

## COMPANY POLICY EMPLOYMENT BOND

Purpose	This policy outlines the conditions of bond arising from specified benefits granted to an employee in exchange for a guarantee to serve the company for a stipulated period.
Scope	Applicable to all permanent and contract employees employed by the company inclusive of expatriate employees.
Revision date	
Issued by	HR Department
Approved by	Managing Director

### Bondable Benefits

- 1.0. The benefits below shall attract a bond with the company;
  - 1.1. Trainings
    - 1.1.1. Training courses and programmes including but not limited to in house trainings, external trainings, professional certification trainings, trainings at other entities of the company/group of companies, trainings by vendors or any training sponsorships extended to an employee.
    - 1.1.2. Trainings related to knowledge, product, equipment, technology or project transfer, locally or abroad.
  - 1.2. On-the-job (OJT) Trainings
    - 1.2.1. For an internal OJT programme without an established training fee, the duration of the training shall determine the bond period.
    - 1.2.2. For an external OJT programme without an established training fee but with the cost incurred to attend the training, the cost incurred shall determine the bond period. The Company may also elect to use the OJT period instead to determine the bond period at its discretion.
    - 1.2.3. For an OJT programme with an established training fee whether done internally or externally, the cost of the training along with the cost incurred to attend the training shall determine the bond period. However, the company reserves the right to use the OJT training duration instead of the training cost to determine the bond period.
  - 1.3. Professional Membership Fee or Statutory Required Licences/Competencies
    - 1.3.1. All costs expended by the company to enable the employee to acquire professional memberships or statutory required licenses or competency

certification that is required to perform their duties. This shall include the cost of training (if applicable) and any other associated cost.

- 1.4. If an employee fails to complete any programme or training stated in items 1.3 to 1.4 for whatsoever reason, the employee must immediately reimburse the company the full sum that had been expended by the company.
- 1.5. Sign-on Bonus, Relocation Cost
  - 1.5.1. All hiring-related cost such as sign-on bonus and any one-off relocation cost.
  - 1.5.2. The conditions of the bond shall be made known to the employee or shortlisted candidate before granting such benefit failing which the bond shall no longer apply. For the avoidance of doubt in this case, the bond shall no longer be applicable once the employee has received the benefit or has commenced a training programme.
- 1.6. Retention Bonus
  - 1.6.1. Retention bonus that is awarded to selected employees.
- 1.7. Academic programmes that are not mandatory for the performance of the job by an employee such as a Certificate, Diploma, Degree, Masters or Doctorate Programmes
- 1.8. Any other benefits decided by the company

### Non-Bondable Benefits

- 2.0. The benefits below are excluded from this policy;
  - 2.1. Notice Period Buy-Off
  - 2.2. Housing Allowances
  - 2.3. Any other benefits decided by the company

### Definition of Cost

- 3.0. The below items are defined as costs in determining the bond value
  - 3.1. Training or course fee
  - 3.2. Travelling cost and travelling allowances
  - 3.3. Any cost expended under the company's business travel policy
  - 3.4. Hotel or any cost of accommodation cost
  - 3.5. Clothing costs such as winter clothing for overseas training
  - 3.6. Books and training materials
  - 3.7. Exam or certification fee
  - 3.8. Registration Fee

- 3.9. Laboratory, research and research materials and equipment fee
- 3.10. Other costs defined by the company

- 4.0. The below items are not defined as cost
  - 4.1. Deposits

### Bond Duration

- 5.0. The duration of the bond shall be subject to the below;
  - 5.1. Cost of benefit extended to the employee

Total cost of the benefit	Bond period
Below RM 5,000	No Bond
Above RM 5,000 but below RM 10,000	12 months
Above RM 10,000 but below RM 20,000	24 months
Above RM 20,000	36 months

- 5.2. For OJT Programmes

OJT Duration	Bond period
Less than four (4) weeks	No Bond
More than four (4) weeks but less than twelve (12) weeks	24 months
More than twelve (12) weeks	36 months

Note : 1 month is defined as thirty (30) days in determining the bond period.

### Guarantor

- 6.0. An employee or a candidate offered employment with the company shall be required to name two (2) guarantors for any bond amount that exceeds RM 30,000.
- 7.0. In a situation the employee is unable to provide guarantors, the decision to grant the benefit shall be subject to the company's decision.
- 8.0. Other conditions;
  - 8.1. Should the employee be subjected to a second or more bond, the employee shall provide different guarantors.
  - 8.2. When an employee has worked for two (2) years or more with the company, at

least one (1) guarantor must be a fellow employee.

- 8.3. When an employee has worked for less than two (2) years with the company, the employee can name any outsiders as his/her guarantors.
- 8.4. The guarantor must show evidence of their ability to stand as a guarantor. The company may require certain financial records to determine the credit worthiness of the guarantor failing which the company may request a new guarantor.

### Bond Period

- 9.0. For training-related bond, the bond period shall begin on the next working day after the last day of the training or examination or upon the completion of the programme or when upon attaining the certification or license or at any date stipulated in the bond agreement, whichever is later.
- 10.0. In the event the employee fails to satisfy the passing requirements of any undertakings, the bond period shall take effect after the employee has completed it successfully.
- 11.0. Should an employee attend further training courses/programmes/certifications or receive other benefits while serving a bond, the employee shall be subjected to a new bond and shall be treated as a new bond altogether. This would mean the employee will serve two (2) or more active bonds at any one time.
- 12.0. Where an employee has more than one (1) bond, the employee's bond period with the company shall end at the expiry of the most recent bond.

### Failure to Complete Bond Period

- 13.0. If the employee fails to complete at least 50% of the bond period for whatsoever reason, then he/she must immediately reimburse the company the full bond amount.
- 14.0. If the employee fails to complete the bond period for whatsoever reason, after having served 50% or more of the bond period, then he/she must immediately reimburse the company proportionately the sum in respect of the uncompleted service. For example, if an employee is on a twenty-four (24) months bond and decided to resign from the company at the end of the 15<sup>th</sup> month while serving the bond period, then the reimbursement shall be:  $(9/24) \times \text{full bond amount}$ .



### Cancellation/Release from Bond

- 15.0. Request for cancellation/release from the bond can be made in writing to the company along with justifications and support from the head of department.
- 16.0. Any request for cancellation of release from a bond shall be subject to the company's written decision. The company may impose other conditions instead.

### Other Conditions

- 17.0. Employees on probation are allowed to attend any training or programmes or receive any benefits that subject them to a bond, however, the bond does imply that the company will confirm them at the end of the probation period.
- 18.0. The Company reserves the right to amend this policy from time to time and shall notify all employees when such amendment has been made and has been approved by the Management. When such amendments take place, conditions of an existing bond agreement(s) shall continue to be in force until its expiry and the conditions shall remain unchanged.
- 19.0. Should there be a translation of this policy into other languages, the English version of this policy shall prevail in the event of any dispute or confusion.

This sample policy/letter/document is merely a sample or guidance. Companies are advised to practice caution when drafting its HR documentation and shall always be in compliance with the Employment Act and Industrial Relations Act as well as past case laws so as to ensure the policy does not violate or infringe the prevailing employment regulations. Companies are encouraged to adopt best practices to be attractive employers and promote a productive and competitive operating landscape. The author shall not be held liable for any damages or claims arising from the usage of the contents of this document.

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