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SPHM
HOSPITALITY

SPHM – EMPLOYEE HANDBOOK



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Employee Handbook



Employee's

Hand Book

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Work Regulations of Sun Paradise Hotels

Location Tibubeneng | Kuta Urata | Badung | Bali 80361

Business Hotel

Number of Employees Male _____, Female _____ in total _____ (approx)

The Sun Paradise Hotels considers quality employees as invaluable asset. It is important that all employees work with dedication, responsibility, diligence and unity in order for the Company to efficiently achieve success and prosperity.

To encourage cooperation and harmony, the Company has published the work regulations as follow.

Chapter 1 General Provisions

1.1 Introduction

- 1.1.1 These work regulations are in effect as of Month/Date/Year
- 1.1.2 Regulations, rules, announcements or notices used prior to the date in 1.1.1 that are conflicting with or contradicting these work regulations are to be replaced with these work regulations.
- 1.1.3 If in doubt or no details were specified in these regulations, the Labour Protection Act L.L 13/2003, the Industrial Relations Act L.L. 13/2003 or other Government legislation must be used as a guideline.
- 1.1.4 The Company reserves the right to change, correct, add to or omit any parts or all of the content of the work regulations in line with possible socio-economic changes or the promulgation of a new legislation, so as to assure efficiency and legal compliance. The Company will comply with the Supreme



Court decisions, the Labour Protection Act L.L. 13/2003 and the Industrial Relations Act L.L. 13/2003

1.2 Definition

All employees should study these work regulations in details in order to comply.

Company	means	xxx Resort and Spa and includes persons authorized to act for or represent the Company.
Wage	means	money that the Company pays employees as a reward for their work carried out during normal work hours and employees are legally entitled to receive. This does not include bonus, service charge, entertainment, transportation, traveling expense, or other payments that are referred to in other terms.
Service charge	means	money collected from patrons of the hotel at a specified rate, on top of the listed tariffs. The money is paid out monthly to company's staff, with a certain part spent for the benefit of staff as a whole.
A period of 1 year	means	12 months starting from January 1 st to December 31 st of each year. Except in the first year of employment, the period will be counted from the first day of employment to the end of year and calculated as a proportion of one year.
A period of 1 day	means	24 hours from 0.00 to 24.00 hours. For shift employees, part of work hours that may encroach a holiday shall be considered as normal work hours of a normal workday.
Superior	means	employees whose position in the Company that of a supervisor and is above. A superior has an authority to give order, assign, and supervise a subordinate to ensure compliance with Company's policy. He/she also has the authority to hand out disciplinary actions.



Employee means a person who agrees to work for the Company and receives wages payment. He/she must have completed a probationary period by showing adequate competence for the position. He/she must also have satisfactory performance, behavior, and attitude towards job and the Company as well as good health. The Company may then choose to employ persons who satisfy these criteria as permanent employees.

Probationary employee means an employee who has been admitted for employment and notified in writing at the beginning by the Company that there will be probationary period of various duration depending on the nature and condition of work. The Company has the right to terminate employment or lengthen the probationary period when deemed necessary. This applies when one or more of the criteria such as performance, behavior, attitude or health are not met. A probationary employee shall be entitled to the rights in accordance with the Labour Protection Act L.L. 13/2003. In case of termination, an advance notice of not shorter than one pay period will be given.

Daily rate/ hourly rate or piece rate employee means a person who is employed and paid on a per day/hour or piece basis. He/she is also entitled to a work on holiday payment as well as sick leave, maternity leave, military service leave and sterilization leave in accordance with the regulation for taking leave.



Contract employee means

an employee who is employed by the Company under a written contract for occasional task which has a specific date of completion or objective, or is seasonal in nature, or for a project that is not a normal business or trade of the Company, or a general task which has a specific date of commencement and completion. He/she shall be entitled to the rights in accordance with the Labour Protection Act L.L. 13/2003

1.3 Employment Policy

- 1.3.1 The Company will not admit for employment, a person who is under the age of 18 and/ or a person who has had his/ her employment terminated by previous employer for any violations or unsatisfactory behaviors.
- 1.3.2 The Company will not admit for employment, a person who has relation with Company's employee as a father, mother, spouse, child or sibling. If two employees from the same department get married, one of the employees will be reassigned to another department as deemed suitable by the Company.
- 1.3.3 The Company will admit for employment, a person who has adequate knowledge, competency and attitude for the job. The selection process will be carefully carried out and appropriate right, benefit and continuous training will be provided.
- 1.3.4 All applicants must go through employment test arranged by the Human Resource Manager/Personnel, department manager concerned, and finally approved by the General Manager.
- 1.3.5 Qualified applicant must submit the following documents to the Human Resource/Personnel Department.
 - a. 6 size 2" x 1.5" photographs of applicant (top half, facing straight, not wearing hat) taken within the last 6 months.
 - b. Copy of identification card
 - c. Copy of residence registration
 - d. Copy of academic transcript or qualification required by the Company
 - e. Copy of tax payer identification card
 - f. Copy of social security paper
 - g. Other documents (marriage registration, birth certificate of child, reference letter from previous employer)



- 1.3.6 All new employees must undergo a physical examination by a physician before commencement of work.
- 1.3.7 The Company has the right to reassign employee to another position, work place or shift as it sees fit and in accordance with the Labour Protection Act L.L. 13/2003 and the Industrial Relations Act L.L. 13/2003

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Chapter 2

Work Days, Work Hours and Rest Hours

2.1 Administrative Staff

2.1.1 Normal workdays	5 ½ days per week from Monday to Saturday
2.1.2 Normal work hours	Monday-Friday 08.30-17.30 Saturday 08.30-15.00 Sunday is a weekly holiday.

