



HUMAN RESOURCE (HR)

POLICY

2022

On behalf of the Management, I welcome you to Diaoune Agro-Industrie Sarl and wish you every success here. We are confident that you will find our company a dynamic and rewarding place in which to work, and we look forward to a productive and successful association.

At Diaoune Agro-Industrie Sarl, we believe that each employee contributes directly to the growth and success of the Company and we hope you will take pride in being a member of our team. We consider the employees of Diaoune Agro-Industrie to be one of its most valuable resources. We sincerely hope that your position with us is both rewarding and enjoyable.

This Human Resources Policy Manual is developed to outline the Company policies, programs, benefits available to eligible employees and to describe the expectations of our employees in terms of rights and obligations. It is provided as a central reference and applies to all managers, supervisors and employees across all locations where the Company carries out its work.

The specific policies that follows seek to promote the philosophy of Diaoune Agro-Industrie Sarl (DAI) with regard to standards of excellence; terms of employment; employee development; and employee services.

It may be necessary to change these policies from time to time to reflect changes in the workforce, employment trends, economic conditions and Guinea legislation. Policy changes will be fully consulted on and communicated to all staff through normal communication channels. This Policy Manual will also be updated as necessary.

Signed: _____

Managing Director / Chief Executive

SECTION 1

INTRODUCTION

Purpose and Scope of the Manual

The Human Resources manual explains HR policies, procedures, working environment and benefits that employees are entitled to in their contract of employment. The manual is intended to outline an employee working relationship, employee's employment contract, Guinean Labour law, Guinean Civil Code, HR policy and strategies and other documents issued to an employee from time to time.

The Diaoune Agro-Industrie Sarl Human Resource Manual seeks to achieve the following:

- Sets out DAI policy-level commitments to good practice Human Resources Management;
- Sets out the standards with which DAI are required to align their own Human Resources policies, procedures and practices to ensure they reflect DAI's values and philosophy on employment relations;
- Ensure that DAI employment practices conform to local, national and international labour legislation and best practice.
- Provide DAI with a framework to guide the embedding of employment industry best practices over and above the achievement of minimum legal compliance in employment practices;
- Ensure that employment practices do not allow for discrimination or Human Rights violations;
- Ensure that Human Resource Management is prioritized, well-resourced and recognized as a critical sustainable business function in DAI;
- Ensure that employment practices support economically, environmentally and socially sustainable business practices within DAI; and
- Provide the DAI team with a framework to identify risks and opportunities relating to employment and Human Resources Management when selecting, evaluating and managing its company.

The Human Resources Manual is applicable to the Diaoune Agro-Industrie Sarl. This Human Resources Framework Manual is considered a living document and will be updated iteratively as and when required.

Guiding Principles

DAI subscribes to driving growth and profitability through sustainable employment practices, which in turn generate economic benefit for the business, whilst simultaneously creating value for society and all stake holders. DAI believes that employees are a key asset, and a sound employment relation within its own business is a key driver of success. DAI is committed to ensuring that risks related to employment and Human Resources Management within its Company is mitigated to the greatest possible extent.

DAI respects the Guinean legislative framework in which it company operate and all employment and business practice legislation must form the basis on which contractual and employment relations are managed. In addition, underpinning DAIs employment values include international sustainability standards and labour conventions. These include, but are not limited to:

- Guinean Labour Proclamation No.1156/2019;
- ILO Convention C158-Termination of Employment 1982;
- ILO Core Convention-Collective Bargaining;
- IFC Performance Standard 2: articles 18,19 & 20; and
- SDG 8: Promote Sustained, Inclusive, Sustainable Economic Growth, Full and Productive Employment and Decent Work for All.

SECTION 2

RIGHTS AND OBLIGATIONS OF THE COMPANY AND THE EMPLOYEE

Obligations of the Company

- I. Shall inform about the vision and strategic plan of the Company.
- II. Shall implement government directives, rules, and regulations pertaining to the rights and the benefits of the employee.
- III. Shall pay the salary of the employees according to the Guinean Calendar between 26th and 31st of each month.
- IV. Shall issue to each employee a valid identity card (ID) by its own cost.
- V. Shall keep personnel file of all employees and make available to the employee upon request of the employee in the presence and overseeing of HR representative.
- VI. Shall issue a certificate of service to employees upon request of the employee and during termination of employment. All certificate should be issued by HR department only.
- VII. Shall maintain the confidentiality of the personnel file of employees.
- VIII. Shall maintain a safe working environment for all employees.
- IX. The employer shall be responsible for looking after safety and health at the workplace and take appropriate measures accordingly to ensure the safety of the work place and the employees.

Obligations of managers/Supervisors

- I. Ensure that all employees in their department are provided with all of the necessary training and equipment to ensure a safe work environment and minimize injuries and health hazards.
- II. Shall make a performance evaluation of each employee under his/her supervision.
- III. In consultation with the HR department, shall issue performance improvement plans as required for an under-performing employee.
- IV. Shall encourage open dialogue and listen to the issues and concerns of the employees and respond to the same in writing or verbally.
- V. Shall design and conduct job-related trainings as required.
- VI. Shall ensure that employees have the necessary equipment to fulfil their duty.

