

Our Ref: IS/TAC(ro)/LD06/16 [Directors' Fees]

30 May 2016

The Company Secretary
(Listed Corporations)

Via email

Dear Sir/Madam,

CLARIFICATION TO RULE 7.24 OF THE ACE MARKET LISTING REQUIREMENTS

We refer to the above matter.

Shareholders' Approval on Increase of Directors' Fees

1. Pursuant to rule 7.24 of the ACE Market Listing Requirements ("**ACE LR**"), a listed issuer must ensure that its articles of association contains the provision that any fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.
2. In this connection, Bursa Malaysia Securities Berhad ("**the Exchange**") has received enquiries relating to the application of rule 7.24 of the ACE LR, particularly on whether a listed issuer is allowed to seek its shareholders' approval for a maximum amount of total fees that may be paid to its directors ("**capped amount**") and authorise its Board or Remuneration Committee to increase the directors' fees within the capped amount in such manner as it may deem fit ("**mandate for the capped amount**"). In that case, the mandate for the capped amount will be applied for the successive years without the need to procure specific shareholder approval for each increase of directors' fees within the capped amount.
3. The Exchange would like to clarify that in giving effect to rule 7.24 of the ACE LR and the corresponding article in the articles of association, a listed issuer must obtain **specific shareholder approval for any increase in directors' fees**. The listed issuer must not rely on a mandate for the capped amount obtained previously, even though its articles of association may allow for it or such mandate is still valid.

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**SPECIFIC SHAREHOLDERS' APPROVAL FOR ANY INCREASE IN DIRECTORS' FEES
PURSUANT TO RULE 7.24 OF THE ACE MARKET LISTING REQUIREMENTS**

Contact persons

4. If you have any query on the above, please do not hesitate to liaise with the following persons from Listing Advisory & Development, Listing Division at 03-2034 7766:
- (a) Mr. Chee Kai Mun;
 - (b) Ms. Tiffany Yan Wei Mee; or
 - (c) Pn. Razalina Suriati Abdullah

Thank you.

Yours faithfully,



INDERJIT SINGH
Senior Executive Vice President
Listing Division
Regulation