

MALAYSIA EMPLOYEE HANDBOOK SUPPLEMENT

Deriv (FX) Ltd

Contracting Entity: Deriv (FX) Ltd

Company Registration No: LL13394

Registered Office: No. 1-23A, First Floor, Paragon, Jalan Tun Mustapha, 87008, Federal Territory of Labuan, Malaysia

Regulatory Authority: Labuan Financial Services Authority (Labuan FSA)

Membership: Labuan Fintech Association

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DOCUMENT PURPOSE

This Malaysia Employee Handbook Supplement outlines employment terms, statutory obligations, and benefits specific to employees of Deriv (FX) Ltd and other Deriv entities operating in Malaysia (Labuan, Cyberjaya, Kuala Lumpur, and other locations).

This supplement must be read together with the **Common Employee Policies** document. Where Malaysian law or this supplement provides greater benefits than the common policy, the Malaysian provisions prevail.

1. LEGAL AND REGULATORY FRAMEWORK

1.1 Governing Laws

Employment in Malaysia is governed by:

Primary Legislation: - **Employment Act 1955** – Core employment law covering contracts, working hours, wages, leave, termination, and employee protections - **Industrial Relations Act 1967** – Governs trade unions, collective bargaining, and industrial disputes - **Employees' Provident Fund Act 1991 (EPF)** – Mandatory retirement savings scheme - **Employees' Social Security Act 1969 (SOCSO)** – Social security for employment injury and invalidity - **Employment Insurance System Act 2017 (EIS)** – Unemployment insurance for job loss support - **Personal Data Protection Act 2010 (PDPA)** – Governs processing and protection of personal data - **Occupational Safety and Health Act 1994** – Workplace safety obligations - **Minimum Wages Order** – Statutory minimum wage requirements - **Labuan Business Activity**

Tax Act 1990 – Tax framework for Labuan entities (relevant for employment tax treatment)

1.2 Applicability and Coverage

Employment Act 1955 Coverage: The Employment Act applies to: - **All employees earning RM 4,000 or less per month - Manual workers** (regardless of salary) - Certain employee protections (termination, sexual harassment) apply to **all employees regardless of salary**

For Employees Earning Above RM 4,000/month: - Core protections apply (termination notice, maternity leave for women, anti-discrimination) - Specific provisions (overtime, rest days, public holidays) may not be statutorily mandated; governed by employment contract - Most Deriv Malaysia employees (professionals, managers, technicians) fall into this category

Labuan Employment Considerations: Deriv (FX) Ltd operates in Labuan, a special financial zone. While Malaysian federal employment laws apply, certain tax and regulatory provisions specific to Labuan may differ from Peninsular Malaysia practices.

1.3 Regulatory Framework for Financial Services

As a Labuan FSA-regulated entity, Deriv (FX) Ltd is subject to: - Fit and proper requirements for key management and licensed roles - Staffing and operational adequacy standards - Conduct of business and risk management obligations - AML/CFT compliance requirements under Malaysian law

2. EMPLOYMENT CONTRACTS AND TERMS

2.1 Written Employment Contracts

Statutory Requirement: All employees must receive a **written employment contract** outlining key terms and conditions within the first month of employment (best practice: within first week).

Contract Contents: - Employer and employee full names and addresses - Job title, role description, and reporting line - Employment commencement date - Probationary period (if applicable) - Duration of employment (permanent, fixed-term contract) - Place of work - Working hours, rest days, and public holidays - Wages: basic salary, allowances, overtime rates (if applicable) - Leave entitlements: annual leave, sick leave, maternity/paternity leave - Notice period for termination - Benefits: EPF, SOCSO, EIS, medical, insurance - Termination and disciplinary procedures - Collective agreement reference (if applicable)

Language: - Contracts typically in **Bahasa Malaysia (Malay)** and **English** - If discrepancy, Bahasa Malaysia version may prevail (per legal practice), though

employment contracts in English are commonly accepted for professional roles

2.2 Probationary Period

Standard Duration: - Typical probation: **3 months** for most roles - Extended probation: **6 months** for senior or technical roles (traders, quantitative analysts, senior engineers, managers)

Purpose: - Assess employee suitability, performance, skills, and fit - Provide time for employee to understand role and organization

Notice during Probation: - **Employer notice:** Typically **2 weeks** (or as specified in contract; Employment Act does not mandate specific probation notice for employees above RM 4,000/month) - **Employee notice:** Typically **1-2 weeks** (or as per contract) - Shorter notice than for confirmed employees

Confirmation: - At end of probation, manager conducts performance review - If satisfactory, issue **confirmation letter** in writing - If performance concerns, probation may be: - Extended (additional 1-3 months with clear improvement plan) - Terminated with notice

Benefits during Probation: - Statutory benefits apply (EPF, SOCSO, EIS contributions from day one for eligible employees) - Company benefits (insurance, bonuses) may have waiting periods (typically confirmed after probation)

