



**EMPLOYMENT SECURITY AND
WORKFORCE RESTRUCTURING POLICY**



PURPOSE AND OBJECTIVE

At FIVE hotels, we believe that our employees are our most valuable asset, and we are committed to their employment security and well-being. We understand that business needs may require workforce restructuring from time to time, and we are dedicated to avoiding compulsory redundancies whenever possible.

FIVE is committed to providing employment security to all its employees with a set of several employment benefits. FIVE does not believe in performing workforce restructuring through large-scale redundancies and aims to avoid/ minimize any form of workplace redundancies by taking appropriate steps/ measures.

In case a situation arises, FIVE shall take an informed decision following management discretion to mitigate the consequences of employees made redundant.

FIVE does not encourage or have a formal workforce restructuring practice in place for the purpose of workforce cost reduction.

This directive details the key direction for the Human Resources team at FIVE, involving management to ensure we have the right talent, in the right place ensuring optimum performance and outcome.

APPLICABILITY

This policy applies to FIVE and its related group entities.

GUIDELINES

FIVE in its endeavor to promote employment security and reduce non-regular employment has put forth several strategies in place which will support its objective.

Business Planning

The Human Resources function plays an integral part in the business planning process. Manpower considerations are factored into strategic and tactical activities at each level of the organization.

We plan resources based on the analysis of internal data (such as business strategy, organizational capabilities, company structure) and external data (such as customer needs, labour market trends and local environment).

Staffing

We will review organizational structures and hierarchies to ensure optimum efficiency. We will facilitate, wherever possible, the most optimum levels of staffing required to operate the business to company standards. Departmental staffing levels and rostering practices would be reviewed on a regular basis, especially during the business planning process, to ensure the best match between headcount and business levels. In case of any urgent requirements during peak seasons, FIVE may choose to hire additional workforce through approved contractor services for short term period. Where

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appropriate, we will encourage flexible staffing to address fluctuations in business levels, such as through multi-skilling, multi-tasking, outsourcing or use of casual or contractors.

Talent Management

FIVE acknowledges that effective talent management practices are important to ensure the long-term sustainability of our operations and competitiveness. We make important strides in strengthening talent management practices in line with the industry and benchmark against best practices.

FIVE follows a consistent approach across business to equip line managers to make effective talent and succession decisions. The management team works with the human resources department constructively work towards building a strong and stable talent pipeline.

One of the most significant enhancements in the talent and succession review process was the 4-Box rating model towards identifying and determination of talent retention, successor potential and readiness levels.

In line with this, we have strengthened our approach in successor capability building into senior roles for purposes of effectively identifying successors for critical roles and addressing development gaps to ensure the professional growth and career progression of successors. This was complemented by quarterly reviews and catch-ups.

Due to the changing future of work and evolving learning and development landscape, we focus on job training to meet the need for continuous learning and the professional growth of our employees. This also ensures a more engaged talent leading to higher retention and better guest experience.

FIVE provides its employees with a clear career path through the availability of a comprehensive organization structure which helps employees to be provided with a sense of job security and incentivize them to stay with the company. This can include offering opportunities for promotion or advancement or providing information about potential regular employment opportunities within the company.

Learning and development

FIVE has developed a learning and development program across respective departments to provide job-specific, skill-specific, leadership and soft skills, health and safety and trainings mandated by law to all employees. Based on training need analysis identified through performance employees, FIVE designs a detailed training calendar to support in skill enhancement for employees to provide better work progression opportunities. These on-the-job trainings are also provided to temporary/ indirectly employed workforce which shall help increase their skills and employability, and potentially lead to more regular employment opportunities in the future.

Head of Department training

The Group Director of HR shall apprise all department HODs to provide a training to make the departments aware on the importance of employment security and use of regular employment and undertake responsible hiring practices.

Equality in provision of benefits

FIVE performs a periodic check over the provision of benefits and compensation for all personnel based on the compensation structure defined across the organization. FIVE promotes equality in benefits

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provided to all employees across the respective departments to ensure parity in pay and compensation to all employees.

Priority rights

If an employee's position is made redundant or they are otherwise unable to continue in their current role, they have a priority right to be considered for other available positions within the company or industry for which they are qualified. This priority right is intended to provide job security for employees and to help ensure that experienced workers are not lost from the workforce due to temporary or unexpected changes in the job market.

Promotion of regular employment

Regular employment refers to employment that provides workers with a stable and predictable source of income, as well as access to social protections such as health care, pensions, and unemployment benefits. Further, regular employment promotes forms of permanent employment for workforce and focuses on minimizing the use of non-regular employment – such as specialized, non-core activities, during peak hours. FIVE is in the hospitality and real-estate business wherein business may be subject to temporary requirements on account of seasonal changes/ increase in volume of business/ construction requirements which may result in changing workforce requirements. This may in turn require FIVE to hire temporary workforce for its seasonal business changes and requirements at site for construction activities.

FIVE encourages all its team members and departments to employ permanent staff for its core business activities.

Temporary workforce (in form of interns/ freelancers) may be hired for specific business requirements only in case of specialized/ non-core activities. However, to promote and provide permanent employment benefits, FIVE performs performance evaluation of such interns (every quarter) to assess the requirement, performance, and value addition to the team. Based on approval from the user department head and the Group Director of HR, the temporary employees may be offered a permanent position with the organization.

Following are possible guidelines to avoid redundancies:

- **Restricting/reducing external recruitment:** We aim to avoid replacing employees who exit the business wherever possible. We will consider redistributing work amongst existing staff or accepting internal applicants before advertising externally.
- **Redeployment/retraining:** If one area of the business is busier than another, we may retrain an employee with transferable skills to take up a new role on a temporary or permanent basis. We may also redefine existing roles to match work demands. Any significant changes will need to be agreed upon in writing with the relevant employee, who will be given training to ensure they are equipped to perform the new role.
- **Voluntary sabbaticals/career breaks/secondments:** We may consider unpaid sabbaticals/career breaks, giving employees the opportunity to do something for themselves such as study, travel, or voluntary work while retaining valuable staff. Similarly, internal or client secondments can work well to either train an employee in a certain area or provide a specific service to a client.
- **Flexible working requests:** We can consider employees to make flexible working requests to reduce their hours or days of work. Or we can consider introducing a reduction in hours or days

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worked for a certain group of employees on a temporary or permanent basis. Employee consent will be obtained to mitigate any risk of breach of contract and/or constructive dismissal claims.

- **Make savings in other areas:** Before turning to compulsory redundancies, we will consider how budgets can be cut and costs saved in other areas of the business. For example, we may reduce client or entertainment budgets or review contracts with suppliers of goods and services with a view to reducing costs.

At FIVE hotels, we prioritize the identification of new skills that can benefit our business. We offer regular training programs to our employees, enabling them to learn new skills and stay up-to-date with the latest developments in our industry. This not only benefits our business but also provides our employees with valuable career development opportunities.

COMMUNICATION AND TRAINING

FIVE regularly communicates these policy guidelines to all its employees, third-party contracted labour and suppliers through the following modes –

- Periodic trainings and townhalls
- This policy is made publicly available on the FIVE Holdings website and hosted on the company intranet for easy access to all employees

REVIEW

The policy is reviewed by the Group Director of HR on an annual basis to make any amendments to this document.

In case you have any questions or concerns regarding this policy, please reach out to the Human Resources team for assistance.