



KUMPULAN PERANGSANG SELANGOR BERHAD

(23737-K)

**DIRECTORS' REMUNERATION
POLICY
VERSION 1/2018**

APPROVED BY BOARD

26 FEBRUARY 2018

This policy is applicable to Perangsang Selangor Group of Companies.

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1.0 Introduction

The Directors' Remuneration Policy ("the DR Policy") is set out to provide formal and transparent guidelines with regards to Directors' remuneration benefits for Board and Board Committees for Kumpulan Perangsang Selangor Berhad ("Perangsang Selangor" or "the Company") and subsidiaries and/or associates of Perangsang Selangor in line with the best practice of the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission ("SC") and Corporate Governance Guide (3rd Edition) ("CG Guide") issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia").

2.0 Objectives

2.1 The DR Policy is designed with the aim to support the Company's key strategies and create a strong performance-oriented environment and be able to attract motivate and retain talent as well as promoting business stability and growth of the Company.

2.2 The DR Policy shall adhere to the following key principles:

- i) the Company's desire to attract talent as well as nurture and retain high calibre director in the board to drive the Company's long-term objectives;
- ii) considers the demands, complexities and performance of the Company as well as skills and experience required;
- iii) the remuneration should also be aligned with the business strategy and long-term objectives of the Company;
- iv) incentive plans, performance measure and targets shall be aligned with shareholders' interest in mind; and
- v) total remuneration shall be set at levels that are competitive with the relevant market and industry.

3.0 Scope of Application

The DR Policy shall apply to the Perangsang Selangor and its subsidiaries and/or associates board representative(s).

4.0 Guiding Principles

In determining the remuneration of the directors (non-executive directors) the Remuneration Committee of the Company is guided by the following:

No.	Provisions	Details
1.	Section 230(1)(b) of the Companies Act, 2016 ("CA 2016")	➤ Approvals for fees of directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.
2.	Section 340(1)(c) of CA2016	➤ Directors' fee is one of the ordinary business (agenda) in the annual general meeting ("AGM").
3.	Article 73(a)(b) of the Company's Constitution	<ul style="list-style-type: none"> ➤ The Company in general meeting shall determine the fees of the directors. ➤ Directors shall be entitled for reimbursement of expenses incurred by them in performing their duties as director.
3.	Paragraph 7.23 of Bursa Malaysia Main Market Listing Requirement of Bursa Malaysia Securities Berhad ("MMLR")	➤ Fees payable to Non-Executive Director ("NED") shall be a fixed sum and not by a commission on or percentage of profit or turnover.
4.	Paragraph 7.24 of Bursa Malaysia MMLR	<ul style="list-style-type: none"> ➤ Fees of directors and any benefits shall be subject to shareholders' approval at the general meeting. ➤ Fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting.
5.	Practice 6.1 of MCCG	➤ The Board has in place policies and procedures to determine directors' remuneration.
6.	Practice 6.2 of MCCG	➤ The Board has the Remuneration Committee ("RC") to implement its policies and procedures on remuneration of Board and Senior Management. The RC has the relevant Terms of Reference.
7.	Existing Policies of the Company	<ul style="list-style-type: none"> ➤ Policy for Board Representation in Perangsang Selangor Subsidiaries and Associate Companies ➤ Remuneration Policy for Salaried Employees

5.0 Policy Statement

NO.	DETAILS																					
A)	<p><u>PERANGSANG SELANGOR BOARD</u></p> <p>1. FOR NON-EXECUTIVE DIRECTOR</p> <p>i) Perangsang Selangor Non-Executive Directors ("NEDs") shall be entitled and remunerated in the following manner:</p> <p>a) <u>Directors' Fees</u></p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="background-color: #FFD700;"></th> <th style="background-color: #FFD700;">Directors' Fee Quantum per annum (RM)</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>130,000</td> </tr> <tr> <td>Member</td> <td>100,000</td> </tr> </tbody> </table> <p>b) <u>Meeting Allowance</u></p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th rowspan="2"></th> <th colspan="3" style="background-color: #FFD700;">Meeting Allowance(RM)</th> </tr> <tr> <th style="background-color: #FFD700;">Board</th> <th style="background-color: #FFD700;">*AC</th> <th style="background-color: #FFD700;">*BRMC, BIRC, NC, RC, CSR, TBC</th> </tr> </thead> <tbody> <tr> <td>Chairman of Board/ Board Committees</td> <td>3,500</td> <td>3,000</td> <td>2,000</td> </tr> <tr> <td>Member</td> <td>2,500</td> <td>2,000</td> <td>1,500</td> </tr> </tbody> </table> <p>*Audit Committee ("AC"), Board Risk Management Committee ("BRMC"), Board Investment Review Committee ("BIRC"), Nomination Committee ("NC"), Remuneration Committee ("RC"), Corporate Social Responsibility Committee ("CSR"), Tender Board ("TB")</p> <p>c) Benefits in Kind</p> <ul style="list-style-type: none"> ➤ Group Hospitalization & Surgical ** [for Self & Dependent (Wife & Children age up to 23 years, still studying)] ➤ Group Term Takaful ➤ Group Personal Accident ➤ Medical Outpatient Benefits [for Self & Dependent (Wife and children age up to 21 years, still studying)] <p>** For over age Director i.e. 65 years onward, the hospitalization scheme is subject to general guidelines issues by Bank Negara Malaysia.</p>		Directors' Fee Quantum per annum (RM)	Chairman	130,000	Member	100,000		Meeting Allowance(RM)			Board	*AC	*BRMC, BIRC, NC, RC, CSR, TBC	Chairman of Board/ Board Committees	3,500	3,000	2,000	Member	2,500	2,000	1,500
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	<p>d) Other Benefits</p> <ul style="list-style-type: none"> ➤ NED shall also be entitled to be repaid all travelling and hotel expenses properly incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from meetings of Directors or general meetings or which they may otherwise incur on or about the business of the Company. If by arrangement with the Directors, any Director shall perform or render any special duties or service outside his ordinary duties as a Director, in particular without being limited to the generality of the foregoing, if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees and such special remuneration, in addition to his Directors' fees, and such special remuneration may be by way of fixed sum, or otherwise as may be arranged as stipulated in the Company's Constitution. ➤ NEDs have the benefit of Directors & Officers ("D&O") Insurance in respect of any liabilities arising from such act committed in their capacity as Director of the Company. However, the said insurance policy does not indemnify a Director if he/she is proven to have acted negligently, fraudulently or dishonestly, or in breach of his/her duty or trust. The Directors are required to contribute jointly with the Company towards the premium of the said policy. <p>ii) The fee payable to NEDs shall be fixed sum and shall not be by a commission on or percentage of profits or turnover.</p> <p>iii) The fees and any benefits payable to NEDs shall be subjected to annual shareholders' approval at a general meeting.</p>

