



KUMPULAN PERANGSANG SELANGOR BERHAD

(23737-K)

**SENIOR MANAGEMENT
REMUNERATION POLICY**

APPROVED BY BOARD

30 MARCH 2018

This policy is applicable to the Kumpulan Perangsang Selangor Group of Companies.

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1.0 Introduction

The Senior Management Remuneration Policy is a formal and transparent guideline with regards to senior management remuneration benefits of Kumpulan Perangsang Selangor Berhad (“Perangsang Selangor”) and subsidiaries. It is in line with current market practice to attract, motivate, reward and retain Perangsang Selangor’s Senior Management.

2.0 Objectives

2.1 The Policy is designed with the aim to support Perangsang Selangor’s Mission, Vision and Business Plan and shall adhere to the following principles:

- i) Perangsang Selangor desire to attract as well as nurture and retain the senior management personnel in driving 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 benefits should also be aligned with the business strategy and long-term objectives;
- 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 Policy shall apply to the Senior Management of Perangsang Selangor and its subsidiaries as follows:

3.1 Chief Executive Officer (“CEO”), Chief Operating Officer (“COO”), Chief Investment Officer (“CIO”), and Chief Financial Officer (“CFO”) of Perangsang Selangor; and

3.2 Head of Subsidiaries

4.0 Guiding Principles

4.1 In determining the remuneration benefits of the senior management personnel, the Remuneration Committee of the Company is guided by the following:

No.	Provisions	Purpose
1.	Employment Act 1955 (EA 1955)	The main legislation of Malaysian Labour matters in Malaysia. The Act that provides minimum terms and conditions to certain category of employees.
2.	Industrial Relations Act 1967 (IRA 1967)	An Act to promote and maintain industrial harmony and to provide for the regulations of the relations between employers and employees.
3.	Employees Provident Fund Act 1991	An Act to provide for the law relating to a scheme of savings for employee's retirement.
3.	Employees Social Security Act 1969	An Act to provide social security in certain contingencies and to make provision for certain other matters in relation to it.
4.	Income Tax Act 1967	An act for imposition of Income tax throughout Malaysia.
5.	Existing Policies of the Company	<ul style="list-style-type: none"> ➤ The approved Limits of Authority (LOA) / Financial Authority Limits (FAL); ➤ Terms of Reference of Remuneration Committee; ➤ The approved Employee Handbook; and ➤ The approved related remuneration policies.

5.0 Remuneration Delegated Authority

- 5.1 The remuneration for the Senior Management shall be approved based on the following matrix:

PERANGSANG SELANGOR LEVEL

POSITION	PROPOSED /RECOMMENDED BY	APPROVED BY
CEO	Remuneration Committee	Board
COO CIO CFO	Human Resource Director	CEO

SUBSIDIARIES LEVEL

POSITION	PROPOSED /RECOMMENDED BY	APPROVED BY
Head of Subsidiary	Nomination Committee	Board of Subsidiary

6.0 Policy Statement

- 6.1 The Senior Management shall be entitled and remunerated in the following manner:
- 6.1.1 Employment Contract
The Senior Management shall be offered with official contract document with details terms and conditions of employment;
 - 6.1.2 Basic Monthly Salary
The Senior Management shall be remunerated as per the approved salary grading or amount deemed appropriate based on the approving authority as per item 5.0 above;
 - 6.1.3 Other Monetary Remuneration Benefits
The Senior Management shall be remunerated with monetary remuneration benefits as per the approved employee handbook or other monetary benefits deemed appropriate based on the approving authority as per item 5.0 above;

6.1.4 Non-Monetary Remuneration Benefits

The Senior Management shall be remunerated with non-monetary benefits as per the approved employee handbook or other non-monetary benefits deemed appropriate based on the approving authority as per item 5.0 above; and

6.1.5 Revision of Remuneration Benefits

The approving authority has the absolute discretion to approve on any revision and amendment of employment contract, monthly basic salary, monetary and or non-monetary remuneration benefits for the Senior Management.

7.0 Procedures

7.1 As the case maybe, the approving authority shall review the senior management remuneration for offering fair remuneration packages based on market benchmarks, level of responsibility, individual's experience, expertise and performance as well as the Company's performance and ability.

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

8.0 Monitoring and Reporting

Disclosure of remuneration for the 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.

9.0 Responsibility

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

10.0 Review of the 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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