

1.0 CLASSIFICATION OF EXECUTIVES

All Executives will be classified within the following broad banding system:

JOB LEVEL	TYPICAL CAREER DESIGNATION	JOB GRADE	BAND CATEGORY
1. Top Executive Management	Chief Executive Officer; Executive Director; Managing Director	Restricted	D3
2. Seasoned Technical Professional	Senior General Manager; General Manager; Technical Experts	G14 G13 G12	D2 D1
3. Senior Technical Professional	Department Head; Senior Managers; Senior Specialist; Managers	G11 G10 G9 G8	P3 ; H3
4. Developing Professional	Managers; Section Heads; Deputy Manager; Specialist; Assistant Managers; Senior Executives	G7 G6 G5 G4	P2 ; H2
5. Entry Level Executives	Executives	G3 G2	P1 ; H1
6. Sub. Entry Level Executives	Junior Executives / Management Trainee	G1	P1

Legend : P – Professional
H – Management
D – Leadership

2.0 DEFINITION

- 2.1 The Company - PHN Industry Sdn Bhd.
- 2.2 Basic Salary - salary excluding any allowance, bonus, or payment of any nature.

- 2.3 Company's Appointed Doctor - a registered medical practitioner in private practice appointed by the Company as the Company's panel of doctors and listed in the Company's administrative circular and shall include any doctor in a government hospital or any other government's approved hospitals.
- 2.4 Dependant Child(ren) - children who is/are not employed and not exceeding 18 years of age and includes legally adopted child(ren) staying with the Executive.
- 2.5 Dependant - spouse and the Executive's child(ren).
- 2.6 Executive - employee designated as Executive under present Terms and Conditions of Employment within the Band Category and Job Grades specified in clause 1.0 aforementioned.
- 2.7 Spouse - legal husband or first legal wife of the Executive.
- 2.8 Words in the masculine gender also include the feminine gender and words in the singular will include the plural unless the same is inconsistent with the context.

3.0 DELEGATION OF AUTHORITY

The Head of Company may, at its entire discretion, delegate any or all of the powers or authority conferred on him by these Terms and Conditions of Service to any Executive.

4.0 CONDUCT AND DISCIPLINE

All Executives are subject to the Company's rules and regulations stated in the Employee Handbook and/or other documents, the terms and conditions of the letter of appointments and these Terms and Conditions of Service and subject further to any omission, addition, amendment and/or variation thereto.

5.0 AMENDMENTS TO TERMS & CONDITIONS

The Company retains the sole prerogative to change these Terms and Conditions from time to time to keep pace with any change and financial status of the Company.

6.0 FALSE OR MISLEADING DECLARATION

If, at any time subsequent to the appointment of an Executive, it is found that any statement contained in the Application Form of Employment or the application letter is false or misleading, the Executive shall be liable for instant dismissal (subject to the degree of seriousness of the misrepresentation) or any other disciplinary action deemed appropriate by the Company.

7.0 WORKING DAYS

The Company operates five (5) days a week starting from Monday till Friday.

8.0 WORKING HOURS

All Executives shall work for 42.5 hours per week based on the following working hours:

a) Monday to Thursday

8.00 a.m - 5.30 p.m

With lunch break from 1.00 p.m – 1.45 p.m

b) Friday

8.00 a.m – 5.30 p.m

With lunch break from 12.45 p.m – 2.45 p.m

9.0 PROBATION PERIOD

9.1 A newly appointed Executive shall be required to undergo a probationary period of at least six (6) months. This probation may be extended for a further period at the discretion of the Head of Company or any other person authorized by him due to unsatisfactory performance or discipline or any other reasons.

9.2 Upon successful completion of the probationary period, the Executive will be given a Letter of Confirmation. In the absence of any Letter of Confirmation, the Executive shall not be deemed to be confirmed of his appointment.

9.3 No salary increment needs to be given to an Executive on confirmation of his appointment.

10.0 NOTICE OF TERMINATION

10.1 EXECUTIVES ON PROBATION

Either the Executive or the Employer may at any time during the probationary period, issue notice of termination by giving one (1) month written notice or pay one (1) month salary in lieu of such notice.

10.2 CONFIRMED EXECUTIVES

a) A confirmed Executive intending to resign from service of the Company is required to give three (3) months notice in writing or pay three (3) months salary in lieu of notice.

The Company will give similar notice or payment in lieu of notice if it wishes to terminate the service of an Executive.

b) The notice period may be offset against his prorated annual leave entitlement which he has not taken.

10.3 On termination of service, an Executive shall surrender all documents, records, work pass, files, keys, vehicles (if any) and other properties belonging to the Company and settle all outstanding liabilities and other obligations to the Company.

11.0 TRANSFER/ASSIGNMENT/SECONDMENT

An Executive can be transferred, assigned or seconded at a same present post or otherwise as instructed by the Company to any section, department, associate Company, or any other Company where the Company has interest or anywhere within the Company as deemed fit by the Company, from time to time.

12.0 PROMOTION

- 12.1 The promotion of an Executive shall be at the entire discretion of the Company, when necessary and shall be based on the merits of each case.
- 12.2 The promotion increment of an Executive shall not be less than 10% of current salary.
- 12.3 Recognition may be accorded to an Executive who has attained an additional qualification during his service with the Company provided that the attained qualification is relevant to the Executive's work but at the entire discretion of the Company to consider any upgrading of an Executive's position or otherwise.

13.0 SALARY BAND

13.1 The salary band for an Executive:

Band Category	Salary Band (per month)	
	Minimum	Maximum
P1, H1	RM2, 100.00	RM 6, 300.00
P2, H2	RM4, 000.00	RM 8, 700.00
P3, H3	RM5, 800.00	RM13, 000.00
D1	RM8, 400.00	RM15, 200.00
D2	RM10, 000.00	RM18, 300.00

13.2 New Executives may be taken at a salary commensurate with their experience and their value to the Company provided it is not below the minimum salary band for the appropriate Band Category.

14.0 ANNUAL INCREMENT

Annual salary increment depends on the performance of the Executive and the Company.

