
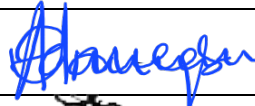
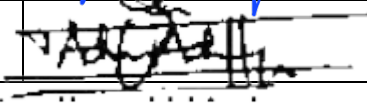


# EXIT MANAGEMENT POLICY

## Reviews & Approvals

This Employee Exit Policy document has been reviewed and approved by the undersigned:

Designation	Signature	Date
Chairman, Signal Alliance Technology Holding		<b>8/5/2023</b>
Group Executive Director		<b>6/4/2023</b>
Group Head, Human Resources		30 <sup>th</sup> March 2023

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## 1.0. BACKGROUND

The objective of this policy is to provide minimum requirements to the exit procedures to be followed by all employees who are leaving the employment of Signal Alliance Technology Holding ("SATH or the Company") or any of the SATH's subsidiary companies.

Below are the definitions for exit types according to this policy:

- a) **Redundancy:** This is defined as an involuntary and permanent loss of employment caused by an excess of manpower in view of business or economic realities. An employee or group of employees may also be placed on redundancy if the roles which they were initially employed for are subsequently eliminated.
- b) **Retirement:** This has three categories including:
  - Compulsory Retirement: The Company's compulsory retirement age is currently set at 65 years of age, with the exception of the company's founders. An employee is also compulsorily retired on his or her 35th year in service.
  - Voluntary Retirement: Subject to the consent of the Company, employees who have attained 55 years of age are eligible to apply for voluntary retirement, provided that a minimum of 15 years have been put in service with the Company.
  - Early retirement: In exceptional circumstances and at the discretion of the Company, the Company may ask an employee to retire if the employee has attained 50 years of age and/or 15 years of service or less with the Company.
- c) **Voluntary Resignation:** This is when an employee chooses to end the employment relationship with the Company by his/her own choice excluding the retirement cases.
- d) **Company initiated termination:** This is when the contract of an employee is terminated by the Company due to various reasons including but not limited to retirement and end of temporary contract duration, or where the Company initiates a termination process for disciplinary reasons.
- e) **Termination for cause:** Non-compliance with the Company's policies and guidelines shall not be tolerated and will lead to disciplinary action, including termination of employment for cause.

This document is aimed at providing guidelines on all exit processes, and effectively replaces all existing exit policies and procedures including but not limited to resignation, termination, redundancy and retirement.

The policy rules are subject to change; hence ensure you are referring to the latest version of the policy. Further, the interpretation of the rules or clarification of the policy as communicated by the Human Resources department shall be final.

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## 2.0. RESPONSIBILITIES

Line Manager	Line Manager acknowledges resignation by signing the resignation letter and agrees with the employee on his/her on last working day.
Operations/HR	<ul style="list-style-type: none"><li>• Prepares the final entitlement and advise the exiting staff.</li></ul>
HR	<ul style="list-style-type: none"><li>• Triggers the termination on the Enterprise Resource Planning ERP</li><li>• Informs relevant Stakeholders through an auto-generated e-mail.</li><li>• Ensures it receives the exit checklist from exiting staff with all clearances</li><li>• Files all correspondences relating to Exit</li><li>• Retrieves company's items upon exit</li><li>• Ensures that all the processes as outlined in the Exit Policy are</li></ul>
Finance Department	<ul style="list-style-type: none"><li>• Checks the following and other details before signing the exit checklist<ul style="list-style-type: none"><li>✓ Advance recovery (if any)</li><li>✓ Retirements (forex, credit card payments, travels etc.)</li><li>✓ Loans and any indebtedness</li></ul></li></ul>
IT Service Desk	<ul style="list-style-type: none"><li>• To ensure that all IT related equipment issued to the employee are returned.</li><li>• Lock the Employee's online access and accounts</li></ul>

## 3.0. EXIT TYPES

There are various ways in which employees may leave the business, and different rules apply depending on the circumstances. In accordance with SATH's exit guidelines, each type of exit will be aligned to the appropriate Good/Bad leaver classification, the current version which is subject to change is attached as Appendix 1.