- VII. Shall provide job descriptions which show the duties and responsibilities of each employee.
- VIII. Shall provide specific, constructive feedback, balancing positive and negative to their subordinates through regular one-on-one meetings and performance evaluations.
- IX. Shall empower, not micro-manage employees by giving them freedom to conduct their work according to work rules and labour laws, while still being available for advice as needed and holding them accountable for actions and results.
- X. Shall inform HR immediately when employee is absent from work for more than one day without notice and make sure leave form is submitted to HR, when on leave.
- XI. Shall be responsible for looking after safety and health of the employees and take appropriate measure accordingly.
- XII. Shall strictly implement and follow up company's health and safety policies.

Obligations of the Employee

- I. Shall work the number of hours stated in the contract of employment.
- II. DAI respects official public holidays, but for those jobs that require uninterrupted attention, DAI may require employees to work on holidays with holiday pay/overtime payment as per the Labour Code.
- III. No DAI employee, during or after the period of employment, may disclose to any person or body or organization confidential information.
- IV. Shall abide by the rules, regulations, policies and directives, procedures, protocol and manuals of the Company.
- V. Shall properly and efficiently conduct his/her duties detailed in the Job Description utilizing his/her full capability and energy and shall exert the necessary effort to maximize customer service, quality and productivity.
- VI. Shall obey and respect all directives/assignments given by his/her supervisors.
- VII. Shall protect the property of the Company and the equipment for which he/she is responsible, utilise them economically in a manner that could make them long-lasting. Should report within 72 hours, if company property/equipment is damaged or lost.
- VIII. Shall return all received company property/money upon termination of his/her employment.
- IX. As per article VII & VIII any company items that are not reported as damaged or lost shall be returned/replaced respectively upon termination.

- X. Shall not cause physical, psychological, or emotional harm to or quarrel or be responsible for a brawl against his/her colleagues at the workplace.
- XI. Shall not use Company property or monies or services for non-work-related purposes that can affect the business activity of the company.
- XII. While on duty, shall not be under the influence of drugs prohibited by law or alcohol causing impaired physical and mental status.
- XIII. Shall abide by all health and safety regulations of the Company.
- XIV. Shall not be late for work or depart early or leave his/her workplace during any working hours without permission.
- XV. Shall make every effort to eliminate theft and wastefulness; and report any theft or wastefulness of which the employee becomes aware of.
- XVI. Shall not steal from the workplace property/money of colleagues.
- XVII. Shall accommodate physical screening and inspection of belongings by guards when entering or leaving the Company's compound.
- XVIII. Shall not carry out his/her personal activities during the working hours of the Company.
- XIX. Shall notify their supervisor or HR representative about any observed or suspected incidents of negligence, theft, damage or any other violation of Company policy, within 24 hours.
- XX. Shall reimburse the cost of lost or damaged equipment under his/her custody, when such loss or damage was a result of negligence or intentional abuse, by taking into consideration the replacement cost.
- XXI. Shall strictly comply with Company's health and safety policies.

General Employment Regulations

Equal Employment Opportunity

DAI is an equal opportunity employer. The company will extend equal opportunity to all individuals without regard to religion, ethnicity, sex, disability, age, or any other status protected under the labour law of the nation. Our policy reflects and affirms the Company's commitment to the principles of fair employment and the elimination of all discriminatory practices. This policy applies to all terms and conditions of employment, including but not limited to, hiring, promotion, termination, layoff, recall, and leaves of absence, benefits, compensation and training.

Child Labour Policy

The Child Labour Policy provides DAIs standards and processes in promoting decent work for youth of legal working age. Whereby DAI prohibits the employment of any youth below the legal working age at its factory and to ensure young people's rights at DAI are protected. The Policy requires the implementation monitoring mechanisms to manage the minimum age guidelines at DAIs cashew processing factory as well as third party suppliers and farmers providing raw cashew nuts to the factory. The Policy provides the process to ensure compliance with the ILO Conventions No. 138 and 182 which includes the identification of hazardous work prohibited to children under the age of 18 years of age.

Third Party Labour Policy

The objective of the Third-Party Labour Policy is to define the protocols of procurement, engagement and management of all third-party contractors aligned to the social performance standards in DAI which include environmental, safety, security, human rights, and human resource practices. The Policy provides for all third-party contractors to be trained on all company and community related issues and to conform with all human rights practices. All third-party contracts to be concluded within the company framework including consideration of potential for social performance risks in the supply chain is identified, contracts with third parties shall include clauses specifying actions to avoid, minimise or mitigate social impacts. In instances where DAI is linked to a human rights infringement through a business relationship, it will exert either control or influence to bring about change or terminate the business relationship.

Anti –Harassment Policy

DAI is committed to providing a work environment that promotes employee's equality, respect and dignity. In keeping with this commitment, the Company has adopted a policy of "zero tolerance" with respect to employee harassment including sexual harassment.

Harassment

DAI strives to create and maintain a work environment in which people are treated with dignity, decency and respect. The environment of the company should be characterized by mutual trust and the absence of intimidation, oppression and exploitation. Employees should

be able to work and learn in a safe, yet stimulating atmosphere. DAI will not tolerate unlawful discrimination or harassment of any kind.

All employees have the right to be comfortable in and satisfied with their working environment. Therefore, all employees of DAI always have a responsibility to treat others with dignity and respect. All employees are expected to exhibit conduct that reflects inclusion during work and at work functions (on or off the work site). In the case that something prevents this from happening; each employee is encouraged to communicate their concerns to his/her immediate supervisor or Human Resources.

Harassment on the basis of religion, age, gender, marital status or any other characteristic is strictly prohibited. Harassment is verbal or physical conduct that insults or shows hostility or aversion toward an individual. Under this policy, harassment has the purpose or effect of (i) creating an uncomfortable, hostile or offensive work environment; (ii) unreasonably interfering with an individual's work performance; or (iii) adversely affecting an individual's employment opportunities.

Harassing conduct includes but is not limited to: insults, slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes; and written or graphic material that insults or shows hostility and aversion toward an individual or group and is placed on walls, in vehicles or elsewhere on the employer's premises.

Sexual Harassment and Violence

DAI commits to ensuring that employees are not subjected to any form of sexual harassment. Any persistent, unsolicited and unwanted sexual advances or suggestions made by one employee to another, regardless of gender and/or sexual orientation will not be tolerated. Violations of this Policy will lead to disciplinary action, which will include dismissal, and/or criminal charges. All managers have a responsibility for promptly addressing all reports of harassment. In dealing with cases of sexual harassment, the company shall be guided by the ILO Convention 111 on Discrimination, Convention 190 on Violence and Harassment, IFC Performance Standard 2 (items 15,16 and 17), and the Labour Proclamation No. 1156/2019.

Sexual harassment and violence constitute discrimination and is expressly forbidden by DAI. Sexual harassment is defined as "Persuading or convincing another through utterance, signs or any other manner to submit for any sexual favour without his/her consent". It is also considered as unwelcome sexual advances, requests for sexual favours and other verbal or

physical contact of a sexual nature. Sexual harassment occurs when, for example, (1) agreeing to such conduct is made either explicitly or implicitly as term or condition of an individual's employment; (2) agreeing to or rejecting such conduct by an individual is used as the basis for employment decisions affecting the individual; or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an uncomfortable, hostile or offensive working environment.

Sexual harassment may include a range of behaviours and may involve both males and females. Depending on the circumstances, these behaviours may include, sexual harassment: unwanted sexual advances or requests for sexual favours; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess or sexual deficiencies; unwelcome notes, phone calls, messages or gifts of a sexually suggestive nature; insulting or obscene gestures; display in the workplace of sexually suggestive objects or pictures; and other physical, verbal or visual conduct of a sexual nature.

Sexual Violence:

Sexual violence means sexual harassment accompanied by force or an attempt thereof. It is a violation of DAIs Productive Work Environment/Sexual Harassment and Violence Policy for any employee to be subjected to the conduct described in this definition. Violators of this policy will be subject to strong disciplinary actions, up to and including termination and criminal charges for their actions, where applicable. In cases where managers/supervisors are found to be in violation of the sexual harassment and violence policy of the company, the management may take appropriate measure which may include termination.

Security at the Workplace

The Company recognizes that secure operations are dependent upon employee participation, commitment, and accountability. All security activities must adhere to the general principles laid down in the company policies.

Conflict of Interest

Conflict of interest arises whenever the personal, professional, or business interests of an employee are potentially at odds with the best interests of the Organization. All employees are required to act in good faith towards their employer.

Employees shall avoid any situation that might affect their independence of judgment with respect to any business dealings between the Company and any other organization or individual.

Where such a conflict occurs, (or is perceived to occur), the company's interests will be balanced against the interests of employees; and, unless exceptional circumstances exist, they should be resolved in favour of the company.

If a love relationship between two employees or managers develops within the working environment, the onus is on the senior employee concerned to bring this to the attention of his or her manager to confirm that there is no conflict of interest, nor will a conflict of interest arise. The Company reserves the right to move one of the employees concerned if it deems it necessary to do so.

The possibility that a conflict of interest may occur can be addressed and resolved before any actual conflict occurs. Therefore, if an employee understands or suspects that a conflict of interest exists, they should bring this matter to the attention of HR, so corrective actions may be taken. All conflicts of interest will be resolved as fairly as possible.

SECTION THREE

RECRUITMENT AND SELECTION

Recruitment and Selection

Effective recruitment and selection are central and crucial to the successful functioning of DAI. It depends on finding people with the necessary skills, expertise and qualifications to deliver the Company's strategic objectives and the ability to make a positive contribution to the values and aims of the organisation.

Job Advertisement

Vacancies will generally be advertised using alternative medium of communications to provide equal opportunity for applicants and attract a pool of candidates for the position. Advertisements will also be notified to the local community leaders/representatives or job advertisement centres if needed.

Shortlisting

HR to close the posting, screen CVs against the minimum qualification using JD and shortlist candidates. Minimum of 3 candidates should be shortlisted for one position.

It is HR departments responsibility to communicate shortlisted applicants and schedule interview. No further communication will be required for candidates who are not shortlisted and therefore unsuccessful.

Selection of the candidate

After getting validation of the recruitment, a local recruitment process will be conducted.

Key principles:

Internal recruitment and promotions should be favoured. In case of external candidates' recruitment, recruitment criteria should include the potential of evolution within local structure or on a worldwide basis as well as the ability to adapt to change.