15.0 PUBLIC HOLIDAY

- 15.1 Executives will be granted paid holidays on all public holidays gazetted by the Federal Government or the State Government.
- 15.2 If the Federal or State gazettes a public holiday which falls on a rest day, the public holiday shall be the working day immediately following the rest day and conditions on the gazetted public holidays shall apply.
- 15.3 If a gazetted public holiday falls on Saturday (off day), then the public holiday shall be the first working day following the public holiday or rest day as the case may be.
- 15.4 Any public holiday can be replaced to any other day at the Company's discretion to allow the Company to reschedule the said leave.

16.0 ANNUAL LEAVE

- 16.1 All Executives are entitled to the paid annual leave based on working days per year as follows:
 - a) Less than five (5) years in service - 18 days per annum
 - b) Five (5) years or more in service - 20 days per annum
- 16.2 The following conditions will govern the granting of annual leave:
 - a) An Executive shall be required to apply for annual leave in writing at least five (5) working days in advance and approval from the Company must be obtained prior to commencement of leave except in situations of emergency whereby the Head of Company or any other person authorized by him may consider a shorter period for annual leave application.
 - b) The Company reserves the right at any time to recall an Executive who is on leave or cancel his approved leave if the exigencies of the service require the Executive's attendance.
 - c) An Executive can accumulate his annual leave up to his annual entitlement for one (1) year.
 - d) Any excess number of annual leaves will be nullified.
- 16.3 An Executive on probation is not allowed to take annual leave unless with a special permission from Head of Company or any other person authorized by him. In the event that an Executive apply for unpaid leave, the approval is up to the Management's discretion.
- 16.4 In the event that an Executive falling ill during his annual leave period, his leave shall be substituted by the actual number of days of illness upon production of a medical certificate issued by the Company's Appointed Doctor.

17.0 PILGRIMAGE LEAVE

- 17.1 An Executive who has served a minimum of five (5) years of service with the Company is eligible to fifteen (15) days paid pilgrimage leave.
- 17.2 For the purpose of this clause such leave shall be granted only once during the course of the Executive's service with the Company.
- 17.3 The Executive must apply in writing for the pilgrimage leave at least three (3) months in advance and shall furnish all related documents such as Letter of Confirmation from Lembaga Tabung Haji or any other authorized agency responsible to register for the current year pilgrimage.
- 17.4 In the case of last minute confirmation from Lembaga Tabung Haji or any authorized agency, the Executive shall be required to produce the Letter of Confirmation from Lembaga Tabung Haji or the authorized agency for approval by the Head of Company or any other person authorized by him.

18.0 EXAMINATION LEAVE

- 18.1 An Executive will be granted examination leave with full pay for a period of five (5) days per annum for the purpose of sitting for professional examinations or other approved examinations.
- 18.2 The following conditions will govern the granting of examination leave:
 - i) Examination leave application should be made at least five (5) days in advance and approval from the Head of Company or any other person authorized by him must be obtained prior to the commencement of leave.
 - ii) Submit a copy of examination schedule by the institution concerned together with the above application to signify the examination date.

19.0 COMPASSIONATE LEAVE

- 19.1 The Company may grant compassionate leave with full pay in respect of the following:

a)	Death of spouse, parents, child, brother and sister (including legally adopted child)	- 3 consecutive working days
b)	Death of grand parents or parents in law	- 3 consecutive working days
c)	On the occasion of the first marriage	- 3 consecutive working days
d)	Child birth	- 3 consecutive working days
- 19.2 The compassionate leave shall be subject to a maximum of eight (8) workingdays in one (1) calendar year.

- 19.3 Any compassionate leave granted shall commence from the effective date of the incident.
- 19.4 Where compassionate leave is granted, the Executive concerned shall produce relevant documentary evidence to the Company for verification within three (3) working days of his return from such leave.
- 19.5 An Executive who is entitled for compassionate leave during his annual leave, shall get back the annual leave taken.

20.0 SICK OR HOSPITALIZATION LEAVE

- 20.1 Where no hospitalization is, and, on the recommendation of a Company's Appointed Doctor or having regard to the nature or circumstances of the illness whereby the services of Company's Appointed Doctor are not obtainable within a reasonable time or distance by any other registered medical practitioner or by a medical officer, all Executives shall be entitled for paid sick leave as follows:
 - a) Fourteen (14) days in each year if the Executive has been employed for less than two (2) years.
 - b) Eighteen (18) days in each year if the Executive has been employed for two (2) years or more but less than five (5) years.
 - c) Twenty two (22) days in each year if the Executive has been employed for five (5) years or more.
- 20.2 Where hospitalization (admission) is necessary all Executives irrespective of Band Category are entitled to sixty (60) days hospitalization leave per calendar year.
- 20.3 The total number of days of paid sick or hospitalization leave in a calendar year where an Executive is entitled to shall not exceed sixty (60) days.
- 20.4 An Executive who takes sick or hospitalization leave more than his entitlement as per clause 20.1 or 20.2 will be liable for deduction of his monthly salary on the excess sick or hospitalization leave taken.
- 20.5 An Executive who absents himself from work on sick or hospitalization leave or who does not inform or attempt to inform the Company within twenty four (24) hours of his absence due to illness without reasonable grounds shall be deemed to have been absent from work without permission of the Company.
- 20.6 An Executive who absents himself from work in the manner mentioned in the immediate preceding paragraph shall be considered to have committed a breach of discipline and shall have his annual leave entitlement and/or his salary deducted by the number of days he has been absent without reasonable excuses.
- 20.7 An Executive who is absent from work for more than two (2) consecutive days without informing his available Superior although in possession of medical certificate, is considered to be absent from work for two (2) consecutive days or more and is deemed to terminate his service with the Company.

21.0 MATERNITY LEAVE

- 21.1 A female Executive shall be entitled to sixty (60) consecutive days paid maternity leave for each child up to fifth (5th) birth during the period of service with the Company.
- 21.2 Maternity leave shall not commence earlier than a period of thirty (30) days immediately preceding the confinement of a female Executive or later than the day immediately following her confinement.
- 21.3 A female Executive may be required to commence her maternity leave if the Company's Appointed Doctor certifies her to be unfit for work due to her advance state of pregnancy, but shall not be earlier than fourteen (14) days prior to the confinement.
- 21.4 Application for maternity leave must be submitted to Immediate Superior at least fourteen (14) days prior to commencement of maternity leave to enable the Immediate Superior to make arrangements to cover her period of absence.
- 21.5 Maternity leave may commence only after the twenty-eight (28) weeks of pregnancy. Leave on account of miscarriage, abortive measure or premature birth occurring during the first twenty eight (28) weeks of pregnancy shall not be considered as maternity leave but as normal sick or hospitalization leave.
- 21.6 If the Executive concerned fails to resume duty after more than two (2) days of the expiry of maternity leave, without reasonable excuse or without informing or attempting to inform the Company of the reasons for such absence, she shall be deemed to terminate the contract of service with the Company.

22.0 CLINIC VISIT

- 22.1 The Company will provide medical benefits and services to the Executives and their dependants i.e. spouse and children below the age of eighteen (18) years as per the table below:

<u>Grade</u>	<u>Benefits</u>
P1, P2, H1, H2	RM 9, 000.00 / Family / Year
P3, H3	RM10, 000.00 / Family / Year
D1, D2	RM12, 000.00 / Family / Year

- 22.2 The Company shall not bear the cost of the following:
 - a) Medical/surgical or other appliances, including spectacles or glasses.
 - b) Dentures or crowning.
 - c) Any expenses in respect of cosmetic or plastic surgery for purposes of beautification.
 - d) Any expenses arising out of self-inflicted injury, accident, illness or disease caused by misconduct.
 - e) Any expenses for treatment in mental cases.
 - f) Any expenses incurred in respect of illness, injury or disablement, arising from any proven fault participation in or attending any hazardous sport, pursuit or pastime, attempted suicide, unlawful act, exposure to any unjustifiable hazards, provoked assault, congenital anomalies, illegal abortive measures, use of alcohol and any breach of the peace or disorderly conduct except when endeavoring to save human life.

- g) Any expenses for treatment which is due to sexually transmitted diseases or its related disease.

22.3 In the case of emergency where the Executive requires immediate medical attention and is unable to obtain the services of the Company's Appointed Doctors, he may seek such attention from another registered medical practitioner and the Company may reimburse the expenses incurred provided that it is a genuine case as per clause 20.1.

23.0 DENTAL TREATMENT

23.1 The Company shall provide free dental treatment rendered by a Dental Surgeon being limited to RM250.00 for Executives in Band Category P1, P2, P3, H1, H2 and H3.

23.2 For Executives in Band Category D1 and D2, a dental treatment rendered by a Dental Surgeon being limited to RM500.00 which includes his dependant.

23.3 Dental treatment does not include cosmetic purposes.

24.0 PROLONGED ILLNESS

24.1 Prolonged illness refers to illnesses such as cancer, leukemia, leprosy, tuberculosis, paralysis and similar long drawn illnesses.

24.2 Company's Appointed Doctors can recommend up to a maximum of six (6) consecutive months leave on full pay, a further six (6) consecutive months leave on half-pay, and a further twelve (12) consecutive months without pay.

24.3 In cases where early prognosis, certified by the Company's Appointed Doctor, indicates six (6) months or more prolonged illness, the Executive may opt to resign from the service of the Company. If the Executives opt to resign, the Company shall pay one lump sum in compensation in addition to any other payments which the Executive is entitled to as set forth in clause 24.2 above, to which the Executive would have been entitled to.

24.4 If at the end of the twelve (12) months of unpaid leave the Executive is certified by the Company's Appointed Doctor or by any medical practitioner or medical officer to be unfit to work, the Company may at its own discretion terminate his service.

25.0 ANNUAL MEDICAL CHECK-UP

All Executives are required to undergo executive screening programme as follows:

Band Category P1, P2, P3 H1, H2, H3	-	Once in two years
D1 & D2	-	Once a year

26.0 HOSPITALIZATION

- 26.1 All Executives including their dependants are covered by hospitalization benefits.
- 26.2 An Executive shall be granted free medical attention, treatment and medicine as prescribed by the Company's Appointed Doctors, including specialist fee if the Executive is referred by the Company's Appointed Doctors to such a specialist. If the Executive requires traditional treatment, the Company's Appointed Doctors should give their confirmation to cover such medical leave for the purpose of obtaining the above said treatment.
- 26.3 The maximum liability of the Company for hospitalization per person per calendar year is based on Job Level as follows:

Band Category P1, P2, H1, H2	-	RM15,000.00 per year per person double bedded ward/day
P3, H3	-	RM20,000.00 per year per person single room ward/day
D1, D2	-	RM30,000.00 per year per person single room ward/day

27.0 MATERNITY EXPENSES

- 27.1 Executives will be eligible to claim for maternity expenses (inclusive of pre and post natal) up to a maximum of RM3,000.00 per normal delivery, while RM5,000.00 per delivery for any Caesarian Case irrespective of Band Category up to the fifth (5th) birth for the period of service with the Company. The ward entitlement shall be the same as in the hospitalization benefit as per clause 26.3.
- 27.2 The procedures for application of the Company's Guarantee Letter are as follows:
 - a) A reference letter from the Company's Appointed Doctor is required before the Guarantee Letter can be issued by HRM Department.
 - b) HRM Department will prepare and issue the Guarantee Letter upon receipt of the reference letter from an authorized doctor of the panel clinic.
 - c) If the Guarantee Letter is requested after office hours or non-working days, the letter will only be prepared on the following working day.
 - d) The authorized signatory for the Guarantee Letter for private hospitals or government hospitals is the Head of HRM Department or any other person authorized by him.
- 27.3 The payment of maternity expenses must be supported with receipts. The maximum entitlement is RM3,000.00 (Normal Delivery) or RM5,000.00 (Caesarian Delivery) or the actual expenses on bills per delivery, whichever is lesser.