2.2 Service Employees

2.2.1 Normal workdays	6 days per week
2.2.2 Normal work hours, 8 hours per day (excluding rest hour), divided into	
- Morning shift	07.00 - 15.00 hrs.
- Afternoon shift	15.00 - 23.00 hrs.
- Evening shift	23.00 - 07.00 hrs.

The Head of each department will determine work schedules and weekly day off and notify employee at least 3 days in advance. Work periods may differ from the above in accordance with work requirements, and/or individual arrangement.

2.3 Rest Hour (not counted as a part of work hours)

A rest hour is allocated after 5 work hours. The Company may change rest hour when appropriate and the authority on this matter is given to a supervisor. Employee will be notified in advance. On average, there shall be at least 1 rest hour per workday. For employee who works split shift, a ½ hour rest period shall be provided for each work period.

When in an emergency or when continuity of work is necessary and rest hour can not be provided as stated in 2.3, the Company will make new arrangement for more suitable rest period. The Company may have to change the workdays and work hours of some or all of the employees or department as it sees fit and it will notify employees of such changes in advance and in accordance with Labor Law Chapter VI connecting the Pancasila Industrial Relations.



Chapter 3

Holidays and Leave Regulations

3.1 Holidays and Regulation for taking Holidays

The Company provides weekly holiday, traditional holiday and annual holidays as follow.

3.1.1 **Weekly holiday**, 1 day per week or 1 day for every 6 days period depending on the nature of work. Arrangement may be made for the accumulation of unused weekly holiday over a period of no more than 4 consecutive weeks if deemed beneficial by a supervisor.

3.1.2 **Traditional holidays.** The Company provides at least 13 days of traditional holidays per annum including the National Labor Day. Employee will receive normal wage payment during these holidays. Traditional holidays will be announced prior to January 1st of each year. When a traditional holiday coincides with a weekly holiday, the traditional holiday shall be postponed to the next workday.

3.1.3 Annual holidays

3.1.3.1 Employee who has completed 1 year of service shall be entitled to an annual holiday with normal wage payment as follow:-

1-2 years employment	annual holidays 12 days
More than 2 but less than 4 years	annual holidays 14 days
More than 4 but less than 7 years	annual holidays 16 days
More than 7 but less than 10 years	annual holidays 18 days
10 years or more	annual holidays 20 days

3.1.3.2 If the employment contract differs from the Company's work regulations regarding this issue, the employment contract shall take precedent.

3.1.3.3 Head of department may arrange the annual holiday in advance for employee. He/she must notify the employee at least 7 days prior to the holiday and must have employee's consent.

3.1.3.4 If an employee wants to arrange his/her own annual holiday, he/she must submit a leave application form at least 7 days in advance. Each leave must be no less than half a day. An employee may take leave only when approved. A superior has the authority to approve or



disapprove, decrease or increase, postpone or change the date when necessary.

- 3.1.3.5 For an employee who has submitted a resignation letter and has such letter approved, he/she may use the remaining annual holiday for that year by calculating as a proportion to the remaining days in a particular year. The annual holiday must be used no less than 30 days prior to the intended date of resignation for the purpose of handing over responsibility to a replacement staff.
- 3.1.3.6 The Company has the right to change the annual holidays and recall employees back to work in case of emergency that may damage the Company's business or service. The Company will make arrangement for new dates of annual holiday as compensation.

3.2 Leave and Regulation for taking Leave

3.2.1 Sick Leave

- 3.2.1.1 Employee who is unable to report to work or has reported to work but unable to perform his/her duty may apply for sick leave until recovers. Employee will receive normal wage payment during the sick leave but not more than 30 workdays per annum.
- 3.2.1.2 Employee who is unable to report to work because of sickness must inform his/her superior before work commencement or as soon as possible to prevent problem in the Company's operation. He/she must submit a sick leave form within 3 hours of the first day of return to work. After the department manager has given approval, the form shall be passed on to the timekeeper to keep as evidence. If this regulation is not followed, the employee shall be considered as a violating of the Company's leave regulations.
- 3.2.1.3 Employee who takes 3 or more consecutive working days of sick leave with or without a holiday must submit a medical certificate issued by a first class physician together with a sick leave form. If an employee does not have access to a first class physician, he/she must explain the situation to the Company. A supervisor may send the employee for medical checkup at a hospital of the Company's choice. If the physician finds that the employee is not sick, the employee will be considered absent from work.