For internal candidate, direct supervisor to be informed before candidate is selected for the vacant position.

All candidates to first meet HR for application filling regardless who makes first contact with candidates, the documents of which should always be kept by HR.

Interviewing

HR to schedule interview by making sure a minimum of 3 candidates are invited for the interview. If there only one applicant for the position the CPO will be required to approve to the proceeding with the one candidate.

HR to assist on the interview process, preparing interviewing questions and participating on the interviews. If a second interview is required, candidate will be called for the second interview with department head or other Senior management team. Every interviewer is to fill in the Evaluation Form to maintain proper record.

Before confirming employment, the respective Department head need to confirm with HR the expected starting employment date of the potential candidate (giving HR at least 15 days if possible, to legalize employment process).

Offer

Should a potential candidate identified from the interview be suitable, verbal offer will be made to the selected candidate to confirm that the job offer is aligned with the employee expectation, and if employee agrees on the offer, reference check will follow.

HR to conduct a reference check of candidate's 2-3 direct supervisors at previous workplaces, if possible. If feedback received is positive employment offer letter will be issued along with the contract. If not, process will start again.

New employee's salary will be decided by HR which includes all other relevant benefits and all official communications with candidate will be performed by HR.

HR to create personnel file with all the necessary documents such as CV, Educational certificates, offer and contract agreement.

Probation Period

An employee is hired for a probation period of 60 working days from his/her starting date, during which his/her competence is evaluated. For Managers the probation period shall be 90 working days.

The HR Department shall get the evaluation report from the new employee's immediate supervisor of the employee on probation at least 10 days before the end of the employees' probation period and for Managerial roles at least 15 days before the end of the probation period. An employee shall only be given a satisfactory mark if the supervisor believes that the candidate has a greater than 90% likelihood of achieving their responsibilities as per the initial Job Description.

An employee evaluated as incompetent during the probation period shall be given a letter notifying his/her dismissal signed by the HR Department before the end of the probation period.

An employee, who is rehired for a similar position he/she holds previously within the company, shall not be hired on probation basis.

Employment of Expatriate Experts

Expatriates are intended to fill a knowledge, skill, or managerial experience gap in the Company and transfer knowledge and train local employees. Expatriates can be employed at the discretion of the chairman/CEO and the board of directors. Expatriate employees are governed by this manual and the terms of their contracts.

Temporary/ Fixed Term Workers

By virtue of Article 10 of the Labour Proclamation No. 1156/2019 the Company when necessary, can hire an employee for a fixed term or on contractual basis (definite period work or piecework) for the following purposes.

- I. Performance of specified piece of work for which the employee is employed.
- II. Replacement of worker who is temporarily absent due to leave or sickness or other causes.
- III. Performance of work in the event of abnormal work pressure.
- IV. Performance of urgent work to prevent damage or disaster to life or property, to repair defects or breakdowns in works, materials, buildings or plants of the company.
- V. An irregular work which relates to permanent part of the work of the company but performed on irregular interval.

VI. Seasonal works which relates to permanent parts of the works of the company but performed only for specified period of the year, but which are regularly repeated in the course of the year.

VII. An occasional work which doesn't form part of the permanent activity of the company, but which is done intermittently.

VIII. Temporary placement of a worker who has suddenly and permanently vacated from a post having a contract of indefinite period.

IX. The temporary placement of a worker to fill a vacant position in the period between the preparation of an organizational structure and its implementation.

Note: contract of employment under VIII and IX shall not exceed 45 (Forty-Five) working days and shall be done only once.

TRAINING AND DEVELOPMENT

Training and Development

The company shall endeavour to provide formal training to as many employees in each year as possible to pursue relevant courses or training programs. The Company gives employees adequate training to do their job safely and competently. The company believes training is a two-way process. Management encourages employees to participate and to highlight any gaps in their own skills or knowledge they believe they have.

Training & Developmental needs assessment

All improvement areas pertaining to job responsibilities, soft skills and required training/development to overcome the highlighted shortcomings should be discussed and agreed.

The training and development plan will be prepared annually for every employee and will be derived from shortcomings from objectives and soft skills section.

At the beginning of the year the HR Department will develop an annual training & development plan with respect to individual development plan of employees, policy, strategy and business requirement.

The plan will be submitted to the Management team for approval. Selection of participants to training courses are based on needs required by the job holders in each particular role and responsibility. The department heads together with HR will be making the final decision if necessary.

Employees must present themselves to the courses on time and participate full time until course end to be able to be considered as having participated. Once the employee has completed the full course, the HR will update the training attendance in personal data. Employees who do not complete the course or who do not attend all classes will be considered and recorded as “absent”.

Employees are required to complete pre course work (if any) prior to attending the class and actively participate in class activities to derive the full benefits of the course.

If the employee is not able to attend the course, he/she must inform the HR immediately by any means and later on send a request to cancel the course in writing.

Department Head to sign for approval before forwarding to the HR. However, such a process will be acceptable only when the request reaches the HR at least seven working days prior to the course commencement and with reason. If not, the HR will record as ‘absent’.

Employees who miss core courses identified as necessary for each particular role must study courses materials by themselves. Their Supervisors have responsibilities to ensure that Employees are equipped with the necessary skills presented in the courses.