28.0 CALL BACK ALLOWANCE

If an Executive is called from his home to work overtime outside his normal scheduled working hours, the Executive shall be paid as follows:

- a) RM35.00 per call.
- b) Eligible to claim mileage.
- c) Entitle for meal allowance of RM5.00 for those who perform the job for a minimum of two (2) hours continuous work after normal hours.

29.0 SHIFT ALLOWANCE

A shift allowance of RM14.00 per night duty is payable to Executives in Band Category P1 and H1 who are required to work on the night shift.

30.0 EXTENDED WORK ALLOWANCE

An Executive in Band Category P1, P2, H1 and H2 is eligible to claim extended work allowance of RM20.00 for two (2) consecutive hours if they are required to perform their job exceeding normal working hours.

31.0 OFF DAY/REST DAY/PUBLIC HOLIDAY/PLANT SHUTDOWN ALLOWANCE

31.1 An Executive who is required by the Company to work on Off Day, Rest Day, Public Holiday or Plant Shutdown will be entitled to payment as follows:

a) Band Category P1 & H1

Those working for a minimum of four (4) hours and up to eight (8) hours	-	RM30.00
Those working eight (8) hours or more	-	RM60.00

b) Band Category P2 & H2

Those working for a minimum of four (4) hours and up to eight (8) hours	-	RM40.00
Those working eight (8) hours or more	-	RM80.00

31.2 The Executive mentioned above is not entitled to claim the following:

- a) Meal allowance.
- b) Mileage claim from house to Company.
- c) Replacement of leave for work done on Off Day, Rest Day or Public Holiday.

32.0 ACTING ALLOWANCE (NON – PROMOTION)

32.1 The Company will pay an acting allowance where an Executive is called upon to act minimum of five (5) consecutive workdays (on the basis of necessity only).

32.2 The Executive's acting allowance for the following Band Category shall be:

Band Category	Allowance (per month)
H2	RM200.00
H3	RM300.00
D1	RM400.00
D2, D3	RM500.00

32.3 The following criteria shall be used to pay acting allowance:

- a) An Executive must be competent and qualified in terms of discipline, ability, experience and qualification as set out by the Company.
- b) The acting post must be a Departmental or Divisional level.
- c) An Executive performs the full duties and assumes the full responsibilities of the post he is acting.
- d) An acting allowance shall not be taken into consideration for the computation of bonus, medical benefits, loan privileges and retirement or disablement benefits.

32.4 The procedures for acting position are as follows:

- a) Official memo from any immediate superior of the Division/Department/Section concerned to HRM Department to propose on the candidate for acting post together with the latest organization chart of the department concerned duly signed by the Head of Department.
- b) Any authorized person in HRM Department will discuss and seek approval from Head of Company or any other person authorized by him on the proposal.
- c) Upon approval by the Head of Company or any other person authorized by him, HRM Department will issue an official letter to the Executive concerned stating the acting post, the duration (if any) and the acting allowance which will be signed by the Head of Company or any other person authorized by him.

33.0 MILEAGE CLAIMS

33.1 An Executive who is not provided with Company’s vehicle but is required to use his own vehicle to travel may claim in the form of mileage claims at the following rates:

- a) Car - 65 cents per km
- b) Motorcycle - 30 cents per km

33.2 Mileage claims shall be submitted within one (1) month from the date of incurrence.

34.0 TRANSPORTATION ALLOWANCE AND PROVISION OF COMPANY CAR

34.1 TRANSPORTATION ALLOWANCE

A monthly transportation allowance will be paid to all Executives as follows:

Band Category	Allowance (per month)
P1, H1	RM100.00
P2, H2	RM300.00
P3, H3	RM350.00
D1	RM500.00
D2	Actual petrol

34.2 COMPANY CAR

Band Category	Company Car (cc)
P3, H3	1.6
D1	2.0
D2	2.0

34.2.1 Executives in Band Category P3, H3, D1 and D2 will be provided with Company cars. An Executive in Band Category D2 will also be provided with a driver.

34.2.2 However the provision of Company’s car for Band Category P3 and H3 is on selected basis and will be determined by the Company.

34.2.3 Executive who is provided with Company’s car will be given petrol card for petrol allowance as stated in clause 34.1.

34.2.4 All maintenance and servicing expenses incurred shall be borne by the Company.

- 34.2.5 Any cost incurred by the Company due to Executive's gross negligence and/or reckless driving which cause damage to the Company's car, shall be borne by the Executive.

35.0 EDUCATION ASSISTANCE

35.1 ELIGIBILITY

- a) An Executive who wishes to attain additional qualifications during his service with the Company shall be eligible to apply for Education Assistance.
- b) Eligible Executive must submit his application for the Education Assistance to HRM Department for approval.
- c) Education Assistance shall be provided to the Executives for approved course(s) only.
- d) The course of study must be directly related to the Company's needs and to the Executive's present or future employment with the Company.

35.2 APPROVED COURSE(S)

- a) Attendance of courses must be done after working hours.
- b) The Company shall only reimburse or subsidize the cost of registration fee, tuition fee, examination fee, purchase of course materials as well as books and any other related expenses upon the successful completion of the course.

35.3 REIMBURSEMENT

- a) Reimbursement can only be made upon production of original invoices, receipts, official certificate or official results as evidence for payment after successful completion of the course.
- b) The Company will reimburse actual expenses up to a maximum of RM15,000.00 per course or assistance up to 75%.
- c) The reimbursement of the Education Assistance shall be made only upon completion of the course.

35.4 RIGHTS OF THE COMPANY

The Company reserves the right to withdraw sponsorship or reimbursement of the Education Assistance should the Executive be negligent in the performance of his duties during the duration of the course.

36.0 PROFESSIONAL SUBSCRIPTION FEE

A qualified professional Executive who is eligible and accepted by a professional body will be eligible to receive RM250.00 per annum for entrance fee and annual subscriptions under reimbursement basis.

37.0 HANDPHONE ALLOWANCE

37.1 HANDPHONES

- a) Executives in Band Category H3,D1, and D2 will be entitled for Handphone allowance
- b) The company will pay for the monthly charges for approved business calls, excluding all personal calls

38.0 BONUS OR INCENTIVE PAYMENT

Bonus or incentive payment is subject to Company's discretion and performance and subject further to the performance of the Executive.

