



MINORITY SHAREHOLDER WATCHDOG GROUP
Shareholder Activism and Protection of Minority Interest
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

DIALOGUE WITH INSTITUTIONAL INVESTORS/ PROFