Persatuan Pengguna Pulau Pinang
Consumers Association of Penang
槟城消费人协会 பினாங்கு பயனீட்டாளர் சங்கம்

10 Jalan Masjid Negeri, 11600 Pulau Pinang, Malaysia
Tel: 604-8299511 Fax: 604-8298109
email: consumerofpenang@gmail.com

*Websites:*
www.consumer.org.my

**Letter to Editor** **27 June 2019**

**CAP: FGV fiasco – wake up time for shareholders to play an active role**

Efficient spending by government-linked entities could not be more important than during the current period of exorbitant indebtedness facing the nation. This means rent-seeking by directors through inefficient pay (e.g., directors' fees, benefits and perks) should be actively questioned and governed.

The bold move by the major shareholders of the FGV in voting against the directors' fees and benefits-in-kind should be congratulated. Our present study finds FGV amongst the top ten government-linked entities that reported the highest aggregate pay for non-executive directors during 2013-2017 period. On average, the FGV had paid their non-executive directors for approximately RM4.6 million per year despite deteriorating performance since 2013. The company's loss-making position recently does not justify the board of directors enjoying benefits and perks. It's time for hard work and eliminating unjustifiable expenses to save the company and to make it profitable.

We hope to see more shareholder activism in disciplining directors at government-linked entities. Minority shareholders and other stakeholders of systemically important government-linked entities should also play an active role in questioning board pay. Members of the public or stakeholders that are affected by GLEs' spending activities have the right to know and demand for greater transparency on this important aspect of spending.

Mohideen Abdul Kader
Acting President
Consumers Association of Penang