected to disciplinary action.

Industrial Accidents

All employees are responsible to report any industrial accident to the Environment, Safety and Health (ESH) Team or Industrial Nurse immediately.

Failure to report on any industrial accident shall result in issuance of Warning Letter.

Company Car Park/ Motorcycle Park

Company parking is strictly for employees only to park their vehicles. Security will patrol the area to ensure that it is safe and their vehicles. Security will not be responsible for any damage caused or loss of employees' vehicle. Employees park their vehicles at their own risk.

Employees should park their vehicles in an orderly manner and not cause any obstruction to traffic. Do not park in the Fire Lane. Employees should also display, **Company's Parking Sticker** on their vehicles at the visible area so that the Security Guard could identify the valid employee's vehicle.

Quality Policy

Carsem's policy is to provide products and services of the highest quality through "Zero Defect", preventive quality culture. Employees will act with honesty, sincerity, and operate as a team to continuously strive for improvements in quality, productivity, delivery, service and cost in order to be competitive and profitable.

"QUALITY BEGINS WITH ME"

Whistleblower Policy

Malaysian Pacific Industries Berhad and its subsidiaries ("MPI Group") is committed to good business ethics and integrity as set out in the Hong Leong Manufacturing Group

Code of Conduct and Ethics. All employees are encouraged to raise genuine concerns on improper or wrongful conduct at the earliest opportunity, and in an appropriate way. This is to promote good corporate governance practices within MPI Group.

Who can raise concerns?

- Any employee of MPI Group

What types of concerns should you raise?

You should raise any concern on any improper conduct or wrongful act involving MPI Group that is committed, including but not limited to:

- Any criminal offences, including fraud, corruption, bribery and blackmail
- Any failure to comply with legal or regulatory obligations
- Any improper conduct which would be a disciplinary offence
- Any gross mismanagement of company affairs
- Any act or omission which jeopardises the health and safety of any employee of MPI Group or any member of the public

Who should you raise your concerns with?

Any employees may make reports of any such concerns to the Chairman of the Board Audit & Risk Management Committee of MPI Group:

Chairman of the Board Audit & Risk Management Committee Malaysian Pacific Industries Berhad Level 31, Menara Hong Leong No.6, Jalan Damanlela, Bukit Damansara 50490 Kuala Lumpur, Malaysia Email: barmcchair@mpind.my

Please include your full name and contact details, as well as full details of your concern and any supporting documentation you consider relevant. Should you wish to do so, you may use our Whistleblower Form to provide the details required.


Please note that any grievance of a personal nature should be raised through the HR grievance procedures and not through this Policy or the Whistleblower Form.

MPI Group reserves the right not to investigate any concern which is raised anonymously.

What action can be taken against you?

To the extent permitted by law, you will be protected from adverse employment action and where feasible, from disclosure of your identity, provided your report is made in good faith, even if you are genuinely mistaken in the concerns you raise.

Your report should not be made with malicious intent. Malicious reports or complaints lose the protection afforded under this Policy, and appropriate action may be taken against you.

 WHISTLEBLOWER FORM		
<small>You should raise any concern on any improper conduct or wrongful act that is committed within MPI Group. Any grievance of a personal nature should be raised through the HR grievance procedures and not through this Whistleblower Form.</small>		
YOUR FULL NAME		
NAME OF YOUR EMPLOYER		
YOUR CONTACT DETAILS	Address:	Telephone:
		Email:
DETAILS OF YOUR CONCERNS <small>(please provide as much information as possible)</small>		
DESCRIPTION OF INCIDENT: <small>(use the additional information sheet, if necessary)</small>		
WHERE DID THE INCIDENT OCCUR?		
WHEN DID THE INCIDENT OCCUR?		
NAME AND POSITION OF PERSON(S) INVOLVED:		
DETAILS OF ANY WITNESS(ES):		
DID YOU REPORT THE INCIDENT TO ANY AUTHORITIES? IF YES, PLEASE GIVE DETAILS:		
SUPPORTING DOCUMENT(S) ATTACHED (Please tick)? Yes <input type="checkbox"/> No <input type="checkbox"/>		
<small>Whistleblower Form Page 1</small>		
<small>(MPI Whistleblowing Policy adopted in Aug 2018; updated in February 2019 (v7.5))</small>		

(Whistleblower Form & SOP could be obtained from Carsem Web System, Whistleblower tab)

10. Integrity and Protection and use of the groups Assets, Resources & Information

a) Confidentiality And Proprietary Information –

Employees shall keep and maintain the secrecy of all confidential and proprietary information (“the Confidential Information”) which comes into the employee’s knowledge in the course of employment or attachment with the Group. Such Confidential Information shall include any information relating to the Group’s business, operations, policies, processes, plans, inventions, product information, know-how, designs, rights, drawings, blueprints, charts, techniques, sources of supply, formulae, analyses, reports, methods of working, data and specifications, trade secrets, price list, cost information, computer programmes, market

opportunities, customers and suppliers information, financial information, business and research plans and any other information of any kind which the Group deems as confidential which the employee have access to whilst in the employment of the Group. The employee shall not copy, reproduce, disclose or divulge in whatever form or means any part of the Confidential Information, except as may be reasonably necessary for the purpose of performing his work and to persons who are authorized or legally entitled to receive such Confidential Information. Any copies, reproductions or reductions if made shall be the absolute property of the Group at all times.

