



MEGA SQUARE SDN. BHD.

DISCIPLINARY PROCEDURE

Version December 2021

DISCIPLINARY PROCEDURE

All employees of Mega Square Sdn. Bhd. (the “Company”) must adhere to the company rule and regulations. The highest standards of personal and professional ethics and behavior are expected of all employees. Any employee, who commits misconduct or a breach of rules, shall be subject to disciplinary action.

Minor misconducts shall be attended by the respective Head of Department or Personnel & Administration Manager via counseling session, additional training or verbal warnings, where appropriate and shall be monitored for improvements. This may relate to duty such as carelessness, dishonesty, misappropriation, insubordination, habitual lateness in reporting for duty, absence from work without Supervisor's/HOD's consent or approval, non-performance etc.

For major misconducts, the Company shall take appropriate disciplinary action against the offending party which may include further counseling, warnings, suspensions or dismissal, in accordance with the steps set out below. Major misconducts include repeated minor misconducts, fighting, assault, quarrel, gambling damage to Company property, drug abuse, fraud, misconduct relating to morality such as committing an indecent act, sexual harassment, pornography, keeping or distributing indecent or pornographic literature at the workplace, etc. or such other misconduct/wrongdoing as determined by the relevant Head of Department or Personnel & Administration Manager from time to time.

Steps as below may apply in any case of major misconduct:

- **Inquiries**

A panel as appointed at the discretion of the Company shall conduct all inquiries. The inquiry panel shall not include a member(s) whose presence may affect the impartiality of the panel in its conduct of the proceedings and its recommendations.

The proceedings of an inquiry shall be duly recorded by the panel for submission to the Personnel & Administration Manager or to the appropriate higher authority for decision.

The Company may suspend an employee on half pay for a period of not exceeding two (2) weeks pending an inquiry and if such inquiry does not disclose any misconduct on the part of the employee, the Company shall restore to such employee the full amount of pay withheld.

▪ **Action by the Company**

All disciplinary actions taken by the Company shall comply with the Company's established procedures and current legislation. Where there is any conflict between the two, current legislation shall prevail.

Head of Departments may issue written warnings on the advice of the Personnel & Administration Manager. All written warnings shall be recorded in the employee personnel file. In the event where three (3) warning letters for a similar offense have been issued within a period of twelve (12) months, the employee shall be subject to an inquiry to determine further disciplinary action.

Depending on the gravity of the misconduct committed and after due inquiry, the employee may be subject to any of the following actions to the permissible extent of the local laws:

- Dismissal with or without notice
- Downgrade
- Suspension without pay up to a maximum of two (2) weeks
- Stoppage / Withholding of increment
- Withholding of bonus
- Withholding of promotion
- Written warning

▪ **Summary Dismissal**

The Company reserves the right to dismiss an employee without notice after due inquiry for serious or gross misconduct or a breach of an important term of the employment contract including but not limited to dishonesty, insubordination, gross neglect of duty, criminal conviction.

This right is in addition to and does not prejudice its other rights under law.