

# The Company.....

## INTERNAL REGULATIONS

### JETRO and JBAC

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**Article 1: Subject**

- 1.1 The internal labor regulations (the “**Internal Regulations**”) of [The Company’s Name] (the “**Company**”) are established in compliance with applicable laws and regulations in the Kingdom of Cambodia.
- 1.2 The Internal Regulations describe the provisions including but not limited to condition of recruitment, working condition and payment, right and obligation of worker, leave, compensation and benefit of worker, disciplinary action, worker’ protection rights, and health and safety measures.
- 1.3 Additional rules and policies of the Company may be issued from time to time and will be informed to and posted on notice boards in the Company. The workers shall read, understand and comply with all provisions of these regulations.

**Article 2: Scope**

These Internal Regulations cover:

All workers of the Company (individually and collectively the “**Worker(s)**”).

**Article 3: Recruitment Conditions**

- 3.1 All applicants will be assessed through the Company’s recruitment process taking into consideration the basic skill required to perform the job provided by the Company.
- 3.2 Whatever the terms of recruitment and vacancy, the applicant must meet the following conditions:
  - a) Having intellectual and technical requirements to fill the proposed position;
  - b) Providing a Curriculum Vitae and a written pledge;
  - c) Providing certified copy of his/her academic degrees, certificates of previous employment, if so required;
  - d) Accepting to undergo tests and examinations, if so required;
  - e) Providing medical certificate to prove his/her state of health which enables him/her to perform the tasks assigned for the post which has been obtained from qualified organizations in accordance with the relevant laws and regulations; and
  - f) Providing other relevant documents as may be required by the Company for the purpose of the recruitment, especially but not limited to resident registration certificate or certificate of identity or any equivalent document.
- 3.3 All applicants shall ensure that all information and documents submitted to the Company for the purpose of recruitment are true and correct. Any falsification of information or documents submitted shall lead to cancellation of the employment agreement for fraud.
- 3.4 All Workers shall notify the Company by writing about any changes in residence or family situation no later than [15\*]<sup>1</sup> days after the changes have occurred.

**Article 4: Probationary Period**

- 4.1 The Company may require some newly recruited workers to work under probationary period (the “**Probationary Workers**”).

- 4.2 The probationary period shall not exceed 03 (three) months and classified as follows:
- Up to 03 (three) months for regular employees;
  - Up to 02 (two) months for specialized laborers; and
  - Up to 01 (one) month for non-specialized laborers.
- 4.3 Should Probationary Workers do not pass the probationary period, or should their performance and behavior not be satisfactory, the Company has discretionary power to terminate the employment agreement during the probationary period without any prior notice and this shall be applied in accordance with the labor law.
- 4.4 Similarly, Probationary Workers who do not wish to continue to work with the Company have the right to terminate the employment agreement during the probationary period without any prior notice and this shall be applied in accordance with the labor law.
- 4.5 The employment of Probationary Workers will be subject to confirmation by the Company at the expiration of the probationary period. Such confirmation, if it occurs, does not lead to any increase of wages, unless otherwise provided in the employment agreement.

#### **Article 5: Working Hours**

- 5.1 The Workers shall respect the regular working hours as follows:

Working days	Working hours	Break time	Weekly time off
From Monday to Saturday	From 8:00 am to 5:00 pm	From 12:00 pm to 1:00 pm	Sunday

- 5.2 As per necessity, the Company may ask some Workers to work beyond normal working hours during normal working day or during weekly time off or public holiday.
- 5.3 Except otherwise specifically provided by the employment agreement, any Workers who agree to work overtime shall be entitled to receive compensation as provided by the applicable law and regulations. The applicable law and regulations state as below:

Work behind normal working hours	Compensation
Overtime worked on a working day (not night time)	150% of the normal hourly wage <sup>ii</sup>
Overtime worked on a working day at night time (between 22:00 and 5:00)	200% of the normal hourly wage
Work on a weekly time off	200% of the normal hourly wage
Work on a public holiday	100% of the normal hourly wage (+ normal pay)

Work at night time (between 22:00 and 5:00)	130% of the normal hourly wage
Work on a public holiday at night time (between 22:00 and 5:00)	200% of the normal hourly wage
Overtime worked on a public holiday	200% of the normal hourly wage