2.3 Notice Period for Confirmed Employees

Statutory Minimum (Employment Act - employees earning RM 4,000 or less): - **4 weeks' notice** or payment in lieu, OR - Notice period as stated in contract (if contract specifies longer period, contract prevails)

Company Policy (for all employees, including above RM 4,000/month):

Role Level	Notice Period
Junior / Individual Contributor (1-3 years' service)	1 month
Mid-level / Senior Individual Contributor (3-5 years' service)	1.5 months (6 weeks)
Manager / Senior Manager	2 months
Director / Senior Leadership	3 months

Notice Requirements: - Written resignation letter to manager and HR - Notice period begins day after written notice received - During notice, employee must fulfill duties, complete handover, train replacement, and return company property

Payment in Lieu of Notice: - Either party may elect to pay/receive salary in lieu of unworked notice period (basic salary + fixed allowances for notice

period) - Common when employer wants immediate exit or employee negotiates early release

Garden Leave: - Employer may place employee on “garden leave” (remain employed and paid but not attend work or access systems) during notice period to protect confidential information or client relationships

Summary Dismissal (Termination without Notice): - For **misconduct** (serious breach of employment contract, criminal conduct, theft, fraud, gross insubordination), employer may terminate immediately without notice - Employer must conduct inquiry and give employee opportunity to respond (domestic inquiry) - Immediate termination; no payment in lieu

3. WORKING HOURS, OVERTIME, AND REST DAYS

3.1 Standard Working Hours

General Pattern: - **40 hours per week** (typical for professional roles) - **8 hours per day, 5 days per week** (Monday to Friday) - Example schedule: **09:00 – 18:00** (including 1 hour unpaid lunch break)

Statutory Limits (Employment Act - employees earning RM 4,000 or less): - Maximum **8 hours per day** or **48 hours per week** (whichever is less restrictive) - Spread over maximum **10 hours** from start to end of work period (including breaks)

For Professional / Managerial Roles (Earning Above RM 4,000/month):
- Working hours governed by employment contract and company policy (Employment Act statutory limits do not apply) - Standard: **40 hours per week**, with flexibility for operational needs

Core Collaboration Hours: - **10:00 – 16:00 Malaysia time** (employees expected to be available for meetings) - Flexibility outside core hours subject to manager approval

Flexible Working Hours: - Flexi-time arrangements available in some departments (e.g., 08:00-17:00, 09:00-18:00, 10:00-19:00), subject to manager approval

3.2 Rest Days and Breaks

Weekly Rest Day: - Employees entitled to **1 rest day per week** (minimum 1 continuous period of 30 hours, including preceding day) - Typically **Sunday** (or as specified in contract or schedule)

5-Day Work Week: - Standard practice: **Monday to Friday** work week - Saturday and Sunday non-working days (unless operational needs require week-end work)

Daily Breaks: - **1 hour unpaid lunch break** per full working day (timing flexible within midday window) - Employees encouraged to take short breaks throughout day for productivity and wellbeing

3.3 Overtime

Coverage (Employment Act - Employees Earning RM 4,000 or Less):
Statutory overtime provisions apply to employees under Employment Act.

Overtime Rates: - **Weekday (beyond normal hours):** 1.5x hourly wage
- **Rest day work:** 2x hourly wage (first 8 hours); 3x hourly wage (beyond 8 hours) - **Public holiday work:** 3x hourly wage

Overtime Calculation: - Hourly wage = (Monthly wages ÷ 26 days) ÷ normal working hours per day - Overtime calculated in 30-minute increments (or as per company policy)

Overtime Limits: - Maximum overtime: **104 hours per month** (standard limit per Employment Act) - Extension possible with Director General of Labour approval (for specific circumstances)

For Professional / Managerial Roles (Earning Above RM 4,000/month):

- **Not covered by statutory overtime provisions** - Overtime work is **part of professional role expectations** (no automatic overtime pay) - Company policy: Reasonable **compensation or Time-Off-In-Lieu (TOIL)** for excessive hours at manager's discretion - Persistent overtime indicates resourcing issue; should be escalated

Authorization: - Overtime must be pre-approved by manager (for non-exempt employees) - Recorded in timekeeping system for payment processing

TOIL (Time Off in Lieu): - For exempt employees working extended hours or weekends due to business needs - Typically **1:1 ratio** (1 hour overtime = 1 hour TOIL) - Must be taken within reasonable timeframe (typically 3 months)
- TOIL not encashable unless specified in contract

4. EMPLOYEES' PROVIDENT FUND (EPF)

4.1 EPF Overview

The **Employees' Provident Fund (EPF / KWSP)** is Malaysia's mandatory retirement savings scheme, managed by the Employees Provident Fund Board (KWSP).

