

HRM POLICIES AND PROCEDURES

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depend on the number of resources deployed to perform the activity, e.g. equipment, manpower, facilities, materials, etc.

This mode of engagement must be done in good faith which neither result to the termination of the services of regular employees nor in the reduction of their working hours.

VII. QUALIFICATION OF THE CONTRACTOR

In the engagement of temporary and/or other non-regular employee, the Company will deal only with legitimate contractor as may be defined under the Labor law. The following are the qualifications of a legitimate contractor:

1. Legally engaged in the business of providing labor and/or service, or its charter covers its business of performing outsourced activity.
2. Must have sufficient capital/resources such as tools, machineries equipment, etc., which are necessary to its main business.
3. Must have a business office or contact address. Its letterheads, ID's and other business documents must not bear the name or logo of Nestlé.
4. Must have its own supervisor that looks after the job performance of its employees.
5. Must have no record of violation of any local laws.
6. Must sign confidentiality agreement to protect Nestlé information, know how, technology, financial or business data.
7. If applicable, must have a good track record based on previous service contracts/assignments as certified and referred to by present and /or former clients other than Nestlé.
8. Must be registered with the Department of Labor
9. Must be willing to comply with Nestlé Corporate Business Principles e.g. compliance with local laws, respect to human rights, non-discrimination in employment, non-use of forced and child labor, etc.

VIII. LEGAL REQUISITES AND PROCEDURE FOR ENGAGEMENT OF TEMPORARY AND/OR NON-REGULAR EMPLOYEE (DIRECT HIRE AND THIRD PARTY AGENCY)

A. Legal Requisites

1. Valid written contract between Nestlé and the contractor

A valid written contract must explicitly contain the following provisions:

- a. Employer-Employee relationship.