**3.1. VOLUNTARY RESIGNATION:** Here, an employee chooses to end the employment relationship with SATH or any of its subsidiaries by his/her own choice excluding the retirement cases. An employee may resign or terminate his appointment by giving the Company notice of intent in writing or pay salary in lieu of notice. The following categories of confirmed employees have different **notice periods**:

- **Management & Executives – 2 months' notice period, or pay in lieu of notice.**
- **Below Management levels – 1 month notice period or pay in lieu of notice. However, for employees below management levels, 2 months' notice period, or pay in lieu of notice is required from 5 years of service with the company.**

**2 weeks' notice period is required before confirmation, regardless of employee levels.**

- a) **Process:** Employees discuss their resignation decision with their line manager and write a formal letter (duly signed by the employee) to the HR department, with the

line manager in the copy of mail. **Writing a resignation in an email texts or telephone text resignation will not be accepted.** A proper letter must be typed, signed and attached to an email. On completion of hand over and exit clearance processes, the employee will be issued a memo confirming the resignation and advising the employee on any indebtedness or final entitlement as the case may be. A properly documented handover note is mandatory for the clearance process and must be signed off by the Line Manager and the HR representative.

- b) **Final Entitlement (Voluntary Resignation):** Employees exiting the Company based on resignation shall be eligible for the following:
- Reconciliation and payment of earned allowances and benefits (subject to any outstanding and unpaid loan deductions or the terms of staff bank loans).
  - **Any liability/outstanding payment to the company by the employee must be paid within 3 to 6 months after exit.**
  - Earned outstanding leave days will not be converted to cash.
  - Service pay if employee has worked for a continuous period (excluding internship period) in line with the components shown below, provided the employee gives the required notice period.

S/N	Years	JUNIOR STAFF	SENIOR STAFF
1	5 years	1 month salary (excluding payment for working tools)	1 month salary (excluding payment for working tools)
2	6-9 years	2 months' salary (excluding payment for working tools)	2 months' salary (excluding payment for working tools)
3	10 – 13 years	3 months' salary (excluding payment for working tools)	4 months' salary (excluding payment for working tools)
4	14 – 17 years	5 months' salary (excluding payment for working tools)	6 months' salary (excluding payment for working tools)
5	18 – 21 years	6 months' salary (excluding payment for working tools)	8 months' salary (excluding payment for working tools)
6	22 years & more	8 months' salary (excluding payment for working tools)	One year salary (excluding payment for working tools)

**3.2. COMPANY INITIATED TERMINATION:** The Company may also terminate the employee if his/her services are no longer required or for such other reasons as may be communicated to the Employee. The Company shall give notification in writing.

3.2.1. **REDUNDANCY:** Employees may be placed on redundancy if jobs are outsourced, or roles are eliminated. For a redundancy to be initiated, all other possible options should have been explored, and approval by the Group Head, HR and Group Executive Director must be in place.

- a) **Process:** Once the Head of Department identifies roles that will be eliminated and is unable to find new positions acceptable to the incumbent, a proposal highlighting the cause of redundancy is sent to the Group Head of HR and the Group Executive Director for approval.

**Final Entitlement (Severance Packages during redundancy):** Employees exiting based on redundancy will be eligible for the following:

- Reconciliation of earned allowances and benefits.
- Earned leave days will not be converted to cash.
- Service pay if employee has worked for a continuous period (excluding internship period) in line with the components as shown below:

S/N	Years	JUNIOR STAFF	SENIOR STAFF
1	1-3 years	1 months' salary (including payment for working tools)	1 months' salary (including payment for working tools)
2	4-5 years	2 months' salary (including payment for working tools)	2 months' salary (including payment for working tools)
3	6-9 years	4 months' salary (including payment for working tools)	4 months' salary (including payment for working tools)
4	10-13 years	5 months' salary (including payment for working tools)	5 months' salary (including payment for working tools)
5	14 – 17 years	6 months' salary (including payment for working tools)	7 months' salary (including payment for working tools)
6	18 – 21 years	8 months' salary (including payment for working tools)	10 months' salary (including payment for working tools)
7	22 - & more	One year salary (including payment for working tools)	One year salary (including payment for working tools)

3.2.2. **COMPULSORY RETIREMENT:** The Retirement age in SATH is 65 years, with the exception of the Founders. An employee who has spent 35 continuous years in service of the Company may also be compelled to retire (excluding the Founders).