Coverage: - **Malaysian citizens and Permanent Residents** employed in Malaysia - **Foreign workers** (from October 2025, mandatory EPF contributions apply to foreign employees with valid work permits) - Both employer and employee contribute to EPF

EPF Accounts: Contributions are allocated to: 1. **Account 1 (Akaun 1)** – 70% of contributions; for retirement (withdrawable at age 55) 2. **Account 2 (Akaun 2)** – 30% of contributions; for housing, education, healthcare (limited pre-retirement withdrawals allowed)

EPF provides investment returns (dividend declared annually, typically 5-6% in recent years).

4.2 EPF Contribution Rates (2026)

For Malaysian Citizens and Permanent Residents:

Employees Earning RM 5,000 or Below per Month:

Monthly Wages	Employer Contribution	Employee Contribution	Total EPF
RM 5,000 or below	13%	11%	24%

Employees Earning Above RM 5,000 per Month:

Monthly Wages	Employer Contribution	Employee Contribution	Total EPF
Above RM 5,000	12%	11%	23%

Example (Malaysian Citizen Earning RM 8,000/month): - Employer EPF: $\text{RM } 8,000 \times 12\% = \text{RM } 960$ - Employee EPF: $\text{RM } 8,000 \times 11\% = \text{RM } 880$ - Total EPF: **RM 1,840 per month**

For Employees Aged 60 and Above (Malaysian Citizens/PRs):

Monthly Wages	Employer Contribution	Employee Contribution	Total EPF
All wages	4%	0%	4%

4.3 EPF for Foreign Workers (Effective October 2025)

Mandatory EPF Contributions for Foreign Workers: Starting **October 2025**, foreign workers with valid employment passes (EP, Professional Visit Pass, Residence Pass) are required to contribute to EPF.

Foreign Worker EPF Rates:

Category	Employer Contribution	Employee Contribution	Total EPF
Foreign workers (all salary levels)	2%	2%	4%

Eligibility: - Foreign employees holding valid **Employment Pass, Professional Visit Pass, Residence Pass**, or other valid work permits - **Excludes:** Domestic workers, expatriates on certain short-term arrangements (check specific EPF guidelines)

Implementation: - First contribution payment: **November 2025** (for October 2025 wages) - Foreign workers automatically registered as EPF members upon submission of contributions - Foreign workers can **withdraw EPF savings when leaving Malaysia permanently** (subject to EPF withdrawal procedures and tax clearance)

Example (Foreign Worker Earning RM 10,000/month): - Employer EPF: $\text{RM } 10,000 \times 2\% = \text{RM } 200$ - Employee EPF: $\text{RM } 10,000 \times 2\% = \text{RM } 200$ - Total EPF: **RM 400 per month**

4.4 EPF Payment and Compliance

Payment Deadline: - EPF contributions must be paid by **15th of following month** (e.g., January wages paid by 15 February) - Late payment penalties: **6% per annum** on outstanding amount

EPF Submission: - Employers submit EPF contributions electronically via **KWSP i-Akaun Employer portal** or third-party payroll systems - Individual contribution breakdown submitted via EPF file upload

Employee EPF Statement: - Employees can view EPF balances and contributions online at <https://www.kwsp.gov.my> (i-Akaun member portal) - Annual EPF statement available (paper or electronic)

Employer Obligations: - Employer's share of EPF (12-13% for Malaysians, 2% for foreign workers) is employer cost; cannot be deducted from employee salary - Employee's share (11% for Malaysians, 2% for foreign workers) is deducted from gross salary before payment

Voluntary EPF Top-Ups: - Employees may make additional voluntary contributions (tax-deductible up to RM 4,000 per year) - Self-contribution via online banking, KWSP counters, or payroll deduction (if employer facilitates)

5. SOCIAL SECURITY ORGANIZATION (SOCSO)

5.1 SOCSO Overview

The **Social Security Organization (SOCSO / PERKESO)** provides social security protection for employees against employment injury, occupational

diseases, invalidity, and death.

Two SOCSO Schemes: 1. **Employment Injury Scheme (EIS - Skim Kecelakaan Pekerjaan)** – Covers work-related accidents and occupational diseases 2. **Invalidity Scheme (IS - Skim Bantuan Hilang Upaya)** – Covers invalidity or death due to non-work-related causes

Coverage: - All Malaysian citizens and Permanent Residents employed in Malaysia (mandatory) - **Foreign workers** with valid work permits (mandatory from 1 January 2019; **Employment Injury Scheme ONLY**, not Invalidity Scheme)

5.2 SOCSO Contribution Rates (2026)

For Malaysian Citizens and Permanent Residents:

Monthly Wages	Employer Contribution	Employee Contribution	Total SOCSO
RM 6,000 or below	1.75%	0.5%	2.25%

Above RM 6,000: No SOCSO contributions required (RM 6,000 is the **contribution ceiling**, increased from RM 4,000 in October 2024).

SOCSO Contribution Table: SOCSO uses a **bracket-based contribution table** (not percentage calculation). Contributions vary by monthly wage bracket (e.g., RM 3,000-3,050, RM 3,050-3,100, etc.). Refer to SOCSO contribution table for exact amounts.

Typical Calculation Example (Malaysian Earning RM 5,000/month):
- Employer SOCSO: ~**RM 87.75** (per table for RM 5,000 bracket) - Employee SOCSO: ~**RM 25** (per table for RM 5,000 bracket) - Total SOCSO: ~**RM 112.75** per month

For Foreign Workers:

Category	Employer Contribution	Employee Contribution	Total SOCSO
Foreign workers (all valid work permits)	1.25% (Employment Injury Scheme ONLY)	0%	1.25%

Foreign Worker Coverage: - Only **Employment Injury Scheme** (work-related accidents, occupational diseases) - **No Invalidity Scheme** (foreign workers not covered for invalidity or death benefits unrelated to work)

SOCSSO Contribution Ceiling (2026): - Maximum monthly wages subject to SOCSSO: **RM 6,000** (effective October 2024, increased from RM 4,000) - Wages above RM 6,000: no SOCSSO contribution required

5.3 SOCSSO Benefits

Employment Injury Scheme Benefits: - Medical treatment (full coverage, no limit) - Temporary disablement benefit (wages during recovery, subject to percentage of incapacity) - Permanent disablement benefit (lump sum or pension depending on degree of disability) - Dependents' benefit (monthly pension for dependents if employee dies due to work injury) - Funeral benefit (RM 3,000) - Rehabilitation services (physical, vocational) - Return-to-work assistance

Invalidity Scheme Benefits (Malaysian Citizens/PRs Only): - Invalidity pension (monthly payments if unable to work due to non-work-related illness/injury) - Survivors' pension (for dependents if employee dies while contributing to scheme) - Funeral benefit - Constant attendance allowance (if invalidity requires constant care)

5.4 SOCSSO Payment and Compliance

Payment Deadline: - SOCSSO contributions due by **15th of following month** (same deadline as EPF) - Late payment penalties: **6% per annum** on outstanding amount

SOCSSO Submission: - Electronic submission via **ASSIST portal** (SOCSSO online system) or integrated with EPF submission - Individual contribution breakdown submitted

Claim Procedures: - Work injury: Report to employer immediately; employer submits Form 2 (Employer's Report) to SOCSSO within 7 days - Employee submits claim forms and medical reports to SOCSSO - SOCSSO processes claim and disburses benefits

6. EMPLOYMENT INSURANCE SYSTEM (EIS)

6.1 EIS Overview

The **Employment Insurance System (EIS / SIP)** provides financial support and re-employment assistance to employees who lose their jobs.

Coverage: - **Malaysian citizens and Permanent Residents aged 18-60** - **Not applicable to foreign workers** (foreign workers excluded from EIS)

EIS Benefits: 1. **Job Search Allowance** – Monthly cash payments for up to 3-6 months (depending on contribution period) 2. **Training Allowance** –

Support for skills upgrading and re-training 3. **Early Re-employment Allowance** – Incentive for finding new job before JSA exhausts 4. **Reduced Income Allowance** – Support if new job pays less than previous job

6.2 EIS Contribution Rates (2026)

For Malaysian Citizens and Permanent Residents Aged 18-60:

Monthly Wages	Employer Contribution	Employee Contribution	Total EIS
All wages	0.2%	0.2%	0.4%

No Wage Ceiling: EIS contributions apply to all monthly wages (no cap like EPF or SOCSO).

Example (Malaysian Earning RM 8,000/month): - Employer EIS: $\text{RM } 8,000 \times 0.2\% = \text{RM } 16$ - Employee EIS: $\text{RM } 8,000 \times 0.2\% = \text{RM } 16$ - Total EIS: **RM 32 per month**

Exemptions: - Foreign workers (not covered) - Domestic servants - Self-employed (unless voluntarily registered) - Employees aged 57 and above at time of EIS implementation (2018)

6.3 EIS Payment and Compliance

Payment Deadline: - EIS contributions due by **15th of following month** (integrated with EPF/SOCSO payment)

EIS Submission: - Submitted together with EPF and SOCSO via online portals or payroll systems

Claiming EIS Benefits: - Must have lost employment (retrenchment, contract expiration, mutual separation) - Must have contributed for at least **12 months** in the 24 months before job loss - Not eligible if resigned voluntarily or dismissed for misconduct - Register with EIS and JobMalaysia portal within **60 days** of job loss - Attend job placement and training programs as required

7. HUMAN RESOURCE DEVELOPMENT FUND (HRDF / HRD CORP LEVY)

7.1 HRDF Overview

The **Human Resource Development Fund (HRDF / HRD Corp)** is a training and development fund to support upskilling and reskilling of Malaysian workforce.

Employer Levy (Not Employee Contribution): - Employers in **specified sectors** (manufacturing, services, mining, quarrying) with **10 or more employees** must contribute **1% of monthly payroll** as HRDF levy (for companies with 10-49 employees; **0.5%** for companies with 50+ employees in some sectors)

Employee Benefit: - Employers can claim training grants from HRDF to sponsor employee training, courses, and certifications - Employees benefit from employer-funded training programs

Deriv Malaysia Compliance: - Deriv (FX) Ltd and other Malaysia entities assess HRDF applicability based on business sector classification and headcount - If subject to HRDF, employer contributes levy and can claim training expenses for approved courses

8. LEAVE ENTITLEMENTS

8.1 Annual Leave

Statutory Minimum (Employment Act):

For employees covered by Employment Act (earning RM 4,000 or less):

Length of Service	Annual Leave Entitlement
Less than 2 years	8 days per year
2 - 5 years	12 days per year
More than 5 years	16 days per year

Company Policy (Enhanced for All Employees):

Deriv Malaysia provides enhanced annual leave aligned with professional services standards:

Length of Service	Annual Leave Entitlement
0 - 2 years	14 days per year
> 2 - 5 years	18 days per year
> 5 - 10 years	22 days per year
> 10 years	25 days per year

Senior leadership/Director level: May receive **25 days** from commencement (per contract).

Accrual: - Annual leave accrues monthly on pro-rated basis (e.g., 18 days = 1.5 days/month) - Available for use after accrual

Carry-Over: - Employees may carry over up to **5 days** of unused leave to next calendar year (subject to manager approval) - Carried-over leave must be used within next year or forfeited

Encashment: - **During employment:** No encashment (leave must be taken)
- **Upon termination:** Accrued but unused annual leave paid out at gross daily rate

Scheduling: - Submit leave requests via HRIS for manager approval - Reasonable notice required (minimum 2 weeks for 1-2 days; 1 month for extended leave) - Manager may deny due to operational needs (must provide reason)

Public Holidays During Leave: - Public holidays falling during annual leave do not count against leave balance

8.2 Sick Leave

Statutory Entitlement (Employment Act - Employees Earning RM 4,000 or Less):

Length of Service	Hospitalization Leave	Outpatient Sick Leave	Total Paid Sick Leave
Less than 2 years	60 days	14 days	60 days (inclusive)
2 - 5 years	60 days	18 days	60 days (inclusive)
More than 5 years	60 days	22 days	60 days (inclusive)

Company Policy (All Employees):

Deriv Malaysia provides: - **Outpatient sick leave: 14-22 days** per year (depending on tenure, aligned with statutory) - **Hospitalization leave: 60 days** per year (inclusive of outpatient leave)

Requirements: - **Medical Certificate (MC)** from registered doctor required for paid sick leave - Submit MC to manager and HR within **48 hours** or as soon as practicable - Notify manager on morning of sick day (before work start time or as early as possible)

Hospitalization Leave: - Requires MC specifying hospitalization (inpatient admission, day surgery) - Includes pre- and post-hospitalization rest days as certified by doctor

Sick Leave Carry-Over and Encashment: - Unused sick leave does **not** carry over (resets annually) - Sick leave is **not encashable** (statutory provision only)

8.3 Maternity Leave

Statutory Entitlement (Employment Act):

Duration: **98 consecutive days** of paid maternity leave (increased from 60 days in recent amendment to align with ILO standards)

Eligibility: - Employee must have worked for employer for at least **90 days** in the **9 months** immediately before confinement - Applies to all female employees (regardless of salary level)

Payment: - **Fully paid maternity leave** (100% of wages) for eligible employees - **Limitation:** Paid maternity allowance limited to **first 5 children** (employees with 5 or more surviving children at time of confinement are still entitled to 98 days leave, but leave is **unpaid**)

Timing: - Maternity leave may commence **no earlier than 30 days before** expected confinement date - Must commence **no later than day immediately following confinement**

Notification: - Employee must give **60 days' notice** to employer before intended start of maternity leave - Provide medical certificate confirming pregnancy and expected confinement date

Job Protection: - Employer cannot dismiss employee during maternity leave (except for gross misconduct or closure of business) - Employee entitled to return to same or equivalent role after maternity leave - If employee absent for up to **90 days** following maternity leave due to pregnancy-related illness (certified by doctor), employer cannot terminate (additional protection period)

Miscarriage: - If miscarriage occurs after 28 weeks of pregnancy, employee entitled to maternity leave as if normal confinement occurred

8.4 Paternity Leave

Statutory Entitlement (Employment Act):

Duration: **7 consecutive days** of paid paternity leave

Eligibility: - Employee must have worked for employer for at least **12 months** of continuous service - Employee must be **legally married to child's mother** - Applies to **first 5 confinements** (regardless of number of spouses)

Timing: - Must be taken within **reasonable period** from date of confinement (typically within first few weeks; some interpretation allows up to several months)

Notification: - Employee should inform employer at least **30 days before** expected confinement date - Submit marriage certificate and birth certificate when claiming leave

Payment: - Fully paid paternity leave (100% of wages)

8.5 Public Holidays

Malaysia Public Holidays (2026):

Malaysia observes public holidays at **federal and state levels**. Minimum **11 public holidays** per year (federal gazetted holidays), plus additional state-specific holidays depending on location.

Federal Public Holidays (Nationwide):

1. New Year's Day – 1 January (Wednesday)
2. Thaipusam – 11 February (Wednesday) (*Peninsular Malaysia & Putrajaya*)
3. Federal Territory Day – 1 February (Sunday) → Observed 2 February (*Federal Territories only*)
4. Chinese New Year – 29-30 January (Thursday-Friday)
5. Hari Raya Aidilfitri – 30-31 March (Monday-Tuesday) (*estimated, subject to moon sighting*)
6. Labour Day – 1 May (Thursday)
7. Wesak Day – 22 May (Thursday)
8. Agong's Birthday – 7 June (Saturday)
9. Hari Raya Aidiladha – 6 June (Friday) (*estimated, subject to moon sighting*)
10. Awal Muharram (Islamic New Year) – 27 June (Friday) (*estimated*)
11. Malaysia Day – 16 September (Tuesday)
12. Maulidur Rasul (Prophet Muhammad's Birthday) – 5 September (Friday) (*estimated*)
13. Deepavali – 20 October (Monday) (*tentative*)
14. Christmas Day – 25 December (Thursday)

State-Specific Holidays: Labuan Federal Territory may observe additional Labuan-specific holidays (e.g., Labuan Federal Territory Day).

Replacement Holidays: If public holiday falls on rest day (Sunday), following Monday typically granted as replacement holiday.

Statutory Minimum: Employees entitled to minimum **11 paid public holidays** per year (federal gazetted) or as per state where employed.

Work on Public Holidays: - If operational needs require work on public holiday, employees must consent - Compensation: - **2x daily wage** (double pay), OR - **Substitute rest day** within reasonable period - For non-exempt employees: additional overtime rates apply if work exceeds normal hours

8.6 Hajj Leave (Special Religious Leave)

Company Policy:

For Muslim employees performing Hajj pilgrimage: - **Up to 10 working days** of special leave (in addition to annual leave) - Subject to approval (once per

employment tenure, or as per company discretion) - Employee may combine with annual leave for extended absence

Purpose: Support Muslim employees in fulfilling religious obligation (pilgrimage to Mecca)

8.7 Compassionate / Bereavement Leave

Company Policy: - **3 days** of paid compassionate leave for death of immediate family member (spouse, child, parent, sibling, parent-in-law) - **1 day** of paid leave for death of extended family (grandparent, grandchild, aunt, uncle) - Additional unpaid leave may be granted at manager's discretion

Notification: - Inform manager as soon as practicable - Documentation (death certificate) may be requested

8.8 Marriage Leave

Company Policy: - **3 days** of paid marriage leave for employee's own wedding - Must be taken within **3 months** of marriage registration - Marriage certificate may be requested

8.9 Study / Examination Leave

Company Policy: - Employees pursuing approved professional qualifications or certifications may request **study leave** for exam preparation and sitting exams - Typically **1-2 days** per exam sitting (subject to manager and HR approval) - Contingent on course being job-relevant and pre-approved by company (may be part of training sponsorship)

8.10 No-Pay Leave (Unpaid Leave)

Discretionary Unpaid Leave: - Employees may request unpaid leave for personal reasons, extended travel, family matters, or career breaks - Subject to manager and HR approval - Typically granted only after paid leave exhausted - Duration: up to **2-4 weeks** (longer requires senior management approval)

Implications: - No salary during unpaid leave period - EPF/SOCSSO/EIS contributions not required for unpaid period (if entire month unpaid) - Benefits (insurance) may continue for short unpaid leave but may be suspended for longer periods - Annual leave accrual pauses during unpaid leave

9. SALARY AND COMPENSATION

9.1 Salary Payment

Pay Frequency: - Salaries paid **monthly**, typically by **last working day of month** (or as specified in contract)

Payment Method: - Bank transfer to employee's designated Malaysian bank account

Salary Slip: - Monthly salary slip accessible via HRIS system by 1st of following month - Itemizes gross pay, EPF, SOCSO, EIS, tax deductions, net pay

Currency: - Malaysian Ringgit (RM / MYR)

9.2 Salary Components

Basic Salary: - Fixed monthly salary as per contract - Forms basis for EPF, SOCSO, EIS, and statutory calculations

Fixed Allowances (where applicable): - Housing allowance (if provided) - Transport allowance - Meal allowance - Other fixed allowances - Allowances are EPF-able (subject to EPF, SOCSO, EIS if part of wages)

Variable Pay: - Performance bonus (annual, discretionary) - Sales commissions (for BD/sales roles) - Incentive pay

Statutory Deductions: - EPF (employee portion: 11% for Malaysians earning RM 5,000; 11% for earnings > RM 5,000; 2% for foreign workers) - SOCSO (employee portion: ~0.5% for Malaysians earning RM 6,000; 0% for foreign workers) - EIS (employee portion: 0.2% for Malaysians; not applicable to foreign workers) - PCB (monthly tax deduction / MTD income tax, if applicable)

