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FOREIGN EMPLOYMENT PROCEDURE

1.0 Purpose

- 1.1 To describe the general process of foreign staff recruitment and termination in the Company. It is also to ensure that there is no Forced Labour in recruitment. Forced Labour includes work or service extracted from a person under threat or penalty (or where the person has not offered themselves voluntarily), slavery and abduction, misuse of public and prison works, forced recruitment, debt bondage, domestic workers under forced labour situations, and internal or international human trafficking for labour or sex purposes, which includes slavery or practices similar to slavery.

2.0 Scope

- 2.1 This SOP applies to foreign staff recruitment and termination procedures.

3.0 Responsibility and Authority

- 3.1 The Human Resource Department (HR) shall ensure that the process of foreign staff recruitment and termination is done accordingly.
- 3.2 This policy will be subject to review on an annual basis.

4.0 Reference

- 4.1 Guidelines on Employment Act 1955 and ETI Base Code.

5.0 Attachment / Page(s)

- 5.1 Nil.

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6.0 Procedures

- 6.1 Regional Senior Production Manager will raise request to recruit new foreign workers with the Director.
- 6.2 Upon Director's approval, HR Dept to discuss with the Management for the approval of new foreign recruitment.
- 6.3 HR Dept will proceed with engagement of a Recruitment Agency. The Recruitment Agency must be registered and licensed by Jabatan Tenaga Kerja (JTK), has a long-standing reputation to ensure that:
 - 6.3.1 The Recruitment Agency complies with laws protecting worker welfare in the country workers are from and the country where the employer is located, as well as FSC COC Code requirements.
 - 6.3.2 Where applicable, Recruitment Agency agreement states:
 - 6.3.2.1 All workers are registered and have the relevant work permit.
 - 6.3.2.2 Workers are not required to pay deposits at any stage of the recruitment process
 - 6.3.2.3 No recruitment fees paid by workers.
 - 6.3.2.4 Interest rates on loans do not financially bond the worker to the job.
 - 6.3.2.5 The amount and the way deductions are made from wages.
 - 6.3.2.6 When the worker returns home, the cost of repatriation will be paid by the company.
 - 6.3.3 Any wages are placed in a savings account that can only be accessed (at will) by the worker.
- 6.4 The foreign workers' biodata will be submitted by the recruitment agency to the HR Department for screening purpose.
- 6.5 HR Dept to check the ages in accordance to the Child Labour and Young Worker Policy and the list of approved foreign workers will be communicated to the recruitment agency.
- 6.6 The recruitment agency must ensure that the approved foreign workers undergo medical checkup in accordance to the authorities' requirements.

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- 6.7 HR Department will proceed to register foreign workers at FOMEMA and have the workers to do their health screening within one month of arrival or legalization in Malaysia at panel clinics with all costs borne by the Company. HR Department will submit the passport to Malaysia Immigration to obtain permit for workers who are certified to be fit to work. Workers who are certified to be medically unfit to work will be repatriated back to their home country. The transportation cost will be borne by the Company.
- 6.8 The workers will be briefed thoroughly on job functions and contract details as part of the employment process before the workers are asked to sign the employment contract by the agent.
- 6.9 The agent also will make available all the employment contracts in the worker's native language, where required. Any changes to the contract of employment will require the acknowledgement and signature of both worker and employer.
- 6.10 The Company will provide accommodation to work for the foreign workers. Workers are free to leave the place of work or living quarters when not working.
- 6.11 Orientation for all newly recruited foreign workers will be conducted by the Production Manager.
- 6.12 HR Dept will open a savings account for the worker for salary purposes which can only be accessed by the worker.
- 6.13 HR to update Employee Record.
- 6.14 Keep Employee's Letter of Appointment in their respective Personnel File.
- 6.15 Upon completion of their contract period, the workers are free to choose whether to renew their contract or be repatriated back to their home country. In the event of workers choosing to go back to their home country, the transportation cost will be borne by the Company.
- 6.16 If the worker decides on early termination of contract, there will be no threat of punishment. If there should be any law allowing penalty, it will be communicated in advance to the worker.

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- 6.17 In the event the worker commits any offence or fails to comply with any of the Company's rules and regulations, disciplinary action will be taken in accordance with the type and severity of the offence.
- 6.18 All payment (e.g. salary, allowances, bonus) due to the worker will be paid upon completion / termination of their contract.

7.0 Record

- 7.1 Employee Record

End

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