#### **Article 6: Wage and Benefits**

- 6.1 The Company shall inform the Workers about the wage at the time of hiring. The wage shall include wage under the employment agreement, and/or other compensation that the Workers are entitled to, such as overtime pay if any.
- 6.2 Except otherwise specifically provided by the employment agreement, the Company may evaluate the Workers at the end of year to decide on potential wage increase.
- 6.3 Any remuneration will be paid in accordance with the Company's standard payroll procedures as in effect and in accordance with the labor law.
- 6.4 The Company shall pay a wage to the Workers by bank transfer to the Workers' designated bank account or by cheque. The Company shall pay a wage and other remunerations and benefits twice per month in accordance with the following formalities pursuant to applicable laws and regulations.
- First payment shall be 50% (fifty percent) of the net wage per month.
  - Second payment shall be the remaining net wage, other remunerations and benefits that the Workers are entitled to in each month.
- 6.5 The Workers are obliged to verify their payment immediately upon transfer or receipt of cheque. Any error shall be immediately notified to the Company no later than [3\*] working days. The Company has all rights to recover all payments made by error.
- 6.6 All right of the Workers, except any rights acquired prior to his/her death, shall terminate upon his/her death. The Company shall pay the estate of the Workers such compensation as would otherwise have been payable to the Workers up to the end of the month in which his death occurs. The Company shall have no other financial obligation to the Workers or his/her estate, in the event the employment agreement is terminated by the death of the Workers.
- 6.7 The company shall pay seniority indemnity to workers under unspecified duration contract in accordance with applicable labor laws and regulations. For the avoidance of doubt, probationary period shall not be included in seniority for seniority indemnity. The amount of seniority indemnity from the year 2019 onward shall be equivalent to 15 days of wages and allowances per year and shall be paid as follows.
- 7.5 (seven and a half) days in June of each year and
  - 7.5 (seven and a half) days in December of each year
  - For workers who have been employed in the first year and have worked consecutively from 1 (one) month to 6 (six) months, the Company shall provide the worker with 7.5 (seven and a half) days of seniority indemnity.

**Article 7: Tax on Wage**

Except otherwise specifically provided by the employment agreement, the Company shall have right to withhold tax and contribution including but not limited to tax on wage and tax on fringe benefits which shall be legally bound by the Workers to pay to tax and relevant authority if it is required, in accordance with applicable laws and regulations of the Kingdom of Cambodia.

**Article 8: Employment Agreement**

Subject to the probationary period and subject to applicable laws and regulations in force, the employment agreement may be signed under a fixed duration contract or an unspecified duration contract.

- a) Fixed duration contract specifies the commencement and the termination date specified therein. Unless otherwise agreed between the Company and the Worker, the fixed duration contract ends upon expiration of its term and the Company must inform to the Worker before the expiration of contract in accordance with applicable laws and regulations. The fixed duration contract may be renewed or transformed into an unspecified duration contract by the Worker and the Company in accordance with the applicable laws and regulations.
- b) Unspecified duration contract is effective as from the commencement date until any termination as determined in accordance with the applicable laws and regulations.

**Article 9: Execution of Work**

All Workers are subject to the authority of the Company or any person appointed by him/her. All Workers shall comply with the directives given by the Company. The non-respect of such instruction may be subject to disciplinary sanctions as stated in Appendix A.

**Article 10: Access to the Company's Premises**

All Workers and any other persons covered by these Internal Regulations must strictly respect the rules of access to the premises of the Company. Except otherwise specifically provided by the employment agreement, no one can be accompanied by unauthorized person to the premises of the Company without prior approval from the [manager\*]. The non-respect of such instruction may be subject to disciplinary sanctions as stated in Appendix A.

**Article 11: Use of logistical and computer resources**

Except otherwise specifically provided by the employment agreement, the personal use of internet is not authorized; computer and internet shall only be used for the Company tasks. E-mails shall be sent out through the use of professional contact address by using the email server of the Company. The use of resources, internet, computer, printer (paper) will be monitored, and any abuse may lead to appropriate disciplinary sanctions as stated in Appendix A.

