

Classification: HRM Policy	Document Reference No:	Revision No: 00	Date of Issue:
Approving Authority: BOD	Title: Employee Discipline and Conduct Management		Supersedes: Nil
			Date of Review: Nil

1. SCOPE

The scope of this policy shall cover the following:

- a. Types of Misconduct
- b. Discipline Management

2. POLICY AND PURPOSE

- 2.1. The purpose of this policy is to establish the guidelines for implementation and administration of disciplinary actions in a correct, systematic and consistent manner to ensure objectivity and fairness towards all employees of <company> and in its subsidiaries and associate companies.
- 2.2. The policy also shall outline what constitutes legitimate disciplinary action and the reasons why it may be invoked. Employees must be aware of the repercussions of a behavior that does not meet the company's expectations.
- 2.3. The Company's policy is that, all employees shall maintain reasonable standards of work, conduct and discipline in accordance to expressed or implied obligations to and expectations of the Company at all times.
- 2.4. The Company's policy is that, all disciplinary issues, or breach of duties shall be managed in a fair and equitable manner. Employees subjected to disciplinary action shall be provided with every opportunity to defend **themselves** before any disciplinary action can be considered.

3. PROCEDURE

- 3.1. The Company shall, at all times adhere to the **General Principles of Natural Justice** when managing employee misconduct or performance lapses as following:
 - 3.1.1. No disciplinary action shall be taken against the employee without investigation and in serious cases; an official inquiry shall be conducted to establish the facts.
 - 3.1.2. The investigation and inquiry, where called for, shall be carried out as early as possible.
 - 3.1.3. The employee shall be given details pertaining to the matter in writing where necessary, and shall be provided with an opportunity to be heard.
 - 3.1.4. Where an inquiry is called for, the employee shall be given reasonable time to prepare for the case and given every opportunity to cross-examine all witnesses produced if he so wishes.

Classification: HRM Policy	Document Reference No:	Revision No: 00	Date of Issue:
Approving Authority: BOD	Title: Employee Discipline and Conduct Management		Supersedes: Nil
			Date of Review: Nil

3.1.5. When an investigation or inquiry is taking place, it will often be inappropriate for the employee to continue his formal work; in such cases, the employee may be suspended until a decision is reached.

3.2. The categories and examples of misconduct are as follows but not limited to:

3.2.1. Major Misconduct

- 3.2.1.1. Habitual Lateness
- 3.2.1.2. Habitual Absenteeism
- 3.2.1.3. Sexual Harassment
- 3.2.1.4. Assault or Fighting on the Company's premises
- 3.2.1.5. Dishonesty, fraud, cheating and theft
- 3.2.1.6. Disobedience of order/instruction or insubordination
- 3.2.1.7. Soliciting Bribes
- 3.2.1.8. Breach of trust
- 3.2.1.9. Conviction and imprisonment for any criminal offence
- 3.2.1.10. Consuming or distributing banned substances and alcohol in Company premises
- 3.2.1.11. Damaging Company's property
- 3.2.1.12. Breach of Confidentiality
- 3.2.1.13. Gambling in Company Premises
- 3.2.1.14. Publishing of inappropriate or slanderous materials which can affect the reputation of the company or bring legal implications
- 3.2.1.15. Falsification or unauthorised amendment of documents or records

3.2.2. Minor Misconduct

- 3.2.2.1. Lateness
- 3.2.2.2. Absent without leave
- 3.2.2.3. Non-performance of job duties assigned
- 3.2.2.4. Failure to report an infectious or contagious disease to the Company
- 3.2.2.5. Leaving workplace repeatedly during working hours without approval from the HOD
- 3.2.2.6. Smoking in non-smoking area(s)/place(s)
- 3.2.2.7. Failure to obey safety rules
- 3.2.2.8. Not complying with safety standards.
- 3.2.2.9. Social Media Abuse: Posting slanderous statement and fake news about the Company or other employee.

3.3 When indiscipline or misconduct occurs, the following procedures shall be taken accordingly:

- i. The HOD shall assess whether the indiscipline or misconduct can first be managed via counselling or immediately via disciplinary measures.

Classification: HRM Policy	Document Reference No:	Revision No: 00	Date of Issue:
Approving Authority: BOD	Title: Employee Discipline and Conduct Management		Supersedes: Nil
			Date of Review: Nil

- ii. If counselling is used, the following procedures shall apply:
 - a. The HOD shall conduct the session with the employee concerned and fill up the Counselling Session Form for record and further monitoring.
 - b. A copy of the Counselling Session Form shall be forwarded to the HRDD and placed in the employee's personal file.

