



Group Policy – Disciplinary and Grievance Policy

Policy no	Version	Approved by	Prepared by	Effectuated/Review date
HR_GP_00011	V1	Win Win Tint	Pwint P Han	26/03/2024

*This policy is a Group policy and applies to all employees employed under the following Sectors:
City Holdings; Retail, Distribution (FMCG); Distribution (Premium); F&B; Ventures (100% own entities)*

1. Purpose

This policy is aimed to provide a fair and consistent framework for managing disciplinary issues and grievances within City Holdings Limited and its respective sector companies.

2. Scope

This policy applies to all employees working in the Group.

3. Compliance

Alongside their compliance with the provisions in a respective employee's employment Contract (EC), all team members are expected to comply with the policies that are issued by their sector and/or City Holdings Limited from time to time. These policies may include but are not limited to the Code of Conduct (COC), HSE Management Plan, Information Security Policy, Dress Code and Non-Disclosure Agreement for Employees (NDA) and any other policies that the Group may issue. The details can be found in the related policies and documents. Failure to comply to the provisions, requirements and obligations of the EC or such policies, may result in disciplinary actions as per this Disciplinary and Grievance Procedures as follows.

4. Ordinary Misconduct and Serious Misconduct

Whether conduct is considered to be ordinary or serious is to be ascertained pursuant to the processes and procedures as noted in this policy. It may be the case that the EC or the policy document itself will expressly reference where conduct is ordinary or serious. Any such express statement on whether conduct is ordinary or serious will be considered as part of the processes and procedures noted under this policy.

5. Disciplinary Procedure

Identification of the Issue

When a certain behavior or performance issue arises of an employee, the line manager will identify the need to trigger for disciplinary action. Upon the receipt of a disciplinary issue, the line manager must discuss with respective sector HR Business Partner (HRBP) and where deemed necessary investigations may be conducted as per Paragraph 7 of this policy.

Informal Stage: In minor cases of misconduct or performance issues, the line manager and the respective sector HRBP will conduct informal counseling sessions with the concerned employee to address concerns and offer guidance.

Formal Stage – Ordinary Misconduct: Where informal action fails or the conduct is considered to be ordinary misconduct the Formal Process – Ordinary Misconduct outlined below will be followed.

- **First Written Warning:** Upon the initial instance of ordinary misconduct, the employee will receive a written warning. This formal document serves as a notice highlighting the

nature of the ordinary misconduct, outlining the expected behavioral standards, and emphasizing the potential consequences of further violations.

- **Second Written Warning:** In the event of a second occurrence of repeated ordinary misconduct, a subsequent written warning will be issued. This step underscores the importance of addressing and rectifying the employee's behavior.
- **Final Written Warning:** Upon the third instance of repeated ordinary misconduct, the employee may be issued with a final written warning whereby explicitly informing the employee that any further violation from his/her part will result in the dismissal from the employment with the Group.
- **Dismissal:** In the unfortunate event of repeated ordinary misconduct within a 12-month period after the final written warning, the employee will face dismissal without any compensation. This step will only be taken after a comprehensive review of the employee's disciplinary history, considering the frequency and severity of the violations. Employees who receive warnings, be it written or final, will be deemed ineligible for increments and performance – based bonuses.

Formal Stage – Serious Misconduct: In the case of Serious Misconduct, the Formal Process – Serious Misconduct outlined below will be followed.

- **Dismissal:** If it is established that an employee has committed serious misconduct, then an employee may face dismissal without any compensation.

6. Grievance Procedure

Informal Resolution

Informal ways of dealing with grievances will emphasize resolution rather than factual proof or substantiating of a grievance and can include, but are not limited to the following actions:

- A direct private discussion is held or mediated between the complaint and the respondent (where the parties agree to participate);
- A grievance is made, the respondent admits the behavior, investigation is not required, and the complaint can be resolved through counselling;
- A supervisor or manager observes unacceptable conduct and takes disciplinary actions where necessary as per the Paragraph 5 of this policy even though no formal grievance has been made.