39.0 FESTIVAL ADVANCE

- 39.1 All confirmed Executives shall be entitled to one festival advance in a year up to 60% of the Executives monthly basic salary.
- 39.2 Executives on probation shall be entitled to one festival advance in a year equivalent to a sum of RM100.00.
- 39.3 Festival advance shall be paid three (3) weeks before the date of the festival.
- 39.4 Festival advance granted shall be repaid by six (6) month's equal deductions and shall commence payment one (1) month after the advancement. The Company reserves the right to vary the amount of repayment.
- 39.5 The Executives entitlement to festival advance shall be as follows:
 - i) Hari Raya Aidilfitri - Muslim Executives
 - ii) Deepavali - Hindu Executives
 - iii) Chinese New Year - Buddhist Executives
 - iv) Christmas - Christian Executives
 - v) Others - Subject to festival celebrated
- 39.6 In the event of resignation or termination of service by the Company, the Executive shall reimburse the Company for the entire amount due.

40.0 EMPLOYEES PROVIDENT FUND

- 40.1 The Company shall contribute each month to the Employees Provident Fund (EPF) at the following rates:
 - 40.1.1 For those earning below RM 5,000.00:

Executive	-	11%
Employer	-	13%

40.1.2 For those earning above RM 5,000.00

Executive - 11%

Employer - 12%

40.2 This percentage shall vary subject to statutory requirement.

41.0 GROUP PERSONAL ACCIDENT

41.1 All Executives will be covered by a Group Personal Accident Scheme instituted by the Company in respect of death or total permanent disability arising from any accident for a sum of forty eight (48) months times the basic salary and covered on a twenty four (24) hours basis.

41.2 The coverage is exclusive of the coverage of eligible Executives under the Social Security Act 1969.

41.3 Insurance to cover permanent or partial disablement arising from the aforesaid circumstances will be for such portion of the above mentioned respective amount as determined by the Company.

41.4 An Executive assigned on jobs abroad shall be provided with insurance coverage both for travelling and their stay for performing their work abroad.

42.0 GROUP TERM LIFE

All Executives will be covered by Life Insurance Scheme instituted by the Company in respect of death or total permanent disability arising from sickness for thirty six (36) months basic salary of each Executive.

43.0 NATURAL DISASTER BENEFIT

43.1 The Company shall provide financial assistance as stated below only once a year if the Executive's own house or house content is being destroyed or damaged by flood, fire or land slides.

a) 100% of damage - RM300.00

b) 50% of damage - RM200.00

c) Less than 50% of damage - RM100.00

43.2 The service is eligible once in employment the Executive concerned shall produce to the Company documentary evidence that the house or house content is being damaged or destroyed due to natural disaster for verification within three (3) working days of his return to work.

44.0 FUNERAL EXPENSES

44.1 In the event of death, the following payment will be extended to the Executive or his next of kin.

- | | | | |
|----|---------------------|---|---|
| a) | Death of Executive | - | RM4,000.00
(RM3,000.00 funeral expenses will be provided by insurance) |
| b) | Death of dependants | - | RM500.00 |
| c) | Death of parents | - | RM200.00 |

44.2 The Executive concerned shall produce relevant documentary evidence to the Company for verification within three (3) working days of his return to work.

45.0 RETRENCHMENT BENEFIT

45.1 An Executive will be eligible to receive retrenchment benefit if his employment is terminated by the Company on the grounds of redundancy resulting from any reorganization or economic measures within the Company.

45.2 Where the service of an Executive is terminated, the principal of "Last – In – First – Out" by place of work and job category, shall be adopted as far as practicable. Due consideration may also be given by the Company to Executives who volunteer to be retrenched.

45.3 The Company shall give advanced notice of at least three (3) months to the Executives.

45.4 The amount of the retrenchment benefit shall be:

- a) One (1) month's last drawn basic salary for each completed year of continuous service with the Company or proportionately for every completed calendar month thereof for Executives who have completed less than five (5) years of service with the Company.
- b) One and a quarter (1.25) months last drawn basic salary for each completed year of continuous service with the Company or proportionately for every completed calendar month thereof for Executives who have completed five (5) to ten (10) years' service with the Company.
- c) One and a half (1.5) months last drawn basic salary for each completed year of continuous service with the Company or proportionately for every completed calendar month thereof for Executives who have completed more than ten (10) years' service with the Company.

45.5 The retrenchment benefit will be in addition to salary in lieu of notice (where the Company does not require the Executive to work out the period of notice) and any other monies due and payable to the Executive.

46.0 HOUSING LOAN INTEREST SUBSIDY

46.1 ELIGIBILITY

An Executive with a minimum of three (3) years continuous service is eligible once in employment for the housing loan interest subsidy and further subject to the following conditions:

- a) It excludes any other expenses such as insurance charges, stamp duties, legal fees for Sale and Purchase Agreement, legal fees for the loan documents or any other involved expenses for acquisition of the house.
- b) Not exceeding the retirement age as determined by the Company.
- c) Not exceeding the repayment period as stipulated in the loan agreement.

46.2 MAXIMUM LOAN AMOUNT

The maximum eligibility amount is based on five (5) years last drawn basic salary up to a maximum of RM320,000.00 and subject to the following:

- a) The limit as set forth by the institution granting the loan.
- b) Shall not be more than the purchase price of the house.
- c) For a joint loan where both husband and wife are working in the Company, the Company shall grant the loan to either one of them for the eligible amount.

46.3 INTEREST SUBSIDY

Interest on loan will be subsidized at 50% on the actual interest rate and the Company shall bear the interest up to a maximum of 5%.

46.4 INTEREST SUBSIDY PAYMENT

Interest subsidy will be paid subject to the submission of the following documents to the Company:

- a) A certified true copy of the duly stamped Housing Loan Agreement is to be submitted on application of the loan interest subsidy.
- b) Repayment schedule from the Financial Institution is to be submitted at the beginning of each year.
- c) The interest subsidy shall be paid upon commencement of the installment of the Housing Loan.
- d) The copies of monthly payment receipts are to be submitted in the month of June and December respectively.
- e) Payment of loan interest subsidy will be done on a monthly basis and shall be paid together with the monthly salary for the whole of the eligibility period.