**Article 12: Loss or Damage of the Company's Equipment, Properties, and Vehicles**

Except otherwise specifically provided by the employment agreement, in case of loss or damage to the Company's equipment, property, and/or vehicle due to misconduct of the Workers, the following conditions will be applied:

- a) If the Workers negligently make loss or damage the Company's equipment, property, and/or vehicle that is/are assigned to the Workers, they have to report it to their [manager\*] .
- b) The remaining value or repairing cost will be calculated accurately by the company. The remaining value is equivalent to original value minus depreciation.
- c) The remaining value or repairing cost will be directly charged from the Workers or deducted from the Workers' wages in accordance with the applicable laws and regulations.

**Article 13: Attendance**

- 13.1 Except otherwise specifically provided by the employment agreement, the Workers are required to be on time and to not leave the Company without proper authorization before the end of daily working hours. Any unauthorized and repeated lateness or early leaving the Company may be subject to sanction in accordance with present Internal Regulations.
- 13.2 The Workers shall sign their names in an attendance register or record his/her presence with the time cards when introduced by the Company.
- 13.3 The Workers shall inform (by phone) and explain the reasons to the [manager\*] of their lateness at least [1 hour\*] prior to the start of the working hours except in case of immediate severe illness of the Workers or family, accident, unforeseeable and unusual traffic jam , where the Workers are unable to communicate.

**Article 14: Rules of Leave**

- 14.1 Except otherwise specifically provided by the employment agreement, the Workers shall fill a leave application form as prescribed by the Company, except in the case of immediate severe illness of the Workers or family, accident, unforeseeable and unusual traffic jam, where the Workers are unable to communicate, and only after permission of such leave is granted by the Company, Workers can take such leave. The application shall be submitted to [manager\*] at least [7\*] day prior to the requested leave.
- 14.2 If it is not possible for them to obtain permission beforehand due to the said reasons, they shall submit a leave application form immediately thereafter.
- 14.3 The Company reserves the right to deny any request for leave which does not respect the prior notice as prescribed or for any particular reason based on which the leave of the Workers may affect the operation of the Company.



**Article 15: Paid Annual Leave**

- 15.1 Except otherwise specifically provided by the employment agreement, after the expiration of the probationary period, the Workers are entitled to paid annual leave to be given by the employer at the rate of one and a half work days of paid leave per one month of continuous service,. For the avoidance of doubt, the length of the probationary period shall be included in terms of calculating the aforementioned length of continuous service.
- 15.2 Application for paid annual leave shall follow the rules of leave in Article 14 herein.
- 15.3 Deferment of this leave cannot exceed 3 (three) consecutive years and can only apply to leave exceeding twelve working days per year in accordance with the applicable labor law and regulations.
- 15.4 Leave without prior approval will be treated as unauthorized absence.

**Article 16: Other Leaves****16.1 Paid Public Holidays**

Except otherwise specifically provided by the employment agreement, the Workers are entitled to leave with pay during days which are declared as public holidays in the Prakas (ministerial order) issued by the Ministry of Labor and Vocational Training. The Company will inform the Workers the list of paid public holidays as soon as such information becomes available.

**16.2 Special Leave**

- 16.2.1 Except otherwise specifically provided by the employment agreement, each Worker is entitled to special leave up to 7 (seven) working days per year for any reason affecting the Worker's immediate family including the following reasons:

- a) Personal wedding;
- b) The worker's wife give birth (Paternity leave);
- c) Wedding of the Workers' children;
- d) Illness or death of the Workers' spouse, children or parents

If the Worker has not yet taken its paid annual leave, the Company can deduct the special leave from the worker's paid annual leave, provided, however, that in the event the Worker does not have enough annual leave remaining to cover the length of special leave, the Company cannot deduct the special leave from the Worker's annual leave for the next year. In the event deduction cannot be made or cannot be made in full, the Company is entitled to make the Worker work extra hours in order to settle such leave which shall not exceed 10 hours a day.

- 16.2.2 Any request for special leave shall be subject to prior notice as prescribed in Article 14 hereof, except in emergency circumstances under which the event occurs.

**16.3 Maternity Leave**

- 16.3.1 Except otherwise specifically provided by the employment agreement, pregnant Workers are entitled to maternity leave for a total period not exceeding consecutive 90 (ninety) consecutive calendar days including delivery date and such leave may be taken both before and after the delivery.
- 16.3.2 Upon completion of 12 (twelve) consecutive months of service, during the 90 (ninety) days of maternity leave period, the Company will pay 50% (fifty percent) of the Workers' wage. Any request for maternity leave is subject to prior notice as prescribed in Article 14 hereof, unless under emergency circumstances such as unexpected early delivery.

#### **16.4 Sick Leave**

- 16.4.1 Except otherwise specifically provided by the employment agreement, as soon as the Workers know they are likely to be unable to come to work due to illness, the Workers must personally call the [manager\*] at least [1 hour\*] before the start of working hours.
- 16.4.2 In case the Workers take sick leave for one day or more, the Workers shall fill sick leave form to [manager\*] within one working day after the leave and shall submit a medical certificate acceptable by the Company as soon as possible to the [manager and administrative department\*].
- 16.4.3 The Workers are entitled to paid sick leave based on the actual situation. In this case, the Workers shall provide the Company with the sick leave form and the medical certificate as mentioned above. Otherwise, the leave is not paid sick leave and subject to disciplinary sanction as stated in Appendix A.
- 16.4.4 In case the Workers are required to take prolonged leave for illness certified by a recognized doctor or physician acceptable by the Company, the implementation of the employment agreement may be suspended up to 6 (six) months. The Company will pay wages to the Workers under the following conditions, provided, however that such payment arrangement shall be made only one time per year, and in the event of a second opportunity of prolonged leave for illness, the Company shall not make any payment of wages.
- 100% (one hundred percent) during the first month;
  - 60% (sixty percent) during the second and third month;
  - 0% (zero percent) during the fourth to sixth month.
- 16.4.5 In the event that the Workers are unable to return to work after 6 (six) months of sick leave, the Company may terminate employment by serving appropriate notice to the Workers in accordance with the applicable laws and regulations.

#### **Article 17: Discipline at Work**

- 17.1 All Workers are required to behave with the utmost discretion with regards to all business of the Company. The Workers shall be responsible for any loss or damage caused by malice or culpable negligence and may be required to compensate to the Company.
- 17.2 The Workers shall take good and diligent care of the materials which are made at his/her disposal, including but not limited to working materials, car, mobile phone and laptop, if any.

17.3 The Workers shall take good and diligent care of their service for the customer.

## **Article 18: Disciplinary Provisions**

### **18.1 Rule of Conduct**

- a. The Workers shall obey the laws and regulations of the Kingdom of Cambodia;
- b. The Workers shall obey these Internal Regulations and others employment policies to be established separately by the Company.
- c. In all aspects of performing their jobs, the Workers are to focus on maintaining the good reputation of the Company and especially refrain from defaming the Company or performing actions which may be detrimental to the Company's interests;
- d. The Workers are to act honestly, fairly and with integrity toward each other, the Company and business partners;
- e. The Workers must show mutual respect between each other. They must be correct and polite, and not use any abusive or offensive language. Privacy of each Worker must be respected by the other;
- f. The Workers may not discriminate, especially with regard to race, religion, age or sex. Any kind of harassment is forbidden;
- g. The Workers may not use or transfer proprietary information available at the Company without proper authorization. Improper use of the insider knowledge is prohibited. Confidential data are to be protected;
- h. The Workers are to observe security and safety regulations as specified herein;
- i. Gambling and/or alcohol/spirits consumption are prohibited within the Company's premises;
- j. Smoking is also forbidden inside the Company's premises;
- k. Any form of physical violence is prohibited in the Company. It is strictly forbidden to introduce, hold and/or use any weapons or to use any material or equipment as a weapon within the Company's premises.
- l. The Workers shall not use office items and vehicles, and they shall not remove office item from the office except when necessary for reason connected with his/her work duties and following the rules prescribed by the Company from time to time;
- m. The Workers shall not receive money, articles or any kind of benefits from whoever in connection with their work without the [manager\*]'s authorization;
- n. The Workers shall refrain from holding meetings, presenting broadcasts, or distributing or displaying printed matter in relation with the duties assigned from the Company for private purposes without the [manager\*]'s prior authorization.
- o. The Workers intending to contribute an article on his/her work to a newspaper, magazine or any other form of publication, or to present a lecture in any venues on his/her work shall obtain the [manager\*]'s prior authorization.
- p. The Workers shall fully comply with article 17.1 of these Internal Regulations and shall always comply with the [manager\*]'s orders or prohibitions ; and
- q. The Workers are not to conduct outside business activities, or have outside business interest, which could be detrimental to their job performance for the Company, or to their loyalty to the Company.