Formal Grievance Process

If an issue cannot be resolved informally, the employee may initiate a formal grievance process by submitting a written grievance to the relevant HRBP and Heads of Department (HOD), outlining the nature of the grievance and desire resolution. Based on this formal grievance, investigations will be conducted as per the paragraph 7 of this policy.

7. Investigation and Decision Making

Investigation: Disciplinary and grievance matters will be thoroughly and impartially investigated. To ensure a comprehensive and unbiased assessment, the Group mandates the establishment of an investigation panel. This panel may consist of either internal experts or independent investigators with the expertise necessary to conduct a thorough inquiry. This investigation panel will be comprised of competent individuals, including independent investigators such as HR representatives, HODs, Line Manager or, when deemed essential, a third party with expertise in areas such as Finance, Audit, or Legal.

The process for investigation is set out as below.

- The panel conducts a thorough and impartial investigation into the grievance, which may include interviews with the parties involved, reviewing relevant documents, and gathering any other evidence.
- The investigators will compile a detailed report summarizing the findings of the investigation, including any recommendations for resolution.
- The Investigation Panel presents the report to the relevant decision-making authority, such as Head of HR, Head of department (HOD), or CEO.
- The decision-maker will make a decision on the appropriate action to take, based on the findings and the decision maker is to report the case along with the findings and decision to the Group Panel for any serious cases.
- Outcomes of a formal investigation can include any or a combination of the following:
 - Counselling, coaching or mentoring;
 - Formal written warning
 - Termination of employment (including without notice or pay in lieu of notice);
 - Facilitating a meeting between the complainant and the respondent to attempt to resolve the matter by direct discussion;
 - Regular monitoring of behavior;
 - A commitment by the respondent to change the behavior or conduct that was the subject of the complaint;
 - A change in working arrangements;
 - An apology;
 - Any such other reasonable resolution.
- Upon reaching a decision, the investigation panel undertakes the responsibility of transparently communicating its findings and Head of HR, HOD or line manager will notify to the concerned employee.

8. Appeal Process

Employees have the right to appeal disciplinary or grievance outcomes. This appeal must be submitted to the Head of HR or the CEO within five (5) working days of notification of the decision. Upon receipt of an appeal, the CEO will conduct a thorough review of the case. If deemed necessary for a more comprehensive assessment, the Chief People Officer (CPO) may be consulted for additional insights. The potential outcomes of the appeal process are diverse and may include counseling, issuance of a written warning, termination, or mediation, as deemed appropriate based on the merits of the appeal.

9. Final Decision

The decision rendered by the CEO following the appeal process will be deemed final. Subsequently, the Head of HR will take the responsibility of communicating the conclusive decision outcome to the concerned employee. If the matter is successfully resolved, the process will be considered concluded. This final step emphasizes the commitment to upholding the integrity of the grievance resolution process, providing closure to all parties involved.

10. Confidentiality and Fairness

When a disciplinary and grievance issue is raised, the Group will maintain confidentiality to the maximum extent possible, taking into account its obligation to provide a safe work environment and to afford natural justice to those against whom a complaint is made (respondent). Employees who are directly involved in a complaint or an accompanying investigation (whether as a complainant, respondent, witnesses or support person) must maintain confidentiality.

11. No Victimisation

Victimisation means adversely treating a worker who has raised a complaint or has assisted someone in raising a complaint. City Holdings' and Group Companies adopt a zero-tolerance approach to any form of retaliation against individuals or companies who raise concerns under this policy. Any incidents of victimisation should be immediately reported through the channels mentioned in the Workplace Anti-Harassment, Non-Discrimination and Anti-Bullying Policy. Deliberately retaliating against an individual or company raising a concern is a breach of this policy and will be investigated in accordance with City Holdings' disciplinary procedures, which could ultimately end up leading to summary dismissal.

12. Amendment of Policy

This policy may be amended at any time, in which case the revised policy will apply from the date of revision regardless of the date commencement of employment. If there is any issue as to the interpretation of how this policy is to apply, the Group's interpretation will be final.