46.5 SUBSIDY PERIOD

The maximum loan subsidy period for Housing Loan subsidy payment should not be more than twenty (20) years or the remaining period of his service until retirement age or until the date of resignation/termination of service whichever is earlier.

46.6 OWNERSHIP

The house purchased must be registered under the Executive's name. Where the purchase is on a joint name basis, the Executive should be one of the registered owners.

46.7 USED HOUSE

In case of a used house, the value of the house must be certified as a fair and reasonable price by;

- a) Any other person designated by the Company; or
- b) By certified Private Valuer or Government Department which the Company considers competent to give such valuation.

The cost of such valuation if any shall be paid by the Executive concerned.

46.8 APPLICATION

- a) Application is to be made in the prescribed form and submitted to HRM Department through the Executive's Head of Department.
- b) The respective Head of Department shall ensure and certify that the Executive is eligible for a housing loan interest subsidy and that all rules and regulations contained herein are complied with.
- c) All application should be substantiated by submitting to the Company all the required document as stated in clause 48.4 above.

46.9 REFINANCING

- a) Prior approval must be obtained from the Head of HRM Department.
- b) Refinancing is to enable the Executive to apply for a higher or lower housing loan amount.
- c) The remaining loan period can be maintained shortened or extended in any manner subject however that the remaining period must not exceed twenty (20) years or his retirement age whichever is earlier.

47.0 CAR LOAN INTEREST SUBSIDY

47.1 ELIGIBILITY

An Executive who is confirmed in his appointment but is not eligible for a company car, will be eligible to apply for a car loan interest subsidy subject to the following conditions:

- a) Has served the Company continuously for a minimum of two (2) years.
- b) The car purchased must be a PROTON, PERODUA or any DRB-HICOM distributed models.
- c) Executives are only eligible for car loan interest subsidy once in employment.

47.2 MAXIMUM LOAN AMOUNT

The maximum amount of loan is subject to the maximum entitlement as provided for each Band Category.

Band Category	Maximum Amount
P1, H1	RM30,000.00
P2, P3, H2 & H3	RM40,000.00

47.3 INTEREST SUBSIDY

Interest on loan will be subsidized at 50% on the actual interest rate and the Company shall bear the interest up to a maximum of 5%.

47.4 SUBSIDY PERIOD

The Company will bear interest on loan subsidy up to a maximum of:

- a) Four (4) years for a new car
- b) Three (3) years for a used car

47.5 INTEREST SUBSIDY PAYMENT

Interest subsidy will be paid subject to the submission of the following documents to the Company:

- a) A certified true copy of the Hire Purchase Agreement duly stamped.
- b) A certified true copy of the Vehicle Registration Card.
- c) Photostated copies of monthly payment receipts are to be submitted twice yearly. Receipt for the month of June is to be submitted in July and receipt for the month of December is to be submitted in January.

- d) Payment of loan interest subsidy will be done on a monthly basis and shall be incorporated in the monthly salary for the whole of the eligibility period.

47.6 USED CAR

The used car should not be more than five (5) years old.

47.7 OWNERSHIP

The car purchased must be registered under the Executive's name.

48.0 CONTRACTUAL RETIREMENT

48.1 The contractual retirement age for Executive shall be as follows:

Executive	Retirement Age
Male & Female	60 years

48.2 However the optional age for all Executive is fifty (50), or fifty-five (55) or fifty-eight (58)

48.3 In the absence of birth certificate, the date of birth as shown in the Identity Card of the Executive concerned shall be deemed to be the date of birth for the purpose of determining the retirement age.

48.4 The Company at its discretion may offer to any of its Executive to continue to serve the Company after the contractual retirement age.

49.0. LOCAL TRAVELLING ALLOWANCES

49.1 MILEAGE / TRANSPORT CLAIM

- a) Executive who is required to work outside his normal workplace using his own vehicle, for Company's business is eligible for a mileage claim as set forth in clause 33.1
- b) Executive who is required to go on duty travel, are eligible in the following class in air passage according to their Band Category:

Band Category	Air Fare
P1, P2, P3, H1, H2, H3	Economy Class
D1, D2	Business Class

- c) However, for air travel that is less than 6 hours flying time shall be by Economy Class for all levels of employees
- d) If more than one Executive is required to perform outstation duties at a same destination, only one staff is allowed to claim mileage, up to a maximum of four Executive per car. The Head of Department should ensure that this procedure is strictly adhered to.

- 3) If an Executive is required to go on official business (including training or seminar) exceeding seven (7) consecutive days, and he does not possess his own vehicle, he is eligible to claim for the taxi fare or any reasonable amount incurred by him.
- 4) If an Executive is required to go on official business (including attending seminars/training approved by the Company), he is entitled to claim mileage or its equivalent from the workplace or his place of residence, whichever is nearer.

49.2 OUTSTATION ALLOWANCE

An Executive who is required to travel outstation within Malaysia exceeding forty five (45) km radius from the Company and having to work or attend training or seminar for more than twelve (12) hours is eligible to claim the following allowances:

49.2.1 SUBSISTENCE ALLOWANCE

- a) Subsistence allowance will be paid to the Executive who is required to work on official duties outside his normal workplace for more than twelve (12) hours. This allowance will be paid on a daily basis either on actual reasonable amount for breakfast, lunch and/or dinner, if substantiated by hotel receipt or hotel bill or based on the rates for subsistence allowance without receipt as follows:

	WEST MALAYSIA		EAST MALAYSIA	
Band Category	With Receipt	Without Receipt	With Receipt	Without Receipt
P1, H1	Actual	RM60.00	Actual	RM75.00
P2, H2	Actual	RM60.00	Actual	RM75.00
P3, H3	Actual	RM70.00	Actual	RM85.00
D1	Actual	RM80.00	Actual	RM100.00
D2	Actual	RM100.00	Actual	RM120.00

* The subsistence is not an allowance but it is a reimbursement of expenses

- b) An Executive is not entitled to claim full subsistence allowance without receipt under the following conditions:
 - i) He is entertained by others e.g. vendor, guest, host, PHN etc.
 - ii) He entertains others e.g. vendor, guest, PHN etc and claims under the Entertainment Expenditure or any other expenditure.