## **18.2 Type of Disciplinary Actions**

18.2.1 The type of disciplinary actions can be classified as:

- A. Giving instruction;
- B. Verbal warning;
- C. Written warning;
- D. Final written warning ;
- E. Suspension;
- F. Termination/Dismissal; and
- G. Down-grading

18.2.2 Disciplinary actions are to be taken under the principle that the more serious offence is, the more severe the disciplinary action should be. For instance, the disciplinary action will be progressively severe for successive occurrences of the misconduct.

18.2.3 Before executing any disciplinary measure or sanction, the concerned Workers will be called for information on their misconduct. The concerned Workers may be assisted by other Workers of the Company during the appointment for such purposes.

18.2.4 If professional misconduct or incompetence is insisted, the Workers will then be informed in advance by the Company.

18.2.5 Suspension shall be imposed no less than 01 (one) full day after the appointment or the written warning of offence, and shall not be longer than 07 days after the starting day of the suspension.

18.2.6 Down-grading may involve the confiscation of allowance which is provided to Workers of a certain grade or rank.

18.2.7 No misconduct can be relied on beyond a period of 15 (fifteen) days from the day where the Company has had knowledge of the same. In the event of serious misconduct, the Company shall be considered to renounce its right to terminate a Worker for serious misconduct if this action is not taken within a period of 7 (seven) days from the date on which the Company has had knowledge of the same.

18.2.8 No disciplinary sanction earlier than 01 (one) year can be invoked in support of a new sanction.

18.2.9 The disciplinary action does not refrain the Company from filing any legal action against the Workers before the Court in case of criminal offense.

## **18.3 Serious Misconduct**

Serious misconduct can result in immediate dismissal. Serious misconduct will be determined in accordance with labor law and the applicable regulations such as followings:

- a. Stealing, misappropriation, embezzlement;
- b. Fraudulent acts committed at the time of signing (presentation of false documentation) or during employment (sabotage, refusal to comply with the terms of the employment contract, divulging professional confidentiality);
- c. Serious infractions of disciplinary, safety, and health regulations;
- d. Threat, abusive language or assault against the employer or other Workers;
- e. Inciting other Workers to commit serious offenses;
- f. Political propaganda, activities or demonstrations in the Company; and

- g. In addition, and due to the specificities of the Company, any act or omission from a Worker which may damage, harm, or compromise the Company's reputation or work shall be considered as a serious misconduct, while immediate dismissal shall be considered as accurately proportionate.

#### **18.4 Disciplinary Guideline**

Except otherwise specifically provided by the employment agreement, a Disciplinary Guideline- Action Plan (See Appendix A) is designed to help the Company to apply the disciplinary action correctly. It takes into account the following factors: the nature of the misconduct, the circumstances leading to the misconduct, the amount of misconduct committed by the Worker, the past record of the Worker in terms of performance, attitude and length of employment service.

#### **18.5 Disciplinary Procedure**

The disciplinary procedure varies with the type of disciplinary action taken:

##### **18.5.1 Giving Instruction**

Giving instruction is to be done by the [manager\*]. This should concern the offence itself, the consequences of continued lack of improvement and how improvement can be attained by the Workers. This instruction should be recorded in writing by completing a Disciplinary Notice Form, to ensure that there is proper follow-up. A copy is to be submitted to the [manager\*].

##### **18.5.2 Verbal Warning**

This form of disciplinary action to a Worker should only be issued by the [administrative department\*] after consultation with the [manager\*]. This consultation is to be documented in writing in the prescribed form. This document shall be referred to the [administrative department\*] for inclusion in the Worker's personal file.