- iii. If disciplinary measures are used, the following procedures shall apply:
 - a. The employee's HOD shall deal with infringement or lapses verbally. Such warnings shall be recorded and placed in the personal file.
 - b. The HOD shall refer more serious or repeated infringements or lapses to the HRDD to be dealt with.
 - c. The HRDD shall gather the necessary details of the indiscipline or misconduct prepare the Show Cause Letter accordingly.
 - d. Upon getting the approval and acknowledgement the letter is issued to the employee. The employee concerned shall reply to the Show Cause Letter in writing within stipulated time period.
 - e. Upon receipt of the explanation, the HOD and HRD shall determine if the explanation is acceptable or otherwise and submit their recommendation to the CEO for review.
 - f. In the event where the explanation is satisfactory, the HRD with the CEO's approval shall issue a Discharge Letter to the employee.
 - g. In the event where the explanation is unsatisfactory, or if no written explanation is received within the stipulated deadline, the HRDD shall recommend to the CEO if there is a further need to call for a Domestic Inquiry or proceed to issue a written Warning Letter to the employee concerned.
 - h. The HRDD shall place a copy of the written warning letter in the employee's personal file. This written warning may be a final warning to the employee.
 - i. Where a verbal or written Warning Letter is given, the warning shall state the nature of the offence or lapse and the time allowed for improvement to be achieved, where applicable.

Classification: HRM Policy	Document Reference No:	Revision No: 00	Date of Issue:
Approving Authority: BOD	Title: Employee Discipline and Conduct Management		Supersedes: Nil
			Date of Review: Nil

- j. If further disciplinary action becomes necessary after adequate warning has been given, the HOD shall recommend to the CEO via the HRDD to take whatever formal action that is appropriate to the seriousness of the case.
- iv. If dismissal is warranted after due inquiry is carried-out, then the HRDD shall recommend it to the CEO/BOD including advising the CEO/BOD regarding repercussions or any potential exposure to the Company.
- v. The Company can take the following disciplinary action in stages accordingly:

3.3. The Company can take the following disciplinary action in stages accordingly:

Stage 1	Stage 2	Stage 3
Counseling Recorded Verbal Warning	Written Warnings 1st Warning Letter 2nd warning Letter	Domestic Inquiry Disciplinary Action

4. Domestic Inquiry (DI)

- 4.1. The purpose of the Domestic Inquiry being conducted is uphold the Principal of Natural Justice, where the Company get the opportunity to prove the charges of misconduct against an errant employee(s) and the employee(s) an opportunity to defend themselves against the charges of misconduct.
- 4.2. Similarly, for continuous poor performance, the affected employee shall be subjected to a DI, before appropriate action is taken.
- 4.3. The Company policy is that, a domestic inquiry shall be carry-out for all serious misconducts and continuous poor performance.
- 4.4. A Domestic Inquiry shall be conducted either upon advice by the HRDD or upon request by the HOD.
- 4.5. The HRDD shall prepare the Charge Sheet and Notice of Inquiry and issue it to the employee concerned.
- 4.6. Based on the seriousness of the misconduct/indiscipline, an employee may be suspended from work pending conduct of the Domestic Inquiry.

Classification: HRM Policy	Document Reference No:	Revision No: 00	Date of Issue:
Approving Authority: BOD	Title: Employee Discipline and Conduct Management		Supersedes: Nil
			Date of Review: Nil

- 4.7. In the event of a suspension, the HRD shall prepare a Suspension Letter, submit it to the Head of HRD for signature and issue it to the employee concerned. A copy of the letter shall be kept in the employee's personal file.
- 4.8. The HRD shall conduct a detail investigation together with the HOD to establish the facts of the case and coordinate the conduct of the Domestic Inquiry.
- 4.9. If there are witnesses to be called to justify the case, the HRDD shall prepare a Letter to Witness and issue it to the relevant employee.
- 4.10. The HRDD shall appoint the relevant employees to undertake specific roles in the Domestic Inquiry and prepare the case presentation.
- 4.11. **Domestic Inquiry Framework:**
- A. The Role of Chairman**
- i. To deliberate on the case with the Panel Members at the end of the inquiry.
 - ii. To duly complete the inquiry record form to be submitted to the Management within 2 days from the date of inquiry.
 - iii. To ensure overall control of the running of the inquiry.
 - iv. To record oral and documentary evidence produced by the prosecution and the defense.
 - v. To ensure that the alleged employee understands the charge by reading and explaining its content at the start of the inquiry.
 - vi. To allow the prosecutor and the alleged employee to submit their evidence and to ensure that all witnesses are produced to testify in front of the Panel.
- B. The Role of Prosecuting Officer**
- i. To submit his case to the Chairman.
 - ii. To produce his witnesses in front of the Panel and submit evidence.
 - iii. To allow his witnesses to be cross-examined by the alleged employee and to cross-examine the witness produced by the alleged employee.
 - iv. To make his submission at the close of the inquiry as allowed by the Panel Chairman.
- C. The Role of the Defendant**
- i. To present himself and his witness in front of the Panel to defend himself.
 - ii. To question the prosecution witnesses during cross-examination.