a) **Process:** The employee is sent a letter by the HR department, with Line Manager in copy **6 months** before the employee's 65th birthday or the 35th year in service with SATH to notify the employee of the retirement. Alternatively, an employee may flag to the HR department when 35 years of service have been completed and follow the rest of the process. The Line Manager and HR will discuss with the employee on exit clearance.

b) **Final Entitlement:** Employees exiting based on retirement will be eligible for the following:

S/N	Years	JUNIOR STAFF	SENIOR STAFF
1	14-17 years	6 months' salary (including payment for working tools)	7 months' salary (including payment for working tools)
2	18-21 years	10 months' salary (including payment for working tools)	10 months' salary (including payment for working tools)
3	22+ years	12 months' salary (including payment for working tools)	12 months' salary (including payment for working tools)

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- Earned leave days not utilized will not be converted to cash.
  - Any other discretionary pay/gifts/awards as may be deemed necessary by the Company.

3.2.3. **EMPLOYEE INVALIDATION**: When an employee is ill and not able to resume for normal work duties for up to six (6) months for medical or other reasons, he/she may be invalidated from the Company's service at the expiration of the 6 months period. Also, if the Company and employee agree on inability to work at full capacity on medical grounds, this clause shall also be applied. Employee invalidation is at the discretion of the Company and is not mandatory.

- a) **Process**: Line Managers must report any absence beyond 2 days to the HR Department.
- b) **Final Entitlements**: Employees exiting on the basis of invalidation will be eligible for the following:
  - Salary in lieu of notice as applicable in their exit terms for their job level.
  - Reconciliation of earned allowances and benefits via payroll, subject to deductions of all loan or financial liabilities owed by the staff.
  - Earned leave days not utilized will not be converted to cash.

3.3. **PERFORMANCE-BASED EXIT**: Employees who have consistently underperformed on set objectives may be asked to leave the business.

- a) **Process**: As much as possible and except in extenuating circumstance that poses a risk to business continuity by virtue of employee's continuous employment with the Company, an employee to be exited based on performance shall undergo a duly documented Performance Improvement Plan (PIP). At the end of an unsuccessful PIP, employees should be notified of the unsuccessful process in writing, and then Line Manager should initiate exit.
- b) **Final Entitlement**: Employees exiting based on underperformance will be eligible for the following:
  - Salary in lieu of notice or as applicable for their job level.
  - Reconciliation of earned allowances and benefits via payroll, subject to deductions of all loan or financial liabilities owed by the staff.
  - Earned leave days not utilized will not be converted to cash

3.4. **DISMISSAL**: Employees confirmed guilty of violating any cardinal rules or regulations including but not limited to breach of SATH's policies and procedures and Code of Business Conduct of the Company, or any other act worthy of a disciplinary procedure shall be deemed for dismissal. Violations in this instance may warrant dismissal in line with the provisions of the Company's Grievance & Disciplinary Policy. Employee can be summarily dismissed without any prior notice.

- a) **Process**: It is mandatory that the Company's Grievance & Disciplinary Policy is followed and outcomes of findings, queries are properly documented for this type of exit to be invoked.
- b) **Final Entitlements**: Employees exiting based on Dismissal will be eligible for the following:



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- Payment of salary/allowances (if any) up till the effective date of dismissal.
  - Earned leave days not utilized will not be converted to cash.

**4.0. JOB ABANDONMENT:** This is any situation where an employee abandons his/her job for a period of 2 days or more without a written explanation, and every effort has been made to contact the employee. This would result in the termination of the employee's appointment by the Company.

- a) **Process:** If an employee is determined to have absconded, and all reasonable channels to communicate are futile, the HR team will notify the next-of-kin and terminate the employee immediately with the letter of termination delivered at the last known address of the employee and also sent via email to the last known personal email address of the employee.
- b) **Final Entitlements:** Employees exiting based on job abandonment will be eligible for the following:
- Payment of salary/allowances (if any) up till the effective date of termination.
  - Earned leave days not utilized will not be converted to cash.

**5.0. DEATH IN SERVICE:** This applies in the event of the demise of an employee while still in service of the Company.

- a) **Process:** For a death in service, a verified copy of the death certificate must be made available, by his next of kin pending the appointment of executors before execution of benefits.
- b) **Final Entitlement:** The **beneficiaries** as stated in the Will or Executors in the Letters of Administration of employee who dies in service of SATH will be eligible to the following:
- Group Life Insurance Benefit in accordance with the Pension Reform Act (or any other amendment of the Act)
  - Reconciliation of earned allowances and benefits via payroll.
  - Earned leave days not utilized will not be converted to cash.