##### **18.5.3 Written Warning**

A written warning will only be given by the [administrative department\*]. The gravity of the situation, along with the serious implications of repetition must be in writing in the prescribed form. A copy of which must be retained in the Worker's file and another must be retained by the [administrative department\*]. This written warning will be valid for 12 (twelve) months.

##### **18.5.4 Final Written Warning**

A final written warning is only issued by the [human resource department\*]. The Workers must be informed that a continued failure to change or a repetition of the misconduct is likely to result in termination. This warning is signed by the worker him/herself, team leader, department manager and representative of Workers. A document signed by both sides shall be submitted to the [manager\*] and a copy retained in the Workers' personal file.

##### **18.5.5 Disciplinary Notices**

All disciplinary notices should be signed by the Workers him/herself. If the Workers refuse to sign, administrative department/manager can request the representative of Workers to sign the document.

## **Article 19: Appeal Resolution Procedure**

- 19.1 The aim of the procedure is to settle problems quickly and systematically, preventing any minor problem or conflict from becoming worse, which may interrupt operations, and to settle problems in the Company rather than outside which may take longer and might lead to an eventual strike. Except otherwise specifically provided by the employment agreement, the formal step of appeal or dispute resolution shall be taken when one or more Workers disagree or are dissatisfied.
- 19.2 The Shop-steward or the Workers concerned can ask for a verbal discussion with the [manager of the administrative department\*]. The [manager\*] shall meet them at the earliest possible timing. Complaining in writing to the place under his/her [management\*], the [manager\*] shall reply in writing to the Workers within a maximum of 03 (three) days after the complaint was submitted. If the Workers agree on a solution, the case is definitely ended.
- 19.3 But if the result is not agreed, the Shop-steward or the Workers concerned shall continue to bring the written complaint to the [manager\*], and the [manager\*] shall respond in writing within 05 (five) days. If the Workers agree on the solution, the case is definitely ended.
- 19.4 But if the result is not satisfactory, The Shop-steward or the Workers concerned shall bring the case to the Labor Inspector. If the Workers agree on the solution, the case is definitely ended.
- 19.5 But if the result is not satisfactory, for collective labor dispute, the Shop-steward or the Workers concerned shall bring the case to the Arbitration Council through a labor inspector in case of collective labor dispute in which both parties shall first decide whether the decision of the council is binding or open to the Cambodian court for each dispute.
- 19.6 **Strike**  
The Workers shall not join an illegal strike. For every problem, the Workers shall request a discussion with the Company. When a party suggests a discussion the other party shall hold a discussion as soon as possible. Both parties shall follow the procedures as stated above in Clause 19.1 to 19.5.

## **Article 20: Confidential Information**

- 20.1 Except otherwise specifically provided by the employment agreement, at all times during the term of employment and after the termination of employment agreement with the Company and until the Confidentiality Information of the Company shall be disclose to public, the Workers shall hold in strictest confidence and shall not use, disclose, remove or transfer whether directly or indirectly, to any person or entity, confidential knowledge or data or any proprietary information belonging to the Company or received by the Company subject to a duty by the Company to maintain the confidentiality of such information (collectively the **"Confidential Information"**).
- 20.2 On termination of employment, the Workers shall return to the Company all materials, whether documentary or otherwise (including copies) containing any Confidential Information.
- 20.3 On termination of employment, the Workers acknowledge and agree that they are always bound by the obligation of confidentiality by which they shall not disclose,

use or transfer to any person or entity by whatever means. Failing to comply with this obligation, the Workers are liable before the law in conformity to the law and regulations in force in the Kingdom of Cambodia.

#### **Article 21: Record and File**

Except otherwise specifically provided by the employment agreement, all records and files concerning the Company or any products or services provided by the Company to the public at large or any other person or entity shall belong to and remain the property of the Company. On termination of his/her employment, the Workers shall not be entitled to keep or reproduce any of the Company's records.