WORKING HOURS AND LEAVE

Working hours principles

The objective of setting working hours principles is to create a standardized and legally compliant policy on all hours of work including overtime, daily, weekly rest periods, without compromising the operations and business deliverables.

These principles form part of the conditions of employment that govern the terms of employment for each permanent contract and casual employee.

Hours of work

Hours of work means the ordinary hours that an employee is required to dedicate to working for the company and which are permitted in terms of the prescribed legislation or Collective Bargaining Agreement.

The provision of regulated working hours forms part of the conditions of employment which also include leave provisions. The hours of work principles detailed below are interrelated with the other conditions and cannot be applied in isolation.

The core hours of work applicable to employees are:

- Administrative/office employees: working hour is from 8am to 5pm from Monday to Friday and Saturday from 8:30am to 12:30pm.
- Production employees: Hours of work vary based on each operational requirement. However these hours will be a maximum of 48 hours per week or 8 hours per day with 1 hour break daily.
- Security guards: maximum of 48 hours per week (subject to Sectoral and/or Collective Bargaining Agreement whichever is applicable).

The hours applicable to each of the employees in the above-mentioned categories are specified in the employees' contract of employment and in terms of Labour Proclamation 1156/2019 Art 63 - Arrangement of Weekly Hours of Work.

Overtime

Overtime means the time that an employee may be required to work more than the daily or weekly ordinary hours of work due to operational requirements.

The company may not compel an employee to work overtime unless the circumstances detailed in Labour Proclamation 1156/2019 Art 67 are present:

- Where and when employees can with reason be expected to work overtime and where the Company is obliged from time to time to do the same, there will be an agreement with the relevant employees to work overtime
- Should an employee be required to work overtime, the employee will be entitled to compensation in terms of Collective Bargaining Agreement
- All overtime to be worked must be pre-approved by the relevant Manager / Supervisor.

Public holidays

An employee is entitled to all public holidays which coincide with normal working days. Based on the nature of the work, an employee may be required to work on Public Holidays. Payment for work performed on a Public Holiday will be paid in accordance with the Overtime compensation.

Leave

All leaves should be applied using the HR tool/leave request form before proceeding on leave. In case of emergency when leave cannot be applied in advance, reporting over the phone to the employee's immediate line manager should be done and it must be regularized within 2 days of resuming duty.

Employees will be eligible for Annual Leave only after completion of the probationary period. On confirmation, annual leave for the period of probation will be credited to employee's account. Employee may apply for leave depending upon their applicable leave balance as per the HR leave records.

All types of leave, with the exception of sick leave, personal emergency leave, compassionate/family leave, and court hearing leave must be requested 15 days in advance and authorized by the employee's direct supervisor using the leave request form on the HR system/form.

In case of prolonged illness or leave of absence from work an employee is required to inform the immediate line manager/ supervisor at regular interval about their condition and the anticipated date of return. In the absence of any communication from the absent employee without good cause, disciplinary action may be taken by the company.

Leave without approval will be considered as absence.

Annual Leave

None Managerial employee are entitled to 16 working days of annual leave per calendar year and shall get an additional 1-day leave day for every additional year of service. Managers signed a managerial contract are allowed to 20 days of leave for year and 1 additional day every year. If a staff member did not work the full calendar year, the entitlement of leave

days shall be calculated prorating the annual entitlement against the number of completed months that she/he was employed during that respective year.

Sick Leave

The total amount of sick leave shall not exceed 180 calendar days counted consecutively or separately in any continuous twelve months' period starting from the first day of his sickness. Days of sick leave shall be recorded and accumulate thought a continuous twelve months' period. Absence from work for the reason of sick leave must be supported by a certificate from a qualified medical practitioner stating the nature of the illness, patient treated and date of treatment and allowed sick leave.

Salary payment during periods of sick leave shall be granted in the following manner:

First month: 100% of his/her monthly wage

Following second and third months; 2 months at 50% his/her wage

Following 3 months (4th, 5th and 6th): without pay

Maternity Leave

Pregnant women employees are entitled to 30 working days of prenatal leave. Where the employee doesn't deliver within 30 working days of her prenatal leave, she is entitled to an additional leave with pay until her confinement. However, if birth takes place before the expiry of pre-natal leave, post-natal leave of the employee shall commence immediately.

Pregnant women employees are entitled to 90 consecutive days of post-natal leave. If the employee fails to take her maternity leave in connection with her delivery, the unused maternity leave period cannot be postponed to another time.

A pregnant employee facing complications due to the pregnancy, and on the recommendation of a medical doctor, may be eligible for sick leave. Maternity leave can be clubbed with annual leave subject to prior permission of the immediate supervisor/ line manager.

A pregnant employee must give a minimum of one month notice of the expected starting date of prenatal leave and or maternity leave to her immediate supervisor/ line manager.

Nursing Period

During the first six months after delivery of her baby, a female staff member can request a reduction of two hours from the standard working hours per day by discussing with her supervisor (time can be disused and decided by the supervisor and the staff) to facilitate proper nursing of the infant. Such request cannot be rejected without the approval of the executive of the respective department and the CPO.

