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## MSM chairman Azhar steps down 'to resolve FGV director fee issue'

Tan Xue Ying / [theedgemarkets.com](https://theedgemarkets.com)

February 25, 2020 20:20 pm +08



KUALA LUMPUR (Feb 25): MSM Malaysia Holdings Bhd chairman Datuk Wira Azhar Abdul Hamid will step down from his post on May 31.

The 58-year-old, who was appointed as chairman of the sugar refiner and its holding company FGV Holdings Bhd in September 2017, tendered his resignation today as part of an agreement to resolve the issue over directors' fees at FGV.

The tendering of the resignation "is in line with conditions imposed by Felda as part of the agreement to resolve the recent FGV directors' fee issue", MSM's stock exchange filing today stated.

Felda, or the Federal Land Development Authority, is FGV's major shareholder.

MSM said the board will identify a suitable candidate for replacement as chairman before the May 31 resignation date.

The lengthy dispute over FGV's director fees started in June 2019 when its major shareholders sprang a surprise by voting against resolutions related to directors' remuneration at a grueling five-hour shareholders' meeting. It was reported that in its financial year 2018 (FY18), Azhar was to take home RM1.95 million – a third of the total RM5.74 million board remuneration proposed for the year.

Felda, Koperasi Permodalan Felda Malaysia Bhd and the the Armed Forces Fund Board (LTAT) voted against several resolutions, including one related to the payment of directors' fees, prompting Azhar to observe that their actions were akin to agreeing for the directors to serve but not to be paid.

Another major shareholder of the loss-making company, the Employees Provident Fund, later raised remuneration-related concerns in a letter, especially on Azhar's remuneration.

Azhar had then proposed to shareholders to waive his director's fee for FY18, in order for the rest of the board to be able to receive their respective fees, but the idea was met with rejection from its substantial shareholders.

The dispute eventually came to a close last September, when Azhar agreed to take a 50% pay cut to RM300,000 from RM600,000 previously, besides the reduced payment of benefits payable to him, while the directors' fees remained the same at RM120,000. The chairman's revised fee is effective from the start of FY18 until its next annual general meeting in 2020.

Among the new adjustments to the chairman's benefits are: the removal of the option to use a company car, entitlement to home security, the removal of the option for escort and one escort vehicle, a reduction in the number of personal bodyguards from two to one, the removal of the entitlement to leave passage of RM50,000 per annum, and the removal of his entitlement to one mobile phone every three years.

Benefits payable to the group's non-executive directors will also be reduced.

The revised remuneration packages entail the reduction of fees payable for FY18 to RM1.1 million, along with RM490,272 in board committee fees.

**AGENCY: The Edge Markets**

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