Net Salary Calculation Example (Malaysian Employee): - Gross Salary: RM 8,000 - Employer contributions (not deducted from employee): EPF RM 960 (12%), SOCSO ~RM 87.75, EIS RM 16 - **Employee deductions:** - EPF (11%): RM 880 - SOCSO (~0.5%): RM 25 (approx., per table) - EIS (0.2%): RM 16 - PCB Tax (example): RM 200 - **Net Salary:** RM 8,000 - RM 880 - RM 25 - RM 16 - RM 200 = **RM 6,879**

9.3 Minimum Wage (2026)

Statutory Minimum Wage (Malaysia): As of latest Minimum Wages Order: - **RM 1,500 per month** or **RM 7.21 per hour** (depending on calculation method) - Applies nationwide (previously had different rates for Peninsular Malaysia vs Sabah/Sarawak/Labuan; now standardized)

Deriv Malaysia: All professional roles at Deriv Malaysia significantly exceed statutory minimum wage (typical salaries: RM 4,000 - RM 20,000+ per month depending on role and experience).

9.4 Bonuses and Incentives

Annual Performance Bonus: - Discretionary, based on individual and company performance - Paid in Q1/Q2 following performance review - Range: **0-30% of annual base salary** for individual contributors; up to **50-100%** for senior management - Must be employed at time of payment to receive

13th Month Bonus: - Not statutory in Malaysia for private sector - Some companies provide contractual 13th month; Deriv Malaysia's annual performance bonus serves similar purpose (discretionary, not guaranteed)

Sign-On, Referral, Retention Bonuses: - Sign-on bonus: offered to select hires (subject to clawback if leave early) - Referral bonus: RM 2,000 - RM 5,000 for successful candidate referrals (after probation completion) - Retention bonus: for critical talent during key projects

9.5 Salary Reviews

Annual Review: - Conducted in Q1/Q2 - Based on performance, market benchmarks, internal equity, company budget

Merit Increases: - Discretionary (no entitlement to annual increase) - Typical range: **0-10%** based on performance

Promotion Adjustments: - **10-20%** increase upon promotion, depending on level and market rates

10. MEDICAL AND INSURANCE BENEFITS

10.1 Medical Insurance

Group Hospitalization and Surgical Insurance:

Deriv Malaysia provides comprehensive medical insurance:

Coverage: - **Inpatient hospitalization:** Government or private hospitals (panel) - **Annual limit:** Typically **RM 100,000 - RM 300,000** per year - **Coverage territory:** Malaysia, with overseas emergency coverage

Inclusions: - Room and board, surgical procedures, ICU, diagnostic tests, medications - Pre- and post-hospitalization consultations

Exclusions: - Pre-existing conditions (subject to waiting period), cosmetic procedures, maternity (unless added as rider)

Dependent Coverage: - Employees may add spouse and children at subsidized premium (employee pays portion via payroll deduction)

10.2 Outpatient Medical

Panel Clinics: - Cashless GP consultations at panel clinics (employee presents medical card)

Specialist Consultation: - With GP referral; annual limit typically RM 1,000 - RM 3,000

10.3 Dental and Optical

Dental Allowance: RM 300 - RM 500/year for routine care

Optical Allowance: RM 200 - RM 300/year for eye exams, glasses, contact lenses

10.4 Life and Personal Accident Insurance

Group Term Life Insurance: 1-2× annual salary coverage

Personal Accident Insurance: 24-hour worldwide coverage for accidental death/disability

10.5 Employee Assistance Program (EAP)

Confidential Counseling: - Free counseling for employees and family (6-8 sessions per issue per year) - Mental health, stress, financial, legal advice

11. WORK INJURY AND SOCSO CLAIMS

11.1 Work Injury Coverage

All employees covered by SOCSO Employment Injury Scheme for work-related injuries.

Compensation: - Medical treatment (full coverage) - Temporary/permanent disablement benefits - Dependents' pension (if fatal) - Rehabilitation services

11.2 Reporting Work Injuries

Immediate Action: - Seek medical treatment; notify manager and HR within 24 hours

Employer Obligations: - Submit SOCSO Form 2 (Employer's Report) within **7 days** of accident - Employer pays medical expenses upfront (SOCSO reimburses)

12. INCOME TAX

12.1 Tax Residency

Tax Resident: - Individual in Malaysia for **182 days or more** in a calendar year

Tax Non-Resident: - Individual in Malaysia for **less than 182 days** per year

Tax Implications: - **Residents:** Progressive tax rates (0-30%), eligible for reliefs - **Non-Residents:** Flat **30% tax rate** on Malaysia-source employment income (effective 2026; previously 28%)

12.2 Income Tax Rates (2026 - Tax Residents)

Chargeable Income (RM)	Tax Rate	Tax on Band (RM)
0 - 5,000	0%	0
5,001 - 20,000	1%	150
20,001 - 35,000	3%	450
35,001 - 50,000	6%	900
50,001 - 70,000	11%	2,200
70,001 - 100,000	19%	5,700
100,001 - 400,000	25%	75,000
400,001 - 600,000	26%	52,000
600,001 - 1,000,000	28%	112,000
Above 1,000,000	30%	-