- 3.2.1.4 Employee who takes more than 30 workdays of sick leave per annum may be considered incompetent and may be reassigned to another job or has his/her employment terminated with severance payment in accordance with the Labor Law Article 93.
- 3.2.1.5 In case an employee falls sick during work hours, he/she must request approval for sick leave from a supervisor or head of department and may seek medical treatment when given such approval.
- 3.2.1.6 The inability to perform work due to work related accident or illness and maternity leave shall not be considered as sick leave.

3.2.2 Maternity Leave

- 3.2.2.1 A pregnant employee must notify and submit a medical certificate to the Company immediately upon knowing of the pregnancy.
- 3.2.2.2 A pregnant employee shall be entitled to take maternity leave before and after the delivery for up to 90 days, including any holidays that may occur during the period. She must inform a supervisor of the expected date of delivery at least 2 months in advance and submit a leave form at least 7 days prior to the delivery date. After given approval, the leave form must be passed on to the Company's timekeeper to keep for evidence.
- 3.2.2.3 Employee may take maternity leave and receive normal wage payment for the duration of leave but not more than 45 days. After 90 days of maternity leave, if the employee is certified by a doctor as unable to return to work, she may take a further 30 days of unpaid leave.
- 3.2.2.4 If a pregnant employee produces a medical certificate issued by a first class physician stating that she is unable to perform the existing responsibility, she must make a request to the Company for a temporary change of job before or after the delivery. The Company will consider a reassignment when appropriate.
- 3.2.2.5 A miscarriage that occurs before 28 weeks of pregnancy shall not be considered a maternity leave but a sick leave caused by accident. A miscarriage after 28 weeks of pregnancy on the other hand is counted as maternity leave.



3.2.3 Military service leave (if any Law in the future time)

An employee who is called up by the military for service, testing, training or readiness testing according to the Law on military service is entitled to take leave with normal wage payment for the duration of leave. This is not to be more than stated in the call up letter and not more than 60 days per annum (including holiday, except for military conscription.) Employee must submit a leave form together with a copy of the call up letter for approval immediately upon receiving the call up letter. If the employee fails to do so, he shall be considered absent from work.

When the employee is dismissed from the military service, he must report back at work within 3 days or he will be considered as neglecting duty beginning from the first day of the completion of military service.

3.2.4 Sterilization leaves

Employee shall be entitled to take sterilization and related leave with pay for the duration required and stated on a medical certificate issued by a first class physician.

3.2.5 Training leave

Employee shall be entitled to take training leave according to the following conditions and regulations stated in the Ministerial order.

- a. For the benefit of labour and social security or to develop skill, expertise and increase efficiency at work.
- b. Academic examination organized or authorized by the government agency but not including leave for further education.

Training leave form must be submitted 7 days prior to the date and must state the reason along with proof of evidence. It can only be taken after the Company has given approval. The Company may not approve of such leave if employee has taken not less than 30 days or 3 times of leave for such purpose or if it may damage or affect the Company's business.

3.2.6 Priesthood leave or pilgrimage leave (such as in Mecca, Saudi Arabia.)

Employee who has completed 3 or more year of employment and has never been ordained (Buddhism) or taken pilgrimage (Islam) shall be entitled to take priesthood or pilgrimage leave with pay for a period of not more than 7 days



(including holidays.) If intended to spend more time for the purpose, employee may take longer leave without pay and without other benefits. Employee must seek approval from the General Manager or a person authorized by the General Manager. The leave application form must be submitted at least 30 days in advance. After leaving the priesthood or returning from the pilgrimage, the employee must immediately report back to work and the leave shall be considered expired even if it has not reached the intended date. It is a one off leave during the whole duration of employment at the Company.

3.2.7 Private leave

For necessary business, which can not be carried out during holiday or for an emergency case, employee shall be entitled to take private leave with pay for no more than 3 workdays per annum.

A special private leave with pay may be taken for no more than 3 workdays per annum to attend a funeral of spouse, father, mother or child. A copy of the death certificate must be submitted as evidence upon returning to work.

3.2.8 Other leaves

Other leaves apart from those listed or specified by law will depend upon the consideration of the General Manager or person authorized by the General Manager. Such leave may or may not be approved and may be with or without pay, with or without service charge.

Employee who takes private leave/ sick leave/ other leaves or absent from work for more than a total of 30 days in one year, the Company may deduct or cancel bonus, benefits or annual raise.

Leave taken without approval or in breach of regulations, if there is no satisfactory explanation, will be considered negligence of duty. Employee may be given disciplinary actions, which will affect the consideration of annual raise and/or award or other monetary rewards from the Company.

3.2.9 Resignation from work

Employee who wishes to resign must submit a resignation letter as follow.

- Employee from the rank of assistant and above must submit a resignation letter at least 30 days in advance.



