

TARIKH : 28.11.2019 (KHAMIS)
MEDIA : THE STAR
MUKA SURAT : 2

FGV slashes chairman's fee

Azhar will receive 50% cut and fewer perks

By GANESHWARAN KANA
ganeshwaran@thestar.com.my

KUALA LUMPUR: The five-month impasse at FGV Holdings Bhd involving the payment of fees to its chairman and non-executive directors has been resolved, following an EGM here yesterday.

Non-executive chairman Datuk Wira Azhar Abdul Hamid will take a 50% or RM300,000 cut in fee, down from the previous fee of RM600,000.

The new amount was effective since Jan 1 until the next AGM in 2020.

In addition, Azhar will also receive fewer perks. The removed benefits included the entitlement to home security, the option to utilise one company car, escort and one escort vehicle as well as the entitlement to leave passage of RM50,000 annually.

Based on FGV's annual report 2018, the fee payable to Azhar as chairman of the board is RM1.95mil.

His remuneration package included a salary of RM415,483.90, chairman's fee of RM600,000, an annual fee from subsidiaries of RM315,000 and benefits in kind of RM313,244.35.

Meanwhile, the fees for non-executive directors will remain unchanged at RM120,000 per annum. The other benefits will also be similar.

At the EGM, shareholders of FGV approved all six resolutions, with an approval rate of 99.96% each.

For context, resolutions one and two sought the shareholders' approval for the fees of the chairman and non-executive directors for the financial year 2018 ended Dec 31 (FY18).

Resolutions three and four refer to the fees of the chairman and non-executive directors for the period of Jan 1 until FGV's next AGM in 2020.

Resolutions five and six sought the green light for the other benefits to be enjoyed by the chairman and

non-executive directors from June 26, until the next AGM.

FGV's share price took a dip in the morning session yesterday ahead of the outcome of the EGM, but stabilised in the afternoon session following the almost-unanimous approval from shareholders.

The stock closed lower by 5.34% or seven sen to RM1.24. A total of 9.47 million shares changed hands yesterday.

Year-to-date, the stock has risen by around 73%.

Speaking to reporters after the EGM, FGV group chief executive officer Datuk Haris Fadzilah Hassan said the disagreement surrounding the directors' fee was resolved after consultations with the group's major shareholders.

"After the AGM previously, there were some discussions that took place to understand the major shareholders' concerns and that (fee cut) was the result of the discussion.

"It is also in line with some of the practices that have been adopted by

other government-linked companies as well," he said.

At the five-hour AGM held on June 25, the major shareholders of FGV—the Federal Land Development Authority, the Armed Forces Fund Board (LIAT) and Koperasi Permodalan Felda Malaysia Bhd (KPF) – gunned down resolutions pertaining to the fee payment of its board members in an unprecedented move.

Felda owns about 33.6% of FGV, followed by KPF with 5% and LIAT with 1.25%.

Haris said FGV's board of directors has been tasked with fixing historical problems at the company.

"The board has been dealing with the twin challenges of poor operational performance that resulted in poor financial performance. Secondly, the legacy investments with some investments being overvalued and under-performing.

"They have been working hard to restore shareholders' value that was destroyed previously," he said.