SECTION FOUR

SALARY AND BENEFITS

Salary and Benefits Administration

The salary of the employee is maintained according to the company salary scale/salary band to ensure fairness and consistency between all employees. The salary scale reflects the employee's position, qualification, seniority and performance.

The principle of equal remuneration/compensation for work of equal value guides payment of wages and other benefits. However, this does not affect distinctions made based on such factors as qualifications and experience.

Wage is protected against deductions, attachment, set-off by the employer. Only in exceptional cases, the wage of the employee can be deducted up to one-third of the monthly salary of the employee subject to authorisation under the law (eg. for tax purposes), court order, collective agreement or work rules, and written agreement of the worker. A higher amount can be deducted if the employee agrees to it in writing.

Salary Scale

The grade of each position is established by the CPO and approved by the CEO. The salary scale defines the grades for each position and identifies the minimum and maximum salary for each scale. The salary scale is a confidential document which is not shared with Employees outside the HR Department. The salary scale may be amended from time to time and at the sole discretion of the CPO, CEO and Board.

Starting Salary for New Employees

Employees joining DAI as well as employees who have been promoted to the next level will normally start on the base scale (first step) of the respective grade for their position. However, in recognition of previous relevant experience or qualifications and earning history of the new employee, the CPO can approve in exceptional circumstances, a higher scale may be used as the starting salary.

An employee promoted to a position of higher responsibility will be entitled to a salary increase appropriate to the salary scale level for the new grade into which they are promoted.

A promoted employee is entitled to all the benefits of the new position with effect from the date of their promotion.

Bonus

If the company/individual achieves or exceeds its target for the fiscal year, a bonus may be considered. The company bonus plan will be created, and may be adjusted or cancelled annually, as determined by the CEO and board of directors at their sole discretion, subject to the Company's overall budget. This will be detailed in a separate Bonus policy which will be amended from time to time and the custodian of such will be the HR Department as Confidential Information.

Employees who have resigned after worked for more than eleven months of the fiscal bonus year and employees who successfully passed their probation period shall be paid the bonus amount if the company pays out bonuses for such fiscal year.

SECTION FIVE

COMPLIANT AND GRIEVANCE

Complaint and Grievance Procedures

DAI employees have a right to voice their complaints. The company supports the right of every employee to lodge a grievance with his/her manager if they believe a decision, behaviour, or action affecting their employment is unfair. An employee may raise a grievance about any performance improvement action taken against him/her.

DAI aims to resolve problems and grievances promptly and as close to the source as possible. When necessary, managers will escalate a grievance to the next higher level of authority for more discussion and resolution, and continue escalating it to the level above until it is resolved.

Purpose and objectives of this study

- To implement a Disciplinary Code and Grievance Procedure to ensure efficient running of the business, safety and fair treatment of all employees and to promote sound industrial relations. It is aimed at managing conflict in the workplace and protecting the interests of both the Company and the Employee
- To provide a framework for maintaining standards of performance and conduct expected by the Company
- To help all employees in understanding the processes and procedures that will be adopted when dealing with issues or shortcomings in performance and dealing with misconduct.
- To provide a corrective process to ensure that discipline is administered in a consistent and fair manner. The disciplinary procedure provides the means for employees to respond to allegations during every stage of the process
- To ensure that disciplinary action is timeous in response to breaches of the Company's rules, policies and laid down procedures as amended from time to time and that it is consistently applied
- To ensure that employees have an avenue to raise complaints and that there is opportunity for resolution

- To provide employees with a formal internal grievance process whereby workplace problems may be jointly and constructively addressed progressively, be individual or collective grievances
- To enhance productivity in the workplace by enabling employees to focus on work-related outcomes, rather than being impacted by problem areas
- To resolve any conflict or misunderstanding at the lowest possible level within the Company hierarchy and to provide protection for employees against any form of inequitable treatment or victimization
- This policy is applicable to all permanent and temporary employees of the Company including expats.

Disciplinary Code

The Disciplinary Code describes the standards of conduct expected of employees at work. The intention of this code is to cover acts of behaviour in the workplace that are not acceptable whether these acts are of a deliberate or negligent nature. It is not possible to list every type of unacceptable conduct in the workplace therefore any type of behaviour or conduct of an employee which has a negative and/or risk impact on the employment relationship may also be regarded as a transgression in terms of this code, even when it has not been specifically mentioned. This is referred to as misconduct.

There are also factors concerning mitigation and aggravation that may lead to a more lenient or harsher sanction than is indicated. The purpose of a disciplinary action must be corrective and not punitive, i.e. to encourage an employee to behave in accordance with the Company's conditions of service and the Code.

Disciplinary Procedure

The Company shall communicate its intention to initiate disciplinary action within five (5) days of it becoming clear to Management that an offence, which does not grant immediate termination as per the Labour Proclamation, may have been committed.

Types of Disciplinary Action

Disciplinary action may comprise any one of the following, depending on the seriousness of the offence and the merits and circumstances of each case:

- Counselling
- Verbal warning
- Written warning
- Final written warning
- Suspension with pay
- Dismissal

Where an employee's performance or conduct has been identified as requiring attention, a meeting may be initiated by the line manager. It is an opportunity for face-to-face communication between the line manager and the employee, conducted in private, and is intended to have the constructive goal of providing feedback to the employee to correct the problem.