- Employee from the rank of supervisor and below must submit a resignation letter at least 15 days in advance.

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Chapter 4

Remuneration

4.1 Date and Place for Payment of Wage, Overtime, and Work on Holiday.

- 4.1.1 The Company will pay wages, overtime and work on holiday payment at employee's work place or transfer it to employee's designated bank account. The payment of wage, overtime, work on holiday and overtime work on holiday will be made at the end of each month. Overtime during the last week before the payday will be paid on the subsequent payday. If the payday coincides with a holiday, the Company will arrange for the payment to be made on the last workday prior to the holiday.
- 4.1.2 Employee must pay personal income tax as required by the Law. The Company will make deduction at the place of payment for the Revenue Department. It would be the responsibility of the employee to make payment for any additional taxes. Employee would also be entitled to a full amount of tax rebate if any exists.
- 4.1.3 In the case of termination of employment, the Company will arrange wage, overtime, work on holiday payment, etc. within 3 days after the date of termination.

4.2 Regulation for Overtime Work and Work on Holiday

- 4.2.1 When in an emergency or when continuity of work is necessary otherwise damages to the Company may occur, the Company may require employee to work outside or beyond normal work hours or on holiday. For the purpose of sale and service, the Company may require employee to work outside or beyond normal work hours or on holiday with employee's consent. The extra work hours shall not exceed 36 hours per week.
- 4.2.2 If employee reports to work overtime or on holiday without Company's order or permission, the Company will not pay the overtime or work on holiday payment.
- 4.2.3 Calculation of overtime and work on holiday payment will be according to the recorded hours as appear in time card but shall not exceed that ordered or authorized by the Company. If the Labour law regarding the calculation of overtime and work on holiday payment is changed, the calculation shall be in accordance with the new law from the date of effect.



- 4.2.4 The Company considers it a responsibility of all employees to cooperate with the Company's request for overtime or work on holiday.
- 4.2.5 The Company will not assign a pregnant employee to do any overtime forbidden by the Labour Protection Act L.L. 13/2003. However, it is the responsibility of the pregnant employee to inform the Company of her pregnancy together with sufficient evidence issued by a first class physician.
- 4.2.6 The Company will arrange for at least 20 minutes rest period (without pay) before the commencement of overtime work if such overtime work will be longer than 2 hours. If the nature or condition of work requires continuity and employee has given consent, or in an emergency, this rest period may not be arranged.
- 4.2.7 Employees who shall not be entitled to overtime work payment are as follows:
 - 4.2.7.1 Superiors with the authority of employment, termination of employment, and disciplinary actions.
 - 4.2.7.2 Employees performing transportation functions.
 - 4.2.7.3 Employees working as security guards taking care of Company's premises and properties.
 - 4.2.7.4 Employees working outside the Company's premises, definite hours for which can not be determined.
 - 4.2.7.5 Other work which will be listed when announced by the Ministry of Labor Per. 31/MEN/X/206 and Law No. 3/1992 regarding Jaminan Sosial Tenaga Kerja.
- 4.2.8 For overtime work on a normal workday, the Company will pay overtime payment at the rate equivalent to one and a half times the normal hourly rate for the duration of overtime work.
- 4.2.9 For work on holiday during normal work hours of a normal workday, the Company will make compensation as follows:-
 - 4.2.9.1 The Company will arrange with the employee concerned to take a number of days off as substitute for the number of hours, or days, such employee is required to work during his days off, or
 - 4.2.9.2 Employee who is already paid on holiday, when assigned to work on a holiday will receive additional pay at the rate not less than one and a half times the normal hourly rate for the duration of work on holiday or for the amount of work completed.



4.2.9.3 Employee who is not eligible for payment for work on holiday, if assigned to work on a holiday will receive payment at the rate not less than two times the normal hourly rate for the duration of work on holiday or for the amount of completed.

4.2.10 For overtime work on holiday, the Company will pay employee no less than three times the normal hourly rate for the duration of overtime work on holiday.

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Chapter 5

Discipline and Disciplinary Actions

5.1 Work Discipline

- 5.1.1 Employee must strictly comply with the Company's regulations, notices, employment contract and orders.
- 5.1.2 Employee must obey the superior's order.
- 5.1.3 Employee must wear clean and tidy clothing during work hours.
- 5.1.4 Employee must be punctual, must not clock in for other employee, report to work late, leave work early, absent from work, neglect duty, take leave without sufficient reason or leave work unless for Company's business and only when approved by a superior. Employee must not abuse leave regulations.
- 5.1.5 Employee must be honest to duty and not cause damages or loss of customers', the Company's or fellow employees' properties either intentionally or through negligence.
- 5.1.6 Employee must perform his/her duty efficiently, with politeness and courtesy towards customers and fellow employees.
- 5.1.7 Employee must not seek unjust benefits from customers and fellow employees.
- 5.1.8 Employee must strictly follow the work safety procedures.
- 5.1.9 Employee must not perform work for other employer or work that is not the Company's business during work hours or within the Company's premises; except when given written approval. Employee must not compete with the business of the Company and must not directly or indirectly hinder the Company's interests.
- 5.1.10 Employee must not gamble or support any gambling related activities either within or outside the Company's premises.
- 5.1.11 Employee must not consume alcoholic beverages, intoxicant or illicit drugs and must not report to work while under influence of such substances.
- 5.1.12 Employee must not violate the Law or moral ethics or be an accomplice in crime. Employee must behave well and follow the society's code of conduct.