#### **Article 22: Conflict of Interest**

- 22.1 Except otherwise specifically provided by the employment agreement, during the term of employment, the Workers will not engage in any other employments, occupations or other business activities which are similar or related to the Company's business, nor will engage in any other activities that may conflict with the Workers' obligations to the Company.
- 22.2 The Workers are not to act in any way that may be prejudicial to the interest and goodwill of the Company.

#### **Article 23: Termination of Employment Agreements**

- 23.1 Except otherwise specifically provided by the employment agreement, all termination of employment agreements and calculation of severance pay and other compensation shall be done in conformity with labor law and the applicable regulations.
- 23.2 All prior notices on the termination/non-renewal of employment agreement shall be served by any party thereto to the other in writing in conformity with labor law and the applicable regulations.
- 23.3 In the event of termination of unspecified duration contracts by either a worker or the Company, the prior notice for termination shall be as follows:

<b>Length of Service</b>	<b>Notice Period</b>
Less than 6 (six) months	7 (seven) days
6 (six) months to 2 (two) years	15 (fifteen) days
More than 2 (two) years and up to 5 (five) years	1 (one) month
More than 5 (five) years and up to 10 (ten) years	2 (two) months
More than 10 (ten) years	3 (three) months

The Company shall not be obliged to provide such prior notice in the event the termination is caused by the serious misconduct of the Worker.

- 23.4 The Company shall pay a seniority indemnity of 7 (seven) days of wages and benefits to Workers whose seniority period is remaining from 1 month to 6 months in accordance with applicable labor laws and regulations in the event of termination of a Worker on an unspecified duration contract for reasons other than serious misconduct.
- 23.5 The Company shall provide a prior notice in writing with the following period for non-renewal of fixed duration contracts:

Length of Service	Notice Period
6 (six) months or less	No notice required
More than 6 (six) months	10 (ten) days
More than 1 (one) year	15 (fifteen) days

- 23.6 The Company may terminate a fixed duration contract by paying the Worker the full amount that the Worker would have received if they had been allowed to work until the end of the contract, unless the reason for such termination was caused due to (i) serious misconducts of the Worker or (ii) acts of God.
- 23.7 At the expiration of a fixed duration contract, the Company shall provide the worker with the severance pay proportional to both the wages and the length of the contract. The severance pay shall be equal to five percent of the wages paid during the length of the contract

#### **Article 24: Hygiene, Rules of Cleanliness for Maintenance of Health**

- 24.1 The Company will put at the Workers' disposal all necessary means to maintain a constant state of cleanliness and hygiene and healthy conditions, ensuring good conditions of work and ensuring the Workers' health.
- 24.2 All Workers shall do their best to maintain these states of hygiene, cleanliness and health.
- 24.3 If a Worker, his/her cohabitant or a person in his/her immediate vicinity contracts an specific serious infectious illness, the Worker concerned shall immediately inform the [manager\*] thereof.

#### **Article 25: Security and Prevention of Accidents**

- 25.1 The Workers must take utmost care to ensure personal security for each other on the workplace, and shall refrain from carelessness and any disorder which could be prejudicial to their own and the others' security.
- 25.2 The Workers shall immediately alert the [manager\*] of every imminent danger that they may know about.

#### **Article 26: Social Security Scheme**

- 26.1 In conformity with the applicable laws and regulations, the Company will register with and pays required contribution to the National Social Security Fund.
- 26.2 The entitlement of the Workers under the National Social Security Fund is determined in accordance with applicable laws and regulations.



**Article 27: Work Related Accidents**

- 27.1 Any accident occurred either during the journey between work place and home, or during working hours, must immediately be reported to the [manager\*] by the concerned Workers or any witness or colleague.
- 27.2 The Workers must strictly comply with the rules of the road and any regulations in force in the Kingdom of Cambodia. The Workers who drive or are passengers of a two-wheeled vehicle must wear on a helmet.

**Article 28: Welfare of the Workers**

- 28.1 Water: the Company will provide sufficient drinking water to the Worker.
- 28.2 Restroom: the Company will provide sufficient and clean restrooms to the Workers. The Workers must take care to leave the restrooms clean and tidy and not leave papers or spray water around.

