

Classification: HRM Policy	Document Reference No:	Revision No: 00	Date of Issue:
Approving Authority: BOD	Title: Salary and Statutory Compliance Management		Supersedes: Nil
			Date of Review: Nil

1. SCOPE

The scope of this policy shall cover the following:

- a. Minimum wage
- b. Salary Increment
- c. Performance Claimed

2. POLICY AND PURPOSE

- 2.1 The purpose of this procedure is to outline the salary and statutory contribution management at <company> and its subsidiaries and associate companies in operation currently and incorporated in future.
- 2.2 The company's policy is that, all employees shall be paid their monthly salary by the last day of the month and the payments will be made through the bank designated by the Company.
- 2.3 The aim of this policy is to ensure that the Company's payroll processing practices are consistent, accurate and in compliance to prevailing labour and statutory regulations.
- 2.4 The Company's policy is that, all information pertaining to salary and compensation shall be kept strictly confidential and employees are strictly prohibited from discussing it with another employee in the Company. Non-compliance to this policy could result in disciplinary action being taken against the employee.
- 2.5 The Company shall at all times comply with the minimum wage limit as legislated under the Employment Act and its amendments.
- 2.6 The Company's policy is that, all information relating to salary shall be treated as private and confidential. Employees are expected keep their salary information confidential.
- 2.7 The Company shall make all necessary statutory and PCB deductions and contribution accordingly to prevailing legislations and regulations.
- 2.8 **Overtime:** As per Employment Act 1955 and its amendment; employees earning a basic salary of **RM4,000.00** or below and as well as those who are performing manual work, shall be entitled to Overtime (OT) payment for work performed outside the official working hours on normal working days, rest days and gazetted public holidays.

Classification: HRM Policy	Document Reference No:	Revision No: 00	Date of Issue:
Approving Authority: BOD	Title: Salary and Statutory Compliance Management		Supersedes: Nil
			Date of Review: Nil

2.9 The Company's policy is that, all overtime work shall only be carried out at the request of the Management/HODs due to operational requirement. All request for overtime work shall approved by HOD and CEO before overtime work is carried out.

2.10 The Company policy is that all overtime forms/claims must be submitted by the **20th of each month** to provide HRD sufficient time to verify and very the OT claims. Any OT claims submitted after the 20th shall be processed in the following months OT calculation.

2.11 **Salary Increment:** The Company's policy is that, an employee salary increment shall be at the based on the Company's business performance and employees' overall performance and conduct.

2.12 The Company's policy is that, all employees shall be paid their monthly salary by end of the month and the payments will be made through the bank designated by the Company. Employees who join the Company after the 26th day of the month shall only receive their first salary the following month.

2.13 The Company's policy is that, all rewards disbursement shall base on an employee overall performance results and overall conduct. The Company adopts a KPI based performance management system.

2.14 The Company's policy is that, only confirmed employees shall be entitled for the bonus. Confirmed employees with less than one (1) years' service will be paid on a prorated basis.

2.15 The Company's policy is that, an employee who is serving notice period of resignation or termination from service shall not be entitled for any bonus payment.

3. RESPONSIBILITY

3.1 HODs are responsible to review and verify all salary related information i.e. claims, overtime claims, leaves and etc. before forwarding to the HRD for verification.

3.2 The HRD is responsible to compile and verify salary related information from all the departments before processing the monthly salary.

3.3 The HRD shall process the monthly salary including statutory contribution and PCB deduction.

3.4 The monthly payroll report summary and payroll listing is submitted CEO/BOD for verification and approval.

3.5 Upon approval of the CEO/BOD, the monthly payroll listing is submitted to the finance department to transfer payments into employees' bank accounts.

Classification: HRM Policy	Document Reference No:	Revision No: 00	Date of Issue:
Approving Authority: BOD	Title: Salary and Statutory Compliance Management		Supersedes: Nil
			Date of Review: Nil

3.6 The HRD shall prepare the monthly pay slips and forwards to HOD to be distributed to their respective team member.

3.7 The HRD shall submit all statutory and PCB contribution payment reports to the Finance department to make the required payments accordingly.

4. REFERENCES

4.1 <company> - Employee Handbook

5. DEFINITIONS

5.1 **Normal Hours of Work:** Period during which the employee is expected to carry out his/her task and responsibilities as per the job description assigned to him by the employer and does not include any intervals allowed for rest, and meal breaks.