In case an employee dies intestate (i.e. without a valid Will/Letter of Administration), HR/Operations team will contact the **next-of-kin** that was last confirmed to the Company by the employee, who will in turn process a Letter of Administration for the intended beneficiary or same shall be paid to the Pension Account of the employee based on the discretion of the Company. Employees are advised to always update their next of kin details and ensure the information are up to date.

## **6.0. WORK TOOLS**

Employees will be required to return all work tools assigned to them. Where such tools are unreturned, the Company reserves the right to deduct the value of the unreturned tools from the employee's final payout or take any available legal action towards retrieving any such unreturned work tools. The final payout shall not be made till all work tools are returned.

Following the return of company assigned work tools, employees may formally request to purchase specific work tools (phones, laptops) at company advised net book value. Any such purchases will be subject to the prevailing Finance Policy on asset disposal.

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## 7.0. RECONCILIATION OF EARNED/UNEARNED ALLOWANCES AND BENEFITS.

Employees that leave the business may have allowances, or benefits that are paid in arrears. These remuneration elements include, but are not limited to Performance Bonus, Sales/Engineering Commission, Finders Fees, and any benefits that may be introduced from time to time. In these cases, the earned portion is netted off from what has been paid out, then retrieved or disbursed to the employee.

## 8.0. EXIT CLEARANCE

- a) **Handover:** The Company reserves the right to retain payout for an employee's exit benefits until a formal handover process is completed by the exiting employee and signed off by the line manager.
- b) **Clearance:** Employees will be required to complete and sign off exit clearance before leaving, including exit interviews if it's not a dismissal.

## 9.0. POLICY ENFORCEMENT AND CONTROL

The Overall responsibility for the enforcement of compliance with this Policy guidelines shall reside with the Human Resources department. The Group Head, Human Resources or any of the assigned personnel within or by the HR department shall drive compliance with the guidelines and will serve as the enforcement secretariat for any deviance to the guidelines.

## 10.0. APPENDIX 1 - EXIT ACTION REASONS

ACTIVITY Description	ABBRV.	Abbreviation Meaning Description	Eligibility
Retirement	CRE	Compulsory Retirement	Good
Retirement	DEA	Death	Good
Retirement	ENO	Early Retirement - redundancy	Good
Retirement	ERT	Early Retirement	Good
Retirement	VRE	Voluntary Retirement	Good
Retirement With Pay	DEA	Death	Good
Retirement With Pay	NRT	Normal Retirement	Good
Termination	PTD	Partial/Total Disability	Good
Termination	RED	Staff Reduction	Good
Termination	SEV	Termination - Severance	Good
Termination	URR	Redundancy	Good
Terminated With	MUT	Mutual Consent	Good
Termination With Pay	TWP	Termination With Pay	Good
Termination	UIH	Ill Health - Not Retirement	Good
Termination	ATT	Attendance	Bad
Termination	CLT	Resignation-Company Lost Trust	Bad
Termination	CON	Misconduct	Bad
Termination	DIS	Dishonesty	Bad
Termination	DMD	Dismissal - Disciplinary	Bad

Termination	DMI	Dismissal - Instant	Bad
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## 11.0. APPENDIX 2 - EXIT ACTION REASONS

ACTIVITY Description	ABBRV.	Abbreviation Meaning	Eligibility
Termination	EPP	Probation End - Employer	Bad
Termination	GMI	Gross Misconduct	Bad
Termination	JOB	Job Abandonment	Bad
Termination	LVE	Failure to Return from Leave	Bad
Termination	NRR	No response to recall	Bad
Termination	NSH	No Show-Employee did not start	Bad
Termination	PER	Personal Reasons	Bad
Termination	RDS	Resignation-Dissatisfaction	Bad
Termination	REL	Relocation	Good
Termination	RET	Return to School	Good
Termination	UNS	Unsatisfactory Performance	Bad
Termination	VIO	Violation of Rules	Bad
Termination	PIP	Failed Perf Improvement Plan	Bad
Termination	REF	Refused Transfer	Bad
Termination	ETE	End Temp Employment Early	Bad