

HRM POLICIES AND PROCEDURES

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VI. MODE OF ENGAGEMENT

Each type of employee's arrangement as mentioned in the immediately preceding section, has specific mode of engagement fit, which if consistently implemented, will ensure compliance with the Labor laws and the Nestlé Corporate Policies. The following are the modes of engagement:

1. **Core** - refers to a regular job or recurring job, which must be performed by a regular employee of Nestlé.

Other types of employee's arrangement such as temporary or outsourced cannot fit to this specific mode of engagement, as it will result to non-compliance with Labor laws and Nestlé Corporate Policies.

2. **Temporary/Emergency** - refers to a mode of engagement intended to address temporary vacancies due to prolonged leave of absence of the incumbent regular employee of Nestlé, or to fill up a temporary urgent need.

This mode of engagement can be legally performed by temporary direct hire or employee hired by the third party agency. Regular employee of Nestlé can also legally perform this specific mode of engagement.

- a. **Temporary Direct Hire** must be resorted only in cases of consultancy and project basis arrangements whereby the Company will only be responsible for the employees' service fee and spared of the administrative duties of an employer, e.g. hiring, payroll processing, administration of benefits, registration with SSS, Pag-ibig, Philhealth, etc.
- b. **Temporary hiring thru Third Party Agency** must be resorted to in all other cases so that the Agency as the employer will be responsible for the selection/engagement of temporary employees, payroll processing, administration of benefits, registration and remittances of premiums to the SSS, Philhealth, Pag-ibig, etc.
3. **Outsourced** - refers to the mode of engagement covering activity defined by the Company as non-core and which can be legally performed by legitimate in-premise or out-premise contractor whose charter covers such outsourced activity. The outsourced activity may either be temporary or continuing and the payment of the services may be predetermined at the time the contract was entered into or