5.2 All Employees shall be entitled to one (1) day as **Rest Day** in a week according to the duty roster.

5.3 **Overtime:** All work performed in excess of the normal hours of work.

5.4 **Rest Day:** Every Sunday is a non-working day for employee.

5.5 **EPF:** Employee Provident Fund Act or Kumpulan Wang Simpanan Pekerja (KWSP).

5.6 **SOCISO:** Social Security Organization or Pertubuhan Keselamatan Sosial (PERKESO).

5.7 **EIS:** Employment Insurance System or System Insurans Pekerja (SIP).

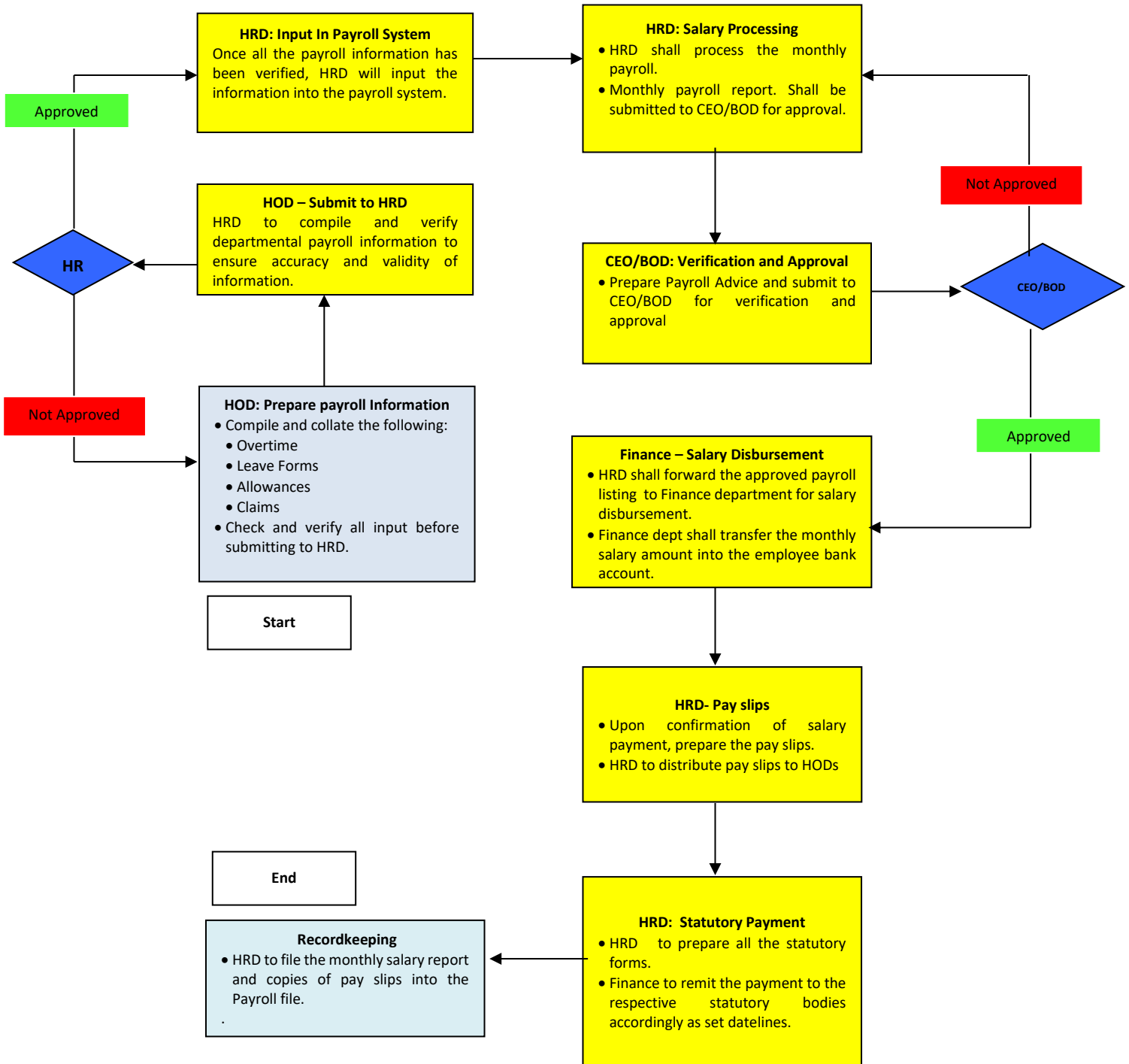
5.8 **PCB Deduction:** Income tax deduction under Inland Revenue Board (IRB) or Lembaga Hasil Dalam Negeri (LHDN).