- 5.1.13 Employee must not bring illicit drugs or dangerous weapons to the work place.
- 5.1.14 Employee must not sexually harass or abuse other employees.
- 5.1.15 Employee must protect the Company's and customers' interests and secret, must follow up the result of one's own work and must immediately report any incident which may cause damages to the Company's properties or reputation.
- 5.1.16 Employee must maintain work equipment and tools in good working order.
- 5.1.17 Employee must help protect and prevent the damages or loss of the Company's properties whether from human factor or natural disaster.
- 5.1.18 Employee must help maintain the Company's cleanliness by removing rubbish or waste and place them in the Company's designated place.
- 5.1.19 Employee must preserve the harmony among employees whether within or outside work hours, must not fight, insult, confront, threaten or harm other employees.
- 5.1.20 If an employee or any of his/her family contract a contagious disease, the employee must immediately inform the Company. For a change of name/surname, address, marriage or divorce, childbirth or receive additional certificate/qualification or degree, employee must inform the Company within 7 days of such event.
- 5.1.21 Employee must preserve the tidiness of the Company, must not destroy, remove, add to or erase content of any Company's documents or notices without Company's written permission.

5.2 Disciplinary Actions

Employee who violates or evades the Company's regulation or discipline shall be punished according to the severity of violation. The employee may receive one or more of the following disciplinary actions but not necessary in any particular order.

- 1. Verbal warning
- 2. Warning letter
- 3. Deduction of rewards or other benefits
- 4. Suspension from work up to 7 days without pay.
- 5. Cancellation of annual raise
- 6. Termination of employment/expulsion



During an investigation of the violation, the Company may rightfully suspend the employee from work for not more than 7 days, with half the normal wage payment. The Company will issue a suspension letter stating the reasons and will inform the employee in advance.

Warning letter shall be in effect for 1 year during which time the employee repeats the violation, he/she may have his/her employment terminated without severance pay.

Example of Violation (type A)

1. Not notifying the personnel department in writing of a change of address within 30 days.
2. Using telephone for private business while on duty.
3. Leaving one's locker dirty and untidy.
4. Keeping one's hair longer than allowed by the Company, wearing beards/moustache, leaving face unshaved or wearing earrings. (male employee)
5. Wasting Company's time, wandering around and not doing work.
6. Consuming food outside the employee's canteen or bringing food into other areas apart from the canteen.
7. Not clocking work hours or not recording work hours in the department's notebook either when reporting in or leaving work.
8. Reporting in late or leaving work early.
9. Consuming food or drink prepared for customers or left over from customers, or consuming food or drink, which are not prepared for service or sale.
10. Wearing mourning clothes or wearing a uniform with any symbols attached.
11. Not wearing the Company's designated uniform.
12. Not informing a supervisor/head of department when unable to keep up with work schedule.
13. Neglecting duty without justifiable reasons.
14. Leaving one's work place without a supervisor's permission.
15. Substituting for other employee or exchanging holiday without permission from the department manager and the Human Resource/Personnel Manager.



- 16. Using toilet designated as customers only without justifiable reasons.
- 17. Using private lock on a locker without permission.
- 18. Wearing or taking the uniform outside the Company's premises without permission.
- 19. Causing damages to or altering the Company's designated uniform.
- 20. Wearing untidy clothing to work.
- 21. Soliciting contribution in term of money or other items within the Company's premises without permission.
- 22. Distributing documents, leaflets or posters within the Company's premises without permission.
- 23. Not informing the Company of one's illness and damages of properties.
- 24. Not complying with the Company's order for employee to undergo medical checkup or x-ray etc.
- 25. Not complying with the Company's order for employee to participate in fire safety & prevention training.
- 26. Violating the regulations regarding the issue of hygiene or using hygiene equipment in a wrong manner.
- 27. Violating or not complying with the basic rules regarding safety/security which may cause harm to other persons. Leaving customers' properties at risk.
- 28. Smoking in view of customers, in public or in a no smoking area.
- 29. Consuming chewing gums or other snacks while on duty.
- 30. Entering areas without specific duty or permission.
- 31. Not co-operating with, using coarse language, satirizing or provoking fellow employees.
- 32. Neglecting duty, not submitting report or not complying with regulations on the issue of security/safety.
- 33. Using the Company's facilities such as bar, toilet, nightclub etc. without a written permission from the head of department or authorized person.
- 34. Staying in or re-entering the Company's premises when one's service is not required for that particular time and without justifiable reasons.