**Article 29: Beverages, Meals at Work Place**

- 29.1 Except for special authorization dispensation, it is prohibited to distribute or to introduce any alcohol into the premises of the Company.
- 29.2 It is strictly forbidden to enter or remain within the premises of the Company while being intoxicated or under the influence of drugs.

**Article 30: Women Work**

Except otherwise specifically provided by the employment agreement, for 01 (one) year from the date of child delivery, mothers who breast-feed their children are entitled to 01 (one) hour per day during working hours to breast-feed their children. This hour may be divided into two periods of 30 (thirty) minutes each, one during the morning shift and the other during the afternoon shift. The exact time of breast-feeding is to be agreed between the mother and the Company. If there is no agreement, the periods shall be at the midpoint of each work shift.

**Article 31: Amendment**

Every subsequently modifications, addition or withdrawal from these present Internal Regulations shall be submitted to the same procedure as the original Internal Regulations.

**Article 32: Language**

The present Internal Regulations are made in 02 copies of the Khmer version. These Internal Regulations shall be adopted and come into force on the date of approval of the labor inspector at the Department of labor inspection of Ministry of Labor and Vocational Training.

[Phnom Penh\*], Date.....2016

Representative of the Company  
[Signature and stamp]

## APPENDIX A – DISCIPLINARY GUIDELINE – ACTION PLAN

OFFENCES	GUIDELINE FOR SUCCESSIVE OCCURRENCES					
	1	2	3	4	5	6
<b>RELATED TO EMPLOYMENT PERFORMANCE</b>						
Unauthorized absence	C	D	E	F		
Abandoning workplace without proper authorization	C	D	F			
Failure to comply with work procedures & safety standards	A	C	D	F		
Lateness/failure to follow timekeeping procedures	A	B	C	D	F	
Negligence causing loss/damage up to USD[ ]	D	G	F			
Negligence causing loss/damage of more than USD[ ]	D	F				
Sleeping while on duty	C	D	F			
Working performance below required standard	A	B	C	D	F	
Disclosure of confidential information	F					
Defamation against the company	F					
Act or omission from a Worker which may damage, harm, or compromise the Company's reputation or work	F					
Article 18.1.a	D	F				
Article 18.1.b	C	D	E	F		
Article 18.1.c	D	E	F			
Article 18.1.d	A	B	C	D	G	F
Article 18.1.g	F					
Article 18.1.m	F					
Article 18.1.n	D	F				
Article 18.1.o	D	F				
Article 18.1.q	D	F				
Article 18.3.g	F					
<b>RELATED TO BEHAVIOR</b>						
Use of abusive/offensive language	C	D	F			
Eating in unauthorized area	A	B	C	D	F	
Fighting with weapons	F					

Fighting without weapons	D	F				
Insubordination	D	F				
Clocking in or out for colleague	F					
Rudeness to supervisor/co-workers	C	D	F			
Sexual harassment	D	F				
Rape offence	F					
Unruly behavior	C	D	F			
Eating and using food, beverage and property of the Company without permission	C	D	F			
Unauthorized presence on the Company's premises	B	C	D	F		
Unauthorized removal of the Company's property	B	C	D	F		
Willful damage to the Company's property	C	E	F			
Article 18.1.e	C	D	G	F		
Article 18.1.f	D	G	F			
Article 18.1.h	D	F				
Article 18.1.i	F					
Article 18.1.j	C	D	F			
Article 18.1.k	F					
Article 18.1.l	D	F				
Article 18.3.a	F					
Article 18.3.b	F					
Article 18.3.c	F					
Article 18.3.d	F					
Article 18.3.e	F					
Article 18.3.f	F					
Not elsewhere classified	to consult with [*]					

**Note:**

- A. Giving instruction;
- B. Verbal warning;
- C. Written warning;
- D. Final written warning;
- E. Suspension;
- F. Termination/Dismissal; and
- G. Down-grading.

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<sup>i</sup> For the position or figures which are surrounded by brackets ( [ \* ] ), these are positions or figures which can be adjusted based on the discretion of the company.

<sup>ii</sup> For example, normal hourly wage for a company with one day off per week, and working hours of 8 hours per day, shall be calculated as follows:

Basic monthly wage  $\div 26 \div 8$