6. RECORDS

6.1 All documentations pertaining to salary and statutory processing and shall be filed in Payroll department. Administration document shall be filed in HR department.

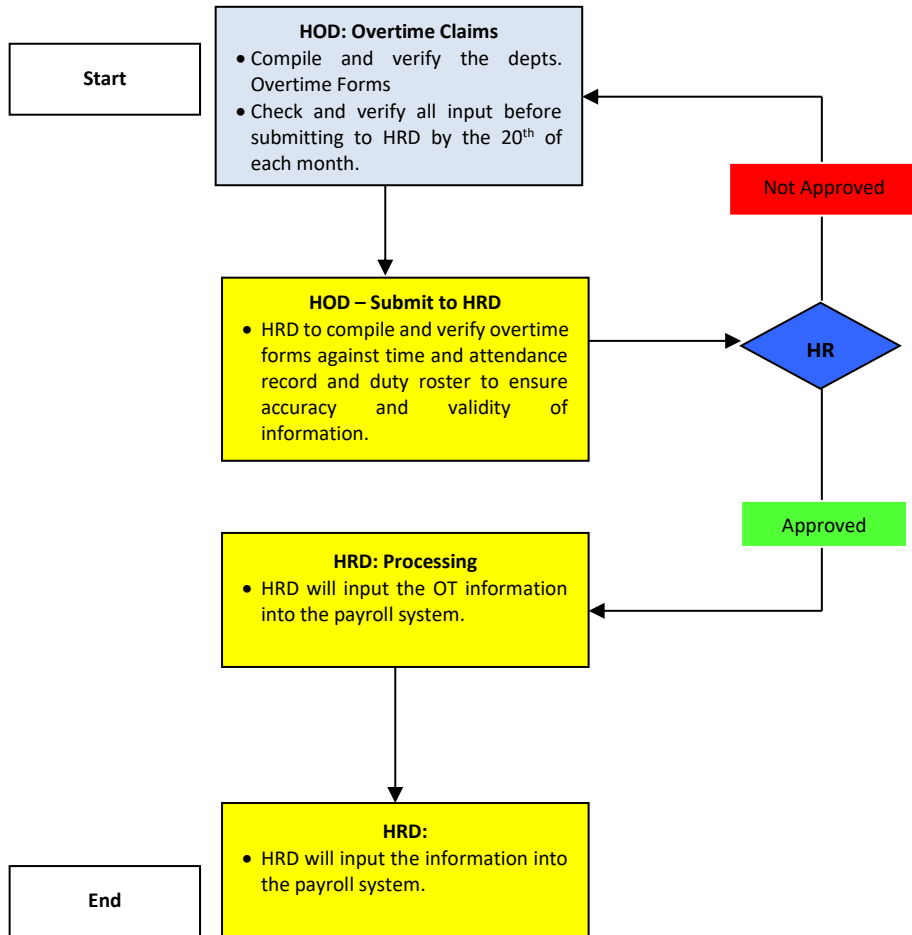
Classification: HRM Policy	Document Reference No:	Revision No: 00	Date of Issue:
Approving Authority: BOD	Title: Salary and Statutory Compliance Management		Supersedes: Nil
			Date of Review: Nil

7. FLOWCHART: SALARY AND STATUTORY COMPLIANCE MANAGEMENT



Classification: HRM Policy	Document Reference No:	Revision No: 00	Date of Issue:
Approving Authority: BOD	Title: Salary and Statutory Compliance Management		Supersedes: Nil
			Date of Review: Nil

7.A - Flowchart: Overtime Administration



Classification: HRM Policy	Document Reference No:	Revision No: 00	Date of Issue:
Approving Authority: BOD	Title: Salary and Statutory Compliance Management		Supersedes: Nil
			Date of Review: Nil

8. APPROVAL AND IMPLEMENTATION

Implementation Date	
Approved by BOD	
Date	