- iii) Hotel room charges are inclusive of breakfast.
- c) An Executive is only entitled to claim apportionment of the meal i.e. breakfast, lunch or dinner during the period they do not entertain others. The claim can either be based on actual reasonable amount if substantiated by hotel receipt or bill or based on the rates for subsistence allowance without receipt as in Appendix I.
- d) An Executive is entitled to claim apportionment of subsistence allowance based on Expected Time of Departure (ETD) Kuala Lumpur (or any other designated place if an Executive is assigned on overseas posting) as follows:

Breakfast	:	6.00 a.m	-	9.00 a.m
Lunch	:	12.00 a.m	-	3.00 p.m
Dinner	:	6.00 p.m	-	9.00 p.m
- e) An Executive who is travelling in Business Class or First Class, subsistence allowance will only take effect at Expected Time Arrival (ETA) and will stop at Expected Time Departure (ETD).

49.2.2. LODGING ALLOWANCE

- a) Lodging allowance will be paid to an Executive who is required to perform official duty outside his normal workplace for more than twelve (12) hours. This allowance will be paid on a daily basis, based on the rates as follows:

	WEST MALAYSIA		EAST MALAYSIA	
Band Category	With Receipt	Without Receipt	With Receipt	Without Receipt
P1, H1	RM190.00	RM55.00	RM210.00	RM70.00
P2, H2	RM230.00	RM65.00	RM230.00	RM80.00
P3, H3	Actual	RM75.00	Actual	RM90.00
D1	Actual	RM85.00	Actual	RM100.00
D2	Actual	RM100.00	Actual	RM120.00

- b) The Company shall arrange an accommodation for an Executive sent for seminar or training outside Kuala Lumpur. If an Executive request for own accommodation arrangement, he will only be entitled to claim for lodging and subsistence allowance without receipt (without exception).
- c) If a third party pays for lodging, then he is not entitled to claim lodging allowance without receipt. If an Executive request the third party to make reservation for his accommodation, he should

ensure compliance in accordance with his entitlement. Should there be any excess, the Executive will bear the excess expenses.

49.2.3 DAILY ALLOWANCE

- a) If an Executive works outstation for more than six (6) hours and up to twelve (12) hours, he is entitled to claim for half of the above subsistence allowance. This would be considered as “Daily Allowance”.
- b) If a Daily Allowance is made then the Executive will not be entitled to claim subsistence allowance without receipt based on the apportionment of meal.

49.2.4 MISCELLANEOUS EXPENSES ALLOWANCE

An Executive is entitled to claim for miscellaneous expenses based on 10% of the room rate. This covers expenses on laundry, portage and tips. This allowance is only payable for the number of days the Executive stays in a hotel. An Executive is not entitled to claim for miscellaneous expenses if he claims for lodging allowance without receipt.

50.0 OVERSEAS TRAVELLING ALLOWANCE

An Executive, who is required to travel overseas, is eligible to claim the following allowances:

50.1 SUBSISTENCE ALLOWANCE

- a) An Executive who is required to go overseas on official duty is entitled to claim either on actual reasonable amount for breakfast, lunch and/or dinner, if substantiated by hotel receipt or bill, or the daily subsistence allowance as provided below:

Grade	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5
D2	USD152	USD98	USD85	USD85	USD85
D1	USD114	USD73	USD63	USD63	USD63
P1, P2, P3, H1, H2, H3	USD79	USD54	USD47	USD47	USD47

Kindly refer to **Appendix II** for the list of countries within the zones

- b) An Executive is not entitled to claim full subsistence allowance without receipt under the following conditions:
 - i) He is entertained by others e.g. vendor, guest, host, PHN etc.
 - ii) He entertains others e.g. vendor, guest, PHN etc and claims under the Entertainment Expenditure or any other expenditure.
 - iii) Hotel room charges are inclusive of breakfast.

- c) If an Executive is entertained by others or he entertains others, then he is entitled to claim a portion of the subsistence allowance without receipt as follows:

Breakfast	-	20% of subsistence
Lunch	-	40% of subsistence
Dinner	-	40% of subsistence

- d) An Executive will only be entitled to claim a portion of the meal i.e. either breakfast, lunch or dinner during the period they are not entertained or when they do not entertain others. The claim can either be based on actual reasonable amount or substantiated by hotel receipt or bill or based on the rates for subsistence allowance without receipt as in Appendix II.

- e) An Executive is entitled to claim for apportionment of subsistence allowance based on Expected Time Departure (ETD) Kuala Lumpur or any other designated place if he is assigned on overseas posting as follows:

Breakfast	-	20% of subsistence
Lunch	-	40% of subsistence
Dinner	-	40% of subsistence

An Executive would only be entitled to any other or all of the above if his departure falls within the specified meal period only:

Breakfast	:	6.00 a.m	-	9.00 a.m
Lunch	:	12.00 a.m	-	3.00 p.m
Dinner	:	6.00 p.m	-	9.00 p.m

- f) An Executive is entitled to claim apportionment of subsistence allowance based on Expected Time Arrival (ETA) Kuala Lumpur or any other designated place if he is assigned on overseas posting as follows:

Breakfast	-	20% of subsistence
Lunch	-	40% of subsistence
Dinner	-	40% of subsistence

An Executive would only be entitled to any other or all of the above if his arrival falls within the specified meal period only:

Breakfast	:	6.00 a.m	-	9.00 a.m
Lunch	:	12.00 noon	-	3.00 p.m
Dinner	:	6.00 p.m	-	9.00 p.m

- g) An Executive who is travelling in Business Class or First Class, will be entitled for subsistence allowance effective at Expected Time Arrival (ETA) and will stop at Expected Time Departure (ETD).