- 35. Not complying with the order to report to work on a weekly holiday or traditional holidays.
- 36. Using the Company's machinery, equipment or tools without permission.
- 37. Placing notices or relocating, adding to, destroying, marking out and erasing Company's notices without permission.
- 38. Selling food, goods or conducting other business for personal interest in the Company's premises.
- 39. Playing games during work hours.
- 40. Entertaining outsiders in the Company's restricted area.
- 41. Using the Company's vehicle without permission.
- 42. Sleeping in the Company's premises whether within or outside work hours without permission.
- 43. Bringing an outsider, relative, child and spouse into the Company's premises without permission.
- 44. Not appropriately conducting oneself resulting in danger to customers or fellow employees.
- 45. Reading newspaper, books or other printed materials while on duty. (except getting permission from the suitable reason)
- 46. Talking behind customers' back when the conversation may be audible to other customers.
- 47. Offering services or benefits to customers on an unrelated duty and asking or requesting from customers for personal benefits.
- 48. Borrowing or lending money or soliciting a share within the Company's premises.
- 49. Assuming possession of items or properties with unknown ownership.
- 50. Bringing personal clothing to the Company for laundry without permission.
- 51. Wearing other employee's uniform or letting other employee wear one's uniform and/or wearing other employee's nametag.
- 52. Not sending a used uniform for cleaning as per schedule.
- 53. Not entering-leaving the Company through the designated access point.



- 54. Not allowing security staff to conduct a search of personal belonging when entering-leaving the Company.
- 55. Bringing items in or out of the Company's premises without the required permission or written permission.
- 56. Refusing to co-operate with staff or officer in charge of an investigation.
- 57. Using the Company's name for personal benefits or to purchase goods for personal use.
- 58. Working for other employer while in employment of the Company.
- 59. Not cleaning one's shoes, wearing dirty shoes or shoes that do not meet the Company's criteria.
- 60. Wearing improper, untidy or not sufficiently clean uniform.
- 61. Not clocking in/out or not recording one's work hours in the department's record
- 62. Not informing the Company if and when a relative makes business meeting with the Company.

Disciplinary Actions for type A Violations

- For first offence, verbal warning or warning letter will be issued.
- For the second offence committed within 1 year of the first offence, the disciplinary actions may be the issue of warning letter, deduction of rewards and benefits, cancellation of annual raise or termination of employment without prior notice and without severance pay.

Example of Violation (type B)

- 1. Through negligence, causing damages or loss of tools, machinery and equipment of the Company with the value over 1,000,000 Rupiah including dangerous driving of motor vehicle.
- 2. Clocking in/out for other employee or asking other employee to clock in for oneself.
- 3. Consuming alcoholic beverages and intoxicant or under influence while on duty or in the Company's premises, or reporting to work while under such influence.



- 4. Making false statement or information for an investigation or submitting a false document to the Company.
- 5. Asking or gesturing for tips from customers against their will.
- 6. Bringing alcoholic beverages in or out of the Company's premises without permission.
- 7. Committing crime whether within or outside the Company's premises which the management considers a risk to the Company.
- 8. Making currency exchanges in the Company's premises.
- 9. Threatening or forcing or arranging for other persons to commit such threat towards other employees or executives/supervisors of all ranking whether the matter was reported to the police or not.
- 10. Not complying with the Company's regulations regarding the issue of customers' forgotten, or discarded, or giveaway items, but assume ownership of such items.
- 11. Not attending to the customers' need, being rude or impatient towards customers or superiors and fellow employees.
- 12. Using the Company's premises for a meeting or party without the general manager's permission.
- 13. Gambling or supporting the act of gambling or having in possession the gambling equipment in the Company's premises.
- 14. Encouraging or inciting a fight or intentionally causing physical harm to the customers or damaging the properties of the customers or the Company.
- 15. Not following a superior's order.
- 16. Assuming possession of properties of customers or fellow employees by keeping in one's locker.
- 17. Giving false information in the application for employment resulting in the admission for employment by the Company.
- 18. Making false leave report regarding all categories of leave.
- 19. Gathering, making loud noise to disrupt harmony or morale of Company's employee or unlawfully congregating to protest or strike within the Company's premises.
- 20. Entering customers' room or building without permission.