Classification: HRM Policy	Document Reference No:	Revision No: 00	Date of Issue:
Approving Authority: BOD	Title: Employee Discipline and Conduct Management		Supersedes: Nil
			Date of Review: Nil

iii. To make his submission at the close of the inquiry as his final defense.

D. The Role of the Panel Member

i. To remain impartial and objective throughout the hearing of the case.

ii. To deliberate on the case at the end of the inquiry.

E. The Role of the Witness

i. To testify during the inquiry by answering to the question as directed to them.

ii. To state what he personally saw or knows about the case.

iii. To tell the truth and not fabricate evidence for whatever reason.

F. The Role of the DI Secretary

i. To take detail notes of the entire DI proceeding.

ii. To prepare the final DI proceeding notes.

iii. To ensure the DI notes are acknowledged by: The DI Panel Chairman, panel members, prosecuting officer, accused employee and witnesses.

4.12. The Domestic Inquiry Procedure:

4.12.1. **Step 1 – Issuance of Show Cause Letter:** HRDD shall prepare and issue the show cause letter based on the findings of the completed preliminary investigation.

4.12.2. **Step 2 – Response to Show Cause Letter:** Affected employee must respond to show because letter issued by the Company.

4.12.2.1. Failure to reply shall be constituted as admitting guilt and appropriate disciplinary action shall be taken.

4.12.3. **Step 3 – Issuance of DI Notice:** Based on the reply submitted by the affected employee, the Management shall consider if there is a need for the DI to be carried. If a DI is necessary then the affected employee shall be issued the Notice of Domestic Inquiry.

4.12.4. **Step 4 – Suspension from Work:** Depending on the severity of the misconduct or to maintain work place harmony the affected shall be suspended for work with full pay for a period determined by Management. The employee shall issue the Notice of Domestic Inquiry by HRDD.

4.12.5. **Step 5 – Appointment DI Panel:** The HRDD shall select suitable employees as DI Panel member.

Classification: HRM Policy	Document Reference No:	Revision No: 00	Date of Issue:
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			Date of Review: Nil

- 4.12.6. The panel shall comprise of either three (3) or five (5) members as determined by the Management.
- 4.12.7. The HRDD shall ensure that:
- a. the panel members selected are not involved directly or indirectly in the investigation of the alleged misconduct.
 - b. the DI Panel should consist of employees of the same rank or higher than the accused employee. The DI panel chairman shall be chosen from among the panel members.
 - c. The DI panel chairman shall be responsible to ensure that the panel must strictly comply with the principle of natural justice and the panel should be seen to act fairly and justly.
 - d. The DI Panel Chairman shall also ensure that the DI proceeding is carried in a fair manner and open manner where both parties are given equal opportunity to present their case.
- 4.12.8. **Step 6: The Domestic Inquiry:** The domestic inquiry shall be carried out with both the Company and the alleged employee presenting their case before the DI Panel.
- 4.12.8.1. Both the Company and the alleged employee shall be given fair and equal opportunity to be heard.
 - 4.12.8.2. Both parties shall present witnesses and documented evidence relating to the case.
 - 4.12.8.3. Both parties shall be allowed to question each other's witnesses.
 - 4.12.8.4. Chairman of the DI panel also can question all witnesses to clarify details and facts.
- 4.12.9. **Step 7 – The Disciplinary Action:** The DI Panel shall be fair and just when reviewing all the evidence and witnesses' statement's before determining the following:
- 4.12.9.1. If the accused employee is guilty or not of the alleged misconduct as charged.
 - 4.12.9.2. If guilty; propose a fair punishment befitting the misconduct.
 - 4.12.9.3. If not guilty, propose withdrawal of all allegations, and employee to be cleared of all charges of misconduct.

Classification: HRM Policy	Document Reference No:	Revision No: 00	Date of Issue:
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5. RESPONSIBILITY

- 5.1. HOD is responsible to monitor and manage the discipline of employees in the department.
- 5.2. HRDD is responsible to provide advice on disciplinary issues and to coordinate process and maintain employee's disciplinary records.
- 5.3. CEO/BOD is responsible to review and approve recommended disciplinary actions.
- 5.4. HRDD is responsible to coordinate and conduct investigation and the Domestic Inquiry.
- 5.5. HOD is responsible to assist in investigation of the misconduct/indiscipline.
- 5.6. CEO/BOD is responsible to approve recommendation made by the Domestic Inquiry Panel.