The employee shall take all necessary care and security measures to protect the confidentiality, secrecy and safety of the Confidential Information.

The employee shall at no time during the course of employment or within one year of leaving employment use or disclose or cause to be published any part of the confidential Information without the prior written consent of the Group. Confidential information which are marked as Confidential and or communicated to the employee as Confidential, shall continue to be subjected to the restrictions imposed under this standards of business policy.

In any case, the Company still reserves the right to take legal action against any employee, person or organization, if disclosure or use of such Confidential Information causes grave embarrassment or adversely impact the company, its customers, its suppliers or its employees. In this regard, the employee or a person previously employed with the Company, should consult the Chief Executive of the respective operations for direction in the event of any doubt of the sensitivity of such Confidential Information prior to the disclosure or use.

Upon the cessation of employment or attachment as the case maybe or at any time requested by the Group, the employee shall deliver all Confidential Information in his possession to the Group.

Employees are not to disclose or make available to the Group any proprietary information which was obtained from former employers or companies to be used for the benefit of the Group, except as permitted by the terms of an applicable nondisclosure agreement which the employee has signed with any previous employers or companies.

b) Intellectual Property

Any invention, improvement, literary rights, copyrights, trademarks, patents, design and / or new discoveries (“the Intellectual Property”) which originated from is conceived by any employee, whether alone or with others, during the course of employment or attachment with the Group shall belong to and be the absolute property of the Group.

The employee shall promptly disclose all such Intellectual Property made and shall assign and hereby agrees to assign all rights of the Intellectual Property to the Group. The costs for the assignment of such rights shall be borne by the Group.

c) Safeguard and use of Company Property

Each employee shall be responsible to preserve, safeguard and use properly in the manner specified all the property, equipment and other assets of the Group assigned to them or which they are given to access to, including those which are furnished or consigned by customers or suppliers. These resources are to be used solely for the Group's purposes.

d) Accurate Reporting

The employee is to report and / or submit honestly and truthfully all reports or information of any kind required (such as production reports, expense reports, hours worked, production data, financial data, etc). In addition, the employee is to retain all document and records in accordance to record retention policies of the Group and all applicable laws and regulations applicable thereto.

e) Public Disclosure

Employees must direct all inquiries from securities or financial analysts, brokers or the press involving requests for specific or detailed information relating to the Group to the Group Managing Director.

f) Employee Information

Employees shall not release any employee information, payroll information and biodata without the approval of the relevant Human Resource Manager, Finance Manager or their designates respectively.

11. Information on Securities

No employee shall communicate non-public information (information not publicly announced that could be expected to be relied on by a person making decision to trade in securities of the Group to another person who bases a trade on such information or use such nonpublic information for his own trading purposes.

12. Payment Practices

a) Business & Accounting Practices

No employee shall establish or procure any undisclosed or unrecorded funds or assets for the Group for any purpose, and no false or misleading entries shall be made in any books or records. No payment shall be made without adequate support documentation or made for any purpose other than as described in the documents. Employees shall comply with generally accepted accounting rule and internal control policies at all times.

b) Payments

With the exception of governmental or regulatory fees or other payments set by the government or the relevant authorities, no employees shall make any unauthorized payments, promises to pay of anything of value to any person from the Group's business.

c) Kickbacks

Employees are forbidden to engage in any practices such as accepting or soliciting any bribes or kickbacks in any contract or dealings with any current or prospective customer, competitor or supplier of the Group or persons affiliated to any of them

13. Trade Regulations

- a) Employees must not enter into or have any arrangements or understanding with competitors concerning prices of products or other competitive policies or practices and the same are strictly prohibited.
- b) In any joint ventures or projects with competitive organizations, all discussions must be limited to the specific transactions involved.
- c) Participation in trade associations, seminars or other groups must not be, or even appear to be, an occasion for any discussions of competitive policies or practices.
- d) Arrangements or understandings with a particular competitor or customer not to deal with a particular customer or supplier are strictly prohibited.

Acknowledgement of Receipt of Employee Handbook and At-Will Employment Agreement

Employee Name: _____

Badge No: _____

I acknowledge that I have been provided with a copy of the Company Employee Handbook, which contains important information on the Company's policies, procedures and benefits, including the policies on Anti-Harassment/Discrimination, Substance Use and Abuse and Confidentiality. I understand that I am responsible for familiarizing myself with the policies in this handbook and agree to comply with all rules applicable to me. I have read and agree to abide by the policies and procedures contained in the Handbook.

I understand and agree that the policies described in the handbook are intended as a guide only and do not constitute a contract of employment. Nothing in this handbook is intended to modify the Company's policy of at-will employment. I specifically understand and agree that the employment relationship between the Company and me is at-will and can be terminated by myself or the Company at any time, with or without cause or advance notice.

Furthermore, the Company has the right to modify or alter my position, or impose any form of discipline it determines to be appropriate at any time. The at-will employment relationship may not be modified except by a specific written agreement signed by me and an authorized representative of the Company. This is the entire agreement between the Company and me regarding this subject. All prior or contemporaneous inconsistent agreements are superseded by this agreement.

I understand that the Company reserves the right to make changes to its policies, procedures, benefits and interpretations of the aforementioned at any time at its discretion. However, the at-will employment agreement can be modified only in the manner specified above.

Employee Signature: _____

Date: _____