50.2 LODGING ALLOWANCE

An Executive is entitled for a daily lodging allowance at the rates as set forth in Appendix II. For lodging allowance with receipt it is based on reimbursement on actual costs provided that the amount claimed are reasonable. However lodging allowance without receipt is not applicable.

50.3 TRANSPORTATION ALLOWANCE

- a) The actual expenses incurred for means of transportation used will be paid by the Company as follows:

BAND CATEGORY	AIR PASSAGE	OTHER MODE
P1, P2, P3, H1, H2,H3	Economy Class	Actual expenses incurred at a reasonable rate
D1, D2	Business Class	

- b) However, for air travel that is less than 6 hours flying time shall be by Economy Class for all levels of employees
- c) If the Executive claim under lodging without receipt, he is not entitled to claim transportation cost from the hotel/place of stay to the official destination where he is required to perform work.
- d) The Head of Company or any other person authorized by him may approve for Business air fare for Management category depending on the flight duration, on a case by case basis.
- e) In the absence of an appropriate air passage class an Executive may only utilized the lower entitlement e.g. in the absence of business class air passage an Executive may utilize economy class air passage but subject to approval from the Head of Company or any other person authorized by him.
- f) The Head of Company or any other person authorized by him may approve to upgrade air passage from Economic to Business or First Class for flight duration exceeding twelve (12) hours. However, such approval must be in writing.

50.4 CLOTHING ALLOWANCE

53.4.1 An Executive who is required to travel on official duty to any countries above the Tropic of Capricorn (moderate climate) are entitled to claim for clothing allowance as follows:

a) *ELIGIBILITY*

An Executive is entitled for clothing allowance once in three (3) years and must stay abroad at least for one day (24 hours), excluding flight duration.

b) *WINTER CLOTHING ALLOWANCE*

An Executive who is required to be in the countries above the Tropic of Cancer from 15th September to 15th October and below the Tropic of Capricorn from 15th September to 15th October, is entitled to claim for a winter clothing allowance of RM700.00.

c) *OTHER CLOTHING ALLOWANCE*

If an Executive is in the countries stated above and outside the said period, he is entitled to claim for a clothing allowance of RM400.00.

53.4.2 An Executive who is required to travel on official duty to any countries that are situated between Tropic of Cancer and Tropic of Capricorn are not entitled to claim for any clothing allowance.

50.5 MISCELLANEOUS EXPENSES ALLOWANCE

An Executive is entitled to claim for miscellaneous expenses incurred covering expenses on laundry, portage, tips and foreign currency appreciation. This allowance is fixed at 20% of total subsistence allowance.

51.0 REVIEW OF TERMS AND CONDITIONS

This Executive Employment Package is subject to review by the Company from time to time. The Company reserves the right to vary, amend, change, omit or to add any terms and conditions as the Company at its discretion, deems fit and all Executives shall bound by any variation, amendment, change, omission and addition of the terms and conditions imposed by the Company and any new terms and conditions shall be deemed to be incorporated in this Executive Employment Package.

APPENDIX I

APPORTIONMENT OF SUBSISTENCE ALLOWANCE RECEIPT. IF AN EXECUTIVE IS ENTERTAINED BY OTHERS OR HE ENTERTAINED OTHERS AND CLAIMS UNDER ENTERTAINMENT EXPENDITURE

BAND CATEGORY	WEST MALAYSIA			EAST MALAYSIA		
	BREAKFAST	LUNCH	DINNER	BREAKFAST	LUNCH	DINNER
P1, H1	RM10.00	RM20.00	RM20.00	RM15.00	RM25.00	RM25.00
P2, H2	RM10.00	RM25.00	RM25.00	RM15.00	RM30.00	RM30.00
P3, H3	RM10.00	RM30.00	RM30.00	RM15.00	RM35.00	RM35.00
D1	RM10.00	RM35.00	RM35.00	RM20.00	RM40.00	RM40.00
D2	RM20.00	RM40.00	RM40.00	RM20.00	RM50.00	RM50.00

APPENDIX II

Zone	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5
Countries	Barbados Dubai Finland Hong Kong Iran Italy Japan Macau Mexico Oman South Korea St. Lucia Sweden Trinidad & Tobago Turkey United Arab Emirates United Kingdom USA	Belgium Bosnia – Herzegovina Brazil Canada Croatia Dahomey Denmark France Gambia Germany Guyana Niger Nigeria Saudi Arabia Serbia & Montenegro Singapore Surinam Switzerland Syria Venezuela Yemen Zambia	Albania Algeria Armenia Australia Austria Azerbaijan Bahrain Belarus Brunei Darussalam China Cuba Cyrus Egypt Georgia Gibraltar Iraq Ireland Jamaica Jordan Kazakhstan Kenya Kuwait Kyrgyzstan Lebanon Libya Luxembourg Moldova Mongolia Netherland Norway Qatar Romania Russia Spain Sudan Tajikistan Turkmenistan Ukraine Uzbekistan	Angola Argentina Botswana Ethiopia Ghana Greece Guinea Hungary Indonesia Lesotho Madagascar Malawi Mali Malta Morocco Mozambique Namibia Nauru New Zealand Papua New Guinea Paraguay Poland Republic Czech Republic Slovak Senegal Seychelles South Africa Salomon Island Swaziland Taiwan Thailand Tunisia Uganda Uruguay Vanuatu Zimbabwe	Afghanistan Bangladesh Bolivia Bulgaria Cambodia Chile Colombia Ecuador Fiji India Kiribati Laos Maldives Mauritius Myanmar Nepal North Korea Pakistan Peru Philippines Portugal Samoa Sri Lanka Tanzania Tonga Tuvalu Vietnam

NOTES:

1. Actual expenditure is inclusive of government and service charge imposed on the hotel rates.
 2. Head of Department and above (H3, D1 and D2) are entitled to a standard single room in a 4 or 5 star hotel.
 3. For all destinations, actual room rates are claimable with receipt.
 4. Head of Section (H2) is entitled to a standard single room in a 3 or 4 star hotel.
- * Actual expenditure for standard single room is an international hotel which is approved by the Management.