Verbal Warning

A verbal warning is an informal warning, of which no formal record is kept. A note of the discussion may, however, be made in the employee's file signed by employee and his/her supervisor.

Written Warning

A written warning may be given where a verbal warning has failed or where a verbal warning is considered inadequate because of the seriousness of the offence. The employee shall be given a copy of the written warning and should sign in acknowledgement of receipt thereof. Should the employee refuse to sign, the warning shall be handed to the employee in the presence of another employee who shall sign confirmation of the warning being issued or the warning may be posted in the working location of the Employee

A written warning shall remain valid for a period of six (6) months.

Suspension with pay

In exceptional cases, an employee may be suspended from duty until the Company investigates an offence committed by him and gives final decision as to the action it needs to take. The duration of suspension in this case will not exceed 30 days.

Demotion to a lower position can be used as an alternative sanction where the act of an employee justifies termination as per the Labour Proclamation. Such decision shall be passed

with the full discretion of the Company within 20 days from the commission of the offence by the Employee justifying termination. The decision shall be effective if the Employee accepts it. If the employee rejects the decision, then the Company will terminate the Employee as per the Labour law.

Grievance Procedure

Stage 1 (Line Manager)

The employee shall first raise the grievance with his/her immediate line manager (Line Manager) utilising Grievance Procedure Form Stage 1, which shall be submitted to the Line Manager.

The Line Manager shall meet with the employee in order to obtain a clear understanding of the issue involved in an attempt to resolve the grievance. Further meetings, possibly involving more persons, may be held.

Should the grievance be resolved, the Line Manager shall record the outcome on the grievance form. The employee, his/her representative (where relevant) and the Line Manager shall thereafter sign the grievance form indicating acceptance of the solution as set out. A copy of this document shall be given to the employee and a copy shall be submitted to HR.

Should feedback not provided within five (5) working days of the grievance having been referred to Line Manager, the employee may proceed to Stage 2.

Stage 2 (Head of Department (HOD))

Should the grievance remain unresolved, the employee shall complete Grievance Procedure Form Stage 2 attaching a copy of Form Grievance Procedure Form Stage 1 and submit it to the Line Manager's senior (HOD) or HR department.

The HOD shall convene a meeting and attempt to resolve the grievance. At this meeting, the employee, the trade union representative (where applicable), or co-worker and/or any relevant witnesses may make representations, as agreed to or deemed appropriate by the HOD. The meeting shall also be attended by the relevant HR Officer or HR Manager.

Should the grievance be resolved, the HOD shall record the outcome on the grievance form. The employee and/or his representative (where relevant), the HOD and the HR Officer shall

sign the grievance form indicating acceptance of the solution as set out. A copy of the form shall be submitted to HR.

Should the grievance not be resolved within five (5) working days of the grievance having been referred to the HOD, the employee may proceed to Stage 3.

Stage 3 (CEO)

Should the grievance remain unresolved, the employee should complete Grievance Procedure Form Stage 3 attaching copies of Form Grievance Procedure Form Stage 1 & 2 and submit it to the HOD's senior (CEO).

The CEO shall convene a meeting and attempt to resolve the grievance. At this meeting, the employee, the trade union representative (where applicable), or co-worker and/or any relevant witnesses may make representations, as agreed to or deemed appropriate by the CEO. The meeting shall also be attended by the CPO.

Should the grievance be resolved, the CEO shall record the outcome on the grievance form. The employee and/or his representative (where relevant), the CEO and the HR Head shall sign the grievance form indicating acceptance of the solution as set out. A copy of the form shall be submitted to HR. Should the grievance not be resolved within ten (10) working days of the grievance having been referred to the CEO, the CEO shall record this on the grievance form. The employee and/or his representative (where relevant), the CEO and the HR Head shall sign the grievance form indicating the grievance remains unresolved. A copy of the form shall be submitted to HR.

Collective Grievances

In the event of the grievance affecting or being common to a group of employees, the employees concerned shall elect a delegation of not more than three employees or trade union representatives where relevant. Stages 1 to 3 may be followed, with the representatives acting on behalf of the group or its members.

SECTION SIX

EMPLOYEE TERMINATION AND RESIGNATION

Employee Termination and Resignation

Employment termination refers to the end of an employee's duration within the company. Depending on the case, the decision may be made by the employee, the employer, or mutually agreed upon by both.

Employment termination can occur according to the following cases:

- Resignation
- Termination during probationary period
- Contract end
- Retirement
- Dismissal (in compliance with Labour law)

Probationary period refers to the period provided to an employee to prove and demonstrate their ability to perform the job for which they have been appointed. Probationary period is starting from joining date.

Resignation

- The resigning employee submits the resignation notice in writing or resignation letter at least 30 days in advance, respectively to his direct supervisor, head of function and copy to Human Resources department. The effective date of termination needs to be discussed and agreed with supervisor to plan a smooth transition
- HR writes resignation acceptance letter with notification of available leave days
- Employee sends the Clearance Form provided by HR to the relevant departments to clear all expenses and company assets at least 5 days in advance from his last day of work.
- HR conducts an exit interview to identify the reasons for leaving the organization before the last working day. Exit interview form shall be filled and kept at Human Resources department for further analysis and reference.
- Employee returns completed Clearance Form to Human Resources for record and reference in personnel file before last working day.

