



## **KUMPULAN PERANGSANG SELANGOR BERHAD**

(Company Registration No:197501002218/23737-K)

# **SENIOR MANAGEMENT REMUNERATION POLICY VERSION 2/2022**

**APPROVED BY BOARD**

29 March 2022

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

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## **1.0 INTRODUCTION**

The Senior Management Remuneration Policy (“SMR Policy”) is a formal and transparent guideline with regards to Senior Management Remuneration benefits of Kumpulan Perangsang Selangor Berhad (“KPS”) and its’ subsidiaries. It is in line with the current market practice to attract, motivate, reward and retain Senior Management personnel of the Company.

### **1.1 Scope**

This SMR Policy shall apply to the Senior Management of KPS and its subsidiaries as follows:

- i. Managing Director / Group Chief Executive Officer (“MD/GCEO”) and Deputy Chief Executive Officer (“DCEO”)
- ii. Head of Subsidiaries

### **1.2 Responsibility**

It is the responsibility of the Human Resource Development Department (“HRD”) to monitor the relevancy and adequacy of the SMR Policy taking into consideration of the company’s business operations and changes in the prevailing rules/regulations/laws.

### **1.3 Approving Authority**

- i. KPS

The Board of KPS is the approving authority of this Policy.

- ii. Subsidiary Companies

The subsidiary companies are to adopt this Policy upon approval by its Board.

### **1.4 Date of Implementation**

This SMR Policy is effective immediately upon approval by the Board of KPS (“Board”). For the subsidiary companies, this Policy is effective immediately upon further approval by the respective Board.

### **1.5 Review Frequency**

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

## 1.6 Reference

This document should be read together with the following guidelines and policies:

- (a) Employment Act 1955;
- (b) Industrial Relation Act 1967;
- (c) Employees Provident Fund Act 1991;
- (d) Employees Social Security Act 1969;
- (e) Income Tax Act 1967;
- (f) Malaysian Code on Corporate Governance;
- (g) Code of Conduct;
- (h) Employees Handbook;
- (i) Conflict of Interest Policy;
- (j) Compliance Policy; and
- (k) Financial Authority Limit & Delegation of Authority

## 1.7 Definition

The key terms and acronyms appeared in this document shall be defined in *Appendix I*.

## 2.0 OBJECTIVES

2.1 This SMR Policy is designed with the aim to support KPS' Mission, Vision and Business Plan and shall adhere to the following principles:

- i) KPS desire to attract, nurture and retain the Senior Management personnel in driving the Company's long-term objectives;
- ii) consider the demand, complexity 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,
- v) total remuneration shall be set at levels that are competitive with the relevant market and industry; and
- vi) the remuneration benefits should comply with all the laws, regulations and statutory requirement.

### **3.0 STATEMENT POLICY**

3.1 The Senior Management shall be entitled and remunerated in the following manner:

3.1.1 Employment Contract

The Senior Management shall be offered with official contract document with details terms and conditions of employment;

3.1.2 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;

3.1.3 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;

3.1.4 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;

3.1.5 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; and

In accordance with the SMR Policy of KPS, the Management of KPS who have been appointed as Director on the board of subsidiaries and/or associate companies shall not be entitled to the remuneration benefits accorded to the Senior Management of the subsidiary and associate companies. The payment of such remuneration benefits shall be paid to KPS.

### **4.0 KEY PRINCIPLES**

4.1 In determining the remuneration benefits of the Senior Management personnel, the Nomination & Remuneration Committee or the approving authority 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"> <li>➤ The approved Limits of Authority (LOA) / Financial Authority Limits (FAL);</li> <li>➤ Terms of Reference of Nomination &amp; Remuneration Committee;</li> <li>➤ The approved Employee Handbook; and</li> <li>➤ The approved related remuneration policies.</li> </ul>
6	Any other Laws, Regulations and Acts that applicable at respective Country, State, District. Province or location at the relevant time of implementation.	

## 5.0 REMUNERATION DELEGATED AUTHORITY

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

### i. KPS LEVEL

POSITION	PROPOSED / RECOMMENDED BY	APPROVED BY
MD/GCEO	Nomination & Remuneration Committee	Board
DCEO	Director Human Resource Development	MD/GCEO

## ii. SUBSIDIARIES LEVEL

POSITION	PROPOSED/ RECOMMENDED BY	APPROVED BY
Head of Subsidiary	EXCO	Board of Subsidiary

*\*Note – Only remuneration for **Long-term-incentive Plan** will be proposed / recommended by the Nomination & Remuneration Committee. Other remuneration proposal will be proposed/ recommended by the Subsidiaries Board of Directors.*

## 6.0 PROCEDURES

- 6.1 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, expertise and performance including the Company's performance.
- 6.2 Alternatively, the approving authority may suggest improvement of one or more aspects of the remuneration packages as and when the need arises. On this, the approving authority may seek the professional or may obtain expert advice internally and /or from outside sources to assist in formulating an attractive compensation and benefits package that aims to attract, retain and motivate talents.

## 7.0 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.

The relevancy of the Senior Management Remuneration will be reviewed and monitored by the Nomination & Remuneration Committee according to market benchmark which will be reviewed timely and accordingly to the market practise.

## 8.0 COMPLIANCE

- 8.1 This SMR Policy is applicable to KPS and its Group of companies.
- 8.2 This SMR Policy shall be complied with at all times. Any violation of the policy shall be deemed as a major breach of discipline and is subjected to disciplinary actions.
- 8.3 All employees are not allowed to disseminate any documents to any external party. Prior approval from management is required if any document is to be given to an external party.

## 9.0 EXCEPTIONS

Any exception from this Policy shall require the approval of the Board unless they are deemed as operational in nature.

### Appendix 1: Definition

<b>Terms</b>	<b>Definition</b>
<b>Board of Directors</b>	means Board of Directors of KPS
<b>KPS/ the Company</b>	means Kumpulan Perangsang Selangor Berhad
<b>"KPS Group" or "the Group"</b>	means KPS and its subsidiary companies collectively, as defined in Section 4 of the Companies Act 2016
<b>EXCO</b>	Executive Committee of Subsidiary
<b>Compliance</b>	means conformity with requirements under law or contract terms affecting the Group's operations locally and abroad.
<b>EA 1955</b>	Employment Act 1955
<b>IRA 1967</b>	Industrial Relations Act 1967
<b>LOA</b>	Limits of Authority
<b>FAL</b>	Financial Authority Limits