6. REFERENCES

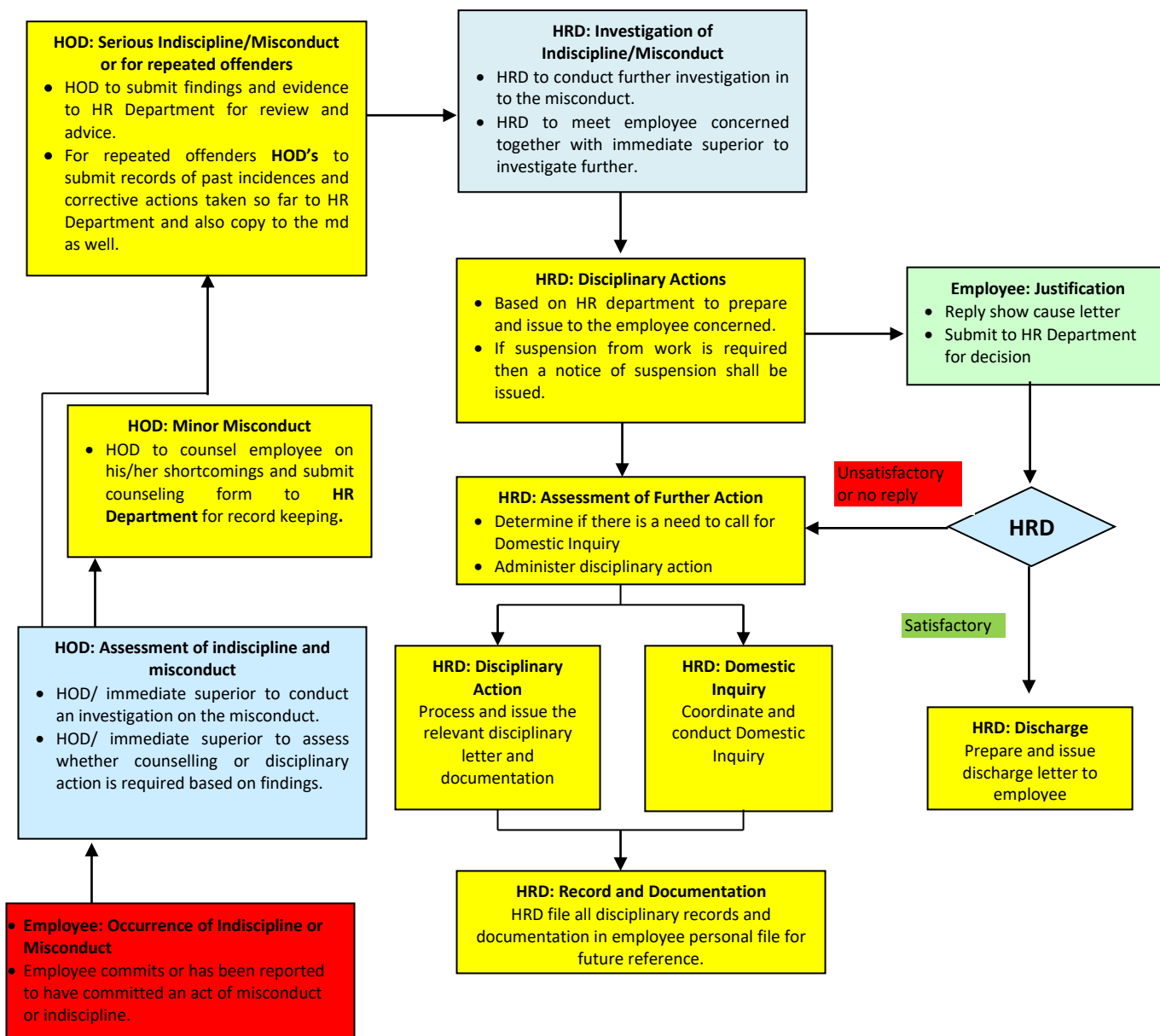
- 6.1. <company> - Employee Handbook.

7. DEFINITIONS

- 7.1. **Disciplinary Action** refers to actions the company may have to take in response to an employee's misconduct or inadequate performance.
- 7.2. **Principle of Natural Justice:** Guiding principle for the administration of any disciplinary action where an employee shall be treated fairly and shall be given every opportunity to defend against and allegation of misconduct.
- 7.3. **Misconduct:** Mode of behaviour of an employee that is inconsistent with the expressed or implied obligation to and expectations of the Company.
- 7.4. **Domestic Inquiry:** is an internal inquiry conducted in an unbiased manner by non-partisan panel members to examine any alleged misconduct based on evidence and at the same time provide the alleged employee an opportunity to defend him/herself against any allegation.

Classification: HRM Policy	Document Reference No:	Revision No: 00	Date of Issue:
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8. FLOWCHART – DISCIPLINE MANAGEMENT



Classification: HRM Policy	Document Reference No:	Revision No: 00	Date of Issue:
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10. RECORDS

10.1. All documentations and forms managed and filed by the HRDDD.

11. APPROVAL AND IMPLEMENTATION

Implementation Date	
Approved by BOD	
Date	