- 21. Behaving in a manner that is insulting towards the Thai tradition.
- 22. Stealing, embezzling or attempting to steal the Company's, customer's, fellow employee's or other's properties. Employee will be terminated from employment without severance pay, or wage in lieu of advance notice. He/she may also be arrested.
- 23. Obtaining the Company's master key or security code, which may open the Company's doors or safes.
- 24. Accepting commission without written permission from the management. In this case, if the investigation finds the employee guilty, he/she will be terminated from employment without severance pay or wage in lieu of an advance notice.
- 25. Failing to report to the management in the event of contagious diseases which may be dangerous to the life and health of customers and employees.
- 26. Using, selling, distributing or having in possession the illicit drugs whether inside or outside of the Company's premises. Employee who commits this violation shall be terminated from employment without severance pay or wage in lieu of an advance notice. He/she may also be subjected to a criminal investigation.
- 27. Having in possession or bringing into the Company's premises the unlawful items such as firearms, explosives, and dangerous weapons.
- 28. Releasing information, statistics or secrets of the Company to a competitor.
- 29. Damaging the Company's lift, electrical equipment, machinery and tools.
- 30. Using the Company's name, resulting in the loss of reputation or business credibility or for personal benefits without the permission of the General Manager.
- 31. Arranging for or finding prostitutes for the Company's customers.
- 32. Selling or writing underground lottery or its result.
- 33. Behaving in the manner unfitting for an employee in the supervising or superior position,
 - 33.1 Participating in any kind of gambling activities in the premise of the company, or dormitories or addicted to gambling.
 - 33.2 Providing bad example for employee such as reporting to work late or leaving early from work.
 - 33.3 Borrowing money from subordinates.



- 33.4 Contradicting the Company's or the management's policy.
- 33.5 Leading or collecting list of names for work disruption or to expel head of other departments.

Disciplinary Actions for type B Violations

- For first offence, the disciplinary actions will be the cancellation of annual raise, deduction of rewards or other benefits or a warning letter. The violation of clause 4, 17 and 24-33 are considered severe violations punishable by termination of employment without prior notice and without severance pay.
- For the second offence, repeating earlier one within 1 year, the disciplinary actions will be termination of employment without prior notice and without severance pay.

Termination of employment depends on the result of the investigation and consideration of the employment record.

Acknowledgement of Warning.

Employee who acknowledges a verbal warning or a warning letter must sign an acknowledgement form. The Company may consider placing notices in the work place or read out for employee who refuses to sign.

Authority to Hand out the Disciplinary Actions.

- The General Manager with the advice of the Human Resource/Personnel Manager has the authority to act on behalf of the Company to terminate employment of employees of all level.
- Punishment by suspension and deduction of rewards and benefits must be authorized by the General Manager by submitting a written request through the Human Resource/Personnel Manager.
- Head of department has the authority to issue warning letter or verbal warning which must be recorded in writing and have a copy submitted to the Human Resource/Personnel Manager to ensure compliance with the law.



Chapter 6

Grievance Procedure

6.1 Extents and Definitions

Grievance means when employee's suffering from work or unfair treatment. Employee may report the grievance to the Company for redress. This is to enhance good relationship between the Company and employee and for employee to work with satisfaction.

6.2 Method and Procedure

Employee who has work related grievance as mentioned above may lodge a complaint by filling in the Company's form (obtain from the Human Resource/Personnel Department), the procedure is as follow.

- 6.2.1 Employee must lodge complaint in writing by submitting the form to his/her immediate supervisor. The supervisor shall immediately report this to the head of department for consideration. Employee will receive an answer within 7 days after submission.
- 6.2.2 If employee does not receive a satisfactory answer or for some other reasons, he/she may lodge his/her complaint directly to the Human Resource/Personnel Manager. The Human Resource/Personnel Manager must give an answer within 5 days after submission.
- 6.2.3 If the answer is still unsatisfactory, employee may directly appeal to the General Manager. The decision of the General Manager is final. The Company will not consider an anonymous letter or accusation of other persons without evidence as well as submission of grievance for other employees. The Company may order an investigation to consider appropriate disciplinary actions for such conduct. On the other hand, the Company will protect employee whose grievance submission is honest as well as persons involved from harassment and unfair punishment.



Chapter 7

Termination of Employment

7.1 Termination of Employment

Employment will cease in the case of death, resignation, disappearance, retirement and termination.

7.1.1 Employee is retired when reaching the age of 55. Extension may be made for up to 1 year at a time for employee whose performance is exceptional and considered an asset by the Company.

The retirement shall be in effect at the end of the employee's month of birth.

7.1.2 Termination of Employment due to redundancy, or unworthiness of employment. The Company may terminate employment due to redundancy with severance and special severance pay in accordance with the Labor Law No. 13/2003 Chapter XII in the following circumstances; If the Company's volume of business decreases, or when the Company needs to make changes to, dissolve or improve a work unit within the Company or when a take over of part or all of the Company's business, or in an economic recession, or if the Company suffers loss, or has more employees than the amount of work.

If employee has unsatisfactory health, personal or chronic illness or is incompetent, can not perform work satisfactorily or with efficiency and can not be assigned to other suitable job, or has poor attendance record, or has inappropriate or suspicious behavior short of guilt, or is heavily indebted, has blemishing reputation or conduct, the Company has the right to terminate employment with severance pay in accordance with the Labor Law No. 13/2003 Chapter XII as follow:-

7.1.2.1 An employee whose length of service is more than 120 days but less than 1 year including holiday, leave days and days that the Company orders the employee to stop work for the benefit of the Company, the Company will pay severance payment equivalent to the final 30 days wage.

7.1.2.2 An employee whose length of service is more than 1 year but less than 3 years including holiday, leave days and days that the Company orders the employee to stop work for the benefit of the Company, the Company will pay severance payment equivalent to the final 90 days wage.