Example (RM 100,000 chargeable income): - RM 5,000 @ 0% = RM 0 - RM 15,000 @ 1% = RM 150 - RM 15,000 @ 3% = RM 450 - RM 15,000 @ 6% = RM 900 - RM 20,000 @ 11% = RM 2,200 - RM 30,000 @ 19% = RM 5,700 - **Total tax:** RM 9,400 - **Effective rate:** 9.4%

12.3 Monthly Tax Deduction (PCB / MTD)

Potongan Cukai Bulanan (PCB) / Monthly Tax Deduction (MTD): - Employers deduct estimated income tax monthly from salary (similar to withholding tax) - Calculated using LHDN tax tables based on gross monthly salary and claimed tax reliefs

Employee Filing: - Annual tax return (Form BE / e-BE) filed by **30 April** each year - Declare all income, claim reliefs, reconcile with PCB paid - LHDN issues refund (if overpaid) or additional assessment (if underpaid)

12.4 Tax Reliefs (2026 - Residents)

Common Reliefs: - **Individual relief:** RM 9,000 - **EPF/approved schemes:** Employee EPF contributions (up to RM 4,000 for voluntary contributions beyond mandatory) - **Life insurance/EPF:** RM 3,000 (combined) - **Education (self):** RM 7,000 (degree, masters, doctorate, professional qualifications) - **Medical expenses (parents):** RM 8,000 (serious diseases) - **Lifestyle:** RM 2,500 (books, computers, internet, sports equipment, gym) - **Child relief:** RM 2,000 per child (up to RM 8,000 total for 4+ children) - **Disabled dependent relief:** RM 6,000 per disabled dependent

13. TERMINATION AND SEVERANCE

13.1 Notice Period

See Section 2.3 (typically 1-3 months for confirmed employees).

13.2 Final Settlement

Components: - Salary up to last day - Payment in lieu of notice (if applicable)
- Accrued annual leave encashment (gross daily rate: monthly salary \div 26) -
Outstanding bonuses (if contractually due)

Deductions: - Notice period shortfall, outstanding loans, unreturned company property

Timeline: - Final pay within **7 days** from termination date (or next payroll cycle), per Employment Act

13.3 Retrenchment / Redundancy Pay

Company Policy:

Malaysia law does not mandate redundancy pay, but Deriv Malaysia follows industry practice:

Redundancy Formula: - **0.5-1 month's salary per year of service**, subject to maximum (e.g., 6-12 months' total)

Example (5 years' service, RM 6,000/month): - 1 month \times 5 years = **5 months' salary = RM 30,000** redundancy pay

In Addition: - Notice period or payment in lieu - Annual leave encashment - Pro-rated bonus (if applicable)

Outplacement Support: - Resume writing, interview coaching, job placement assistance

14. REGULATORY COMPLIANCE

14.1 Labuan FSA Requirements

Employees in Labuan FSA-regulated roles must meet fit and proper criteria:
- Integrity, competence, financial soundness - Notify HR/Compliance of any criminal charges, bankruptcy, or regulatory action

14.2 Personal Trading and AML

Personal Trading Policy: Employees in trading, risk, compliance, or sensitive roles must: - Register brokerage accounts with Compliance - Pre-clear trades in restricted securities - Report trades quarterly

AML/CFT Obligations: All employees must complete mandatory AML/CFT training and report suspicious activities.

15. CONTACT INFORMATION

Human Resources (Malaysia): - Email: hr.malaysia@derivgroup.com - Phone: +60 [XXX XXXX]

Statutory Bodies: - Ministry of Human Resources (MOHR): <https://www.mohr.gov.my>
- EPF (KWSP): <https://www.kwsp.gov.my> | 03-8922 6000 - SOCSO (PERKESO): <https://www.perkeso.gov.my> | 1-300-22-8000 - EIS: <https://www.perkeso.gov.my>
(under SOCSO) - Inland Revenue Board (LHDN): <https://www.hasil.gov.my> | 03-8911 1000 - Labuan FSA: <https://www.labuanfsa.gov.my> | +60 87-591 200

16. ACKNOWLEDGMENT

By commencing or continuing employment with Deriv (FX) Ltd or other Deriv Malaysia entities, employees acknowledge that they have: - Received, read, and understood this Malaysia Employee Handbook Supplement and the Common Employee Policies document - Agreed to comply with Malaysian employment laws, company policies, and Labuan FSA regulatory requirements - Understood that violations may result in disciplinary action up to and including termination

END OF MALAYSIA EMPLOYEE HANDBOOK SUPPLEMENT

This supplement is effective January 2026 and must be read in conjunction with the Common Employee Policies document. Malaysian statutory law prevails where conflicts exist.