Termination during probationary period

- Prior end of probationary period and at least 10-15 days in advance, HR reminds the supervisor, if employee performance is satisfactory or if employee needs to be terminated.
- In case the performance is unsatisfactory, the supervisor informs the HR department to terminate employment contract with justification. HR with the Supervisor inform the employee and present him his termination letter 5 days in advance from the end of his probation
- Employee circulates the Clearance Form to relevant departments to clear all expenses and company assets at least 5 days in advance from his last day of work.
- Employee returns completed Clearance Form to Human Resources for record and reference in personnel file before last working day.

Contract End

- HR informs Department Head:
 - one month in advance for employee who has a contract for more than 6 months
 - 15 days in advance for employee who has a contract for more than 3 months.
- Employee circulates the Clearance Form to relevant departments to clear all expenses and company assets at least 5 days in advance from his last day of work.
- Employee returns completed Clearance Form to Human Resources for record and reference in personnel file before last working day
- In case an extension of the working period is required, when HR reminds about the end of the contract agreement, Department Head will inform for the need of the extension to HR. HR will prepare extension letter to be given to employee. If the employee disagrees, HR will start a recruitment process.

Dismissal

- Dismissal with the initiation of the Supervisor needs to be discussed if the reason of the termination is performance or other discipline issue
- In case of dismissal resulting from performance issue (refer to performance management procedure), immediate line manager / supervisor shall inform HR with the necessary documents e.g. performance improvement plan.

- In case of organizational change, business downsizing or any other similar case, HR informs the employee by written document one month before termination by following all the steps required by labour code.
- HR and direct supervisor should detail the reasons with relevant evidence to the employee
- In case of discipline issue, the discipline SOP will be followed and termination will be according to the labour code
- Employee circulates Clearance Form to relevant departments to clear all expenses and company assets at least 5 days in advance his last day of work.
- Employee returns completed Clearance Form to Human Resources for record and reference in personnel file before last working day
- HR calculates and processes any remaining payment according to local labour law.

Reporting process

- HR sends employee status changes to authorities and payroll head
- HR updates employee status in local employee database and headcount report

Exit Interviews

All employees who leave the employment of the Company will have an exit interview with their manager/supervisor or HR department before their last day of employment.

- Exit interviews provide the opportunity for departing employees to discuss their reasons for leaving. The information provided is useful in identifying trends, learning and development and evaluating the effectiveness of HR policies and practices.
- The appropriate line manager should receive all appropriate information, such as recommendations made for change, or significant issues raised in the questionnaire, whilst bearing in mind confidentiality issues. The exit interview questionnaire will be retained on the employee's personal file.

SECTION SEVEN

OCCUPATIONAL SAFETY AND HEALTH

Occupational Safety and Health

Health is the general state of physical, mental, and emotional well-being while safety is a condition in which the physical well-being of people is protected. Also, security involves the protection of employees and company property, assets and facilities.

DAI group of companies will, as far as practicable, provide a safe work environment for the health, safety, and welfare of our employees, partners, customers, visitors, and members of the public who may be affected by our work. DAI is also committed to regular health and safety consultation with staff and their representatives and, where necessary with contractors and suppliers of equipment and services, to ensure that occupational health and safety management is of the highest standard.

Ultimately, everyone at the workplace is responsible for ensuring health and safety in the workplace.

Accident Reports

- Accidents occurring within the company premises must be promptly reported by employees to line manager, EHS or HR Department. Employees must not complete their shift and leave the company premises without reporting any accident which might have occurred during the shift.
- Employees should complete the Occupational Accident Report Form as soon as all injured persons have been attended to and the consequences of the accident ably managed.
- The accident report is used to facilitate investigations, enable data on safety issues to be maintained, facilitate the processing of any insurance claim, and ensure effectiveness of future safety audits if any.

Environment Protection

DAI will consistently pursue environment friendly, open and consultative practices and encourage all stakeholders associated with them to help protect the environment through appropriate and best operational practices.

Alcohol and Drug Abuse Policy

DAI Group of Company has a zero-tolerance policy on the use of illicit drugs, including Chat on Company's premises or the attending of other work related premises (e.g. clients) while under the influence of illicit drugs. The company also prohibits chewing chat by employees as specified in the preceding paragraph to chew chat in vehicles, in offices and any premises of the company at all times.

The use of controlled substances is inconsistent with behaviour expected of employees. The non-prescriptive use, sale, possession, distribution, dispensation, manufacture, or transfer of controlled substances on the company property or other work sites where employees may be assigned during work hours (or elsewhere) is strictly prohibited. Persons violating this policy will be subject to disciplinary action.

Non-Smoking Policy

DAI has a non-smoking policy. DAI offices are public places and therefore are non-smoking environments. An office wide “No-smoking policy” is always in effect. The company does not permit employees to smoke or ignite items that issue smoke in any and all Factories. These no-smoking rules shall also apply to the company guests. DAI also prohibits employees holding driver’s position to smoke in company vehicle or any member of the sales team to smoke on sales vans, tracks or any sales vehicle or any employee using company arranged services to smoke in the vehicle.