NO.	DETAILS
	<p>iv) Any proposed revision of Directors' Remuneration shall be deliberated and recommended by the RC and concurred by the Board before tabling the same to shareholders at the general meeting for approval.</p> <p>v) NEDs are not entitled to receive performance-based bonuses.</p> <p>vi) The Company may extend the participation of Share Issuance Scheme or any other short-term and/or long-term incentive plans to NEDs subject to provisions set out in Bursa Malaysia MMLR.</p> <p>2. FOR EXECUTIVE DIRECTOR ("ED")/MANAGING DIRECTOR ("MD") (If any)</p> <p>i) As for the ED/MD as the case may be, the ED/MDs' remuneration would be dealt within the ED/MDs' service contract. Remuneration packages for ED/MD (and of members of senior management or any other individual, as defined by the Board) should involve a balance between fixed and performance-linked (variable) elements but shall not include a commission or a percentage of turnover. The relative weighing of fixed and variable remuneration for target performance varies with level of responsibility, complexity of the role and typical market practice.</p> <p>ii) The remuneration of the ED/MD shall be deliberated and recommended by the RC and approved by the Board.</p>
B)	<p>REMUNERATION OF BOARD REPRESENTATIVE (NEDS) AT SUBSIDIARIES/ASSOCIATES</p> <p>1. If the subsidiaries and/or associate companies have remuneration package, NEDs will be remunerated based on the subsidiaries or associates remuneration package.</p> <p>2. If none, Perangsang Selangor shall remunerate the NEDs fairly having regard to their skills, responsibilities, expertise and guidance commensurate to the services rendered to the subsidiaries and/or associates.</p>

NO.	DETAILS						
	<p>3. Perangsang Selangor Board may decide to pay additional fees for subsidiaries and/or associates appointments as the case may be, if remuneration benefits paid by the subsidiaries and/or associates deemed as not equitable with their contribution to the subsidiaries and/or associates.</p> <p>4. Employees of Perangsang Selangor who have been appointed as director on the board of subsidiaries and/or associates shall be subject to the Perangsang Selangor's Remuneration Policy for Salaried Employees which came into force on 28 June 2011, whereby employees who have been appointed as director in subsidiary companies shall not be entitled to the remuneration benefits accorded to the directors of the subsidiaries; and;</p> <p>Employees of Perangsang Selangor who have been appointed as director of associate companies shall be eligible to receive remuneration benefits accorded to the directors of the associate companies.</p> <p>5. Recommended minimum quantum of directors' fees and meeting allowance for subsidiaries and/or associates (subject to approval of the respective subsidiaries board):</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="background-color: #FFD700;"></th> <th style="background-color: #FFD700;">Directors' Fee Quantum per annum (RM)</th> <th style="background-color: #FFD700;">Meeting Allowance per meeting (RM)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Chairman/ Members</td> <td style="text-align: center;">12,000.00 (Minimum – subject to affordability of subsidiaries)</td> <td style="text-align: center;">500.00 (Minimum - subject to affordability of subsidiaries)</td> </tr> </tbody> </table>		Directors' Fee Quantum per annum (RM)	Meeting Allowance per meeting (RM)	Chairman/ Members	12,000.00 (Minimum – subject to affordability of subsidiaries)	500.00 (Minimum - subject to affordability of subsidiaries)
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6.0 Procedure

- 6.1 As and when the need arises, the RC upon recommendation from Management shall review the Directors' Remuneration for offering fair remuneration packages for NEDs and EDs (if any) based on market benchmarks, level of responsibility, individual's experience, expertise and performance as well as the Company's performance and thereafter recommend them to the Board for concurrence.

6.2 Nevertheless, the Board may suggest improvement of one or more aspects of the remuneration packages as and when the need arise. On this, the Board may seek professional advice from outside sources to assist the Board in formulating an attractive compensation and benefits package that aims to attract, retain and motivate talents.

7.0 Monitoring and Reporting

Disclosure of Directors' remuneration and Senior Management shall be made in the Corporate Governance Report ("CG Report") announced to Bursa Malaysia as well as in the Corporate Governance Overview Statement ("CG Overview Statement") in the Company's Annual Report. These disclosures are in accordance with Paragraph 15.25(1)(2) of Bursa Malaysia MMLR.

8.0 Responsibility

It is the responsibility of the Company Secretary to monitor the relevancy and adequacy of the DR Policy taking into consideration Perangsang Selangor Group's operations and changes in the prevailing rules/regulations/laws.

9.0 Review of the DR Policy

Once of every three (3) years, at a minimum to ensure it remains consistent with Perangsang Selangor strategic direction and align with the current prevailing rules/regulations/laws.

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