7.1.2.3 An employee whose length of service is more than 3 years but less than 6 years including holiday, leave days and days that the Company orders the employee to stop work for the benefit of the Company, the Company will pay severance payment equivalent to the final 180 days wage.

7.1.2.4 An employee whose length of service is more than 6 years but less than 10 years including holiday, leave days and days that the Company orders the employee to stop work for the benefit of the Company, the Company will pay severance payment equivalent to the final 240 days wage.

7.1.2.5 An employee whose length of service is 10 years or more including holiday, leave days and days that the Company orders the employee to stop work for the benefit of the Company, the Company will pay severance payment equivalent to the final 300 days wage.

Before the termination of employment according to the section 7.1.2, the Company will inform employee no less than 1 payment period in advance. If the Company is unable to do so, wage in lieu of an advance notice will be paid.

7.1.3 Special severance pay for employee terminated due to changes in technology. If the introduction or change of machinery or technology necessitates the need to reduce the number of employees, the Company will inform employee and labor inspector of the date and reason for employment termination at least 60 days in advance.

The Company will pay special severance pay in addition to the normal severance pay as follows :-

7.1.3.1 An employee whose length of service is more than 6 years including holiday, leave days and days that the Company orders the employee to stop work for the benefit of the Company will receive special severance pay in addition to normal severance pay according to section 7.1.2. The amount will be equivalent to the last 15 days wage for each year of service after the first 6 years. Piece rate employee shall also receive the equivalent amount but calculate by a per piece basis.



7.1.3.2 This special severance pay shall not exceed 360 days wage or the amount equivalent to the final 360 days wage in case of piece rate employee.

7.1.3.3 To simplify the calculation process, duration of employment more than 180 days shall be counted as 1 year.

7.1.4 Special severance pay for employee terminated due to the business relocation that effects the livelihood of the employee or family will be as follows:

7.1.4.1 The Company will inform employee at least 30 days prior to the relocation of business. If the Company is unable to do so or inform employee less than 30 days in advance, the Company will pay special severance pay equal to 30 days wage or the equivalent of the amount of wage for the last 30 days in case of piece rate employee.

7.1.4.2 If employee does not wish to relocate with the Company, he/she may end the employment contract. The employee will be entitled to a special severance pay not less than 50% of the amount of severance pay listed in section 7.1.3.

7.1.5 If the Company has to temporarily cease part or all of the Company's business for whatever reason which is not beyond the Company's power, the Company will pay employees no less than 50% of the normal wage payment for the duration. The Company will inform employee and an official inspector in advance.

7.1.6 Termination of employment due to violation of Company's regulations

The Company will not provide severance pay to employee whose employment is terminated for the following reasons.

7.1.6.1 Dishonest to duty or intentionally commit crime against the Company.

7.1.6.2 Intentionally causing damages to the Company.

7.1.6.3 Causing major damages to the Company through negligence.

7.1.6.4 Violating the work regulations or rules or fair and legitimate order of the Company when already issued with a warning letter from a superior. The warning letter will be in effect for 1 year after the date of violation. In case of a major violation, the superior does not have to issue warning.

7.1.6.5 Neglecting duty for 3 consecutive workdays with or without any holidays and without justifiable reasons.



7.1.6.6 Imprisonment by the final court order except for negligence or light offence.

7.1.7 Termination of employment for project work with specific dates.

Project work which has specific dates or objectives, which is not the Company's normal business or trade or for works which is seasonal in nature, these work must be completed within 2 years. The Company and employee have agreed on an employment contract at the beginning. Employee whose employment is terminated at the end of the contract will not be entitled to any severance pay.

For all cases of termination of employment, the Company will issue a letter stating the reason of termination, letter of reference as well as wage payment as proportionate to compensation for unused holidays. However, the payment of personal income tax is the responsibility of employee.



Chapter 8

Miscellaneous

- 8.1 Admission to work means employees has agreed to accept his/her set of employment regulations as a part of employment agreement.
- 8.2 It is agreed that intellectual property right of research, innovation, development of computer programs, or others as specified in the Intellectual Property Right Act / Hak Kekayaan Intelektual UU No. 19/2002, or which to be later improved, if accomplished in the process of work, utilizing time or resource of the Company shall rest with the Company.
Employee shall not claim other people's work as his/her own which when put into use by the Company may put the Company in breach of the Intellectual Property Right law.
- 8.3 In case of changes in job assignment or functions, or termination of employment, employee must prepare work report, together with recommendations for other employee to carry on. Such report is to be submitted to a direct superior.
- 8.4 The Company may amend this set of regulations as it sees fit. Announcement of changes will be made for 15 days in advance.
- 8.5 This set of regulations takes effect as of December 1st. 2012.
- 8.6 If there is a need to interpret any part of this regulation, the decision of the General Manager is final.

Announcement is made on 31 December 2013
Sun Paradise Hotels

Agustinus Agus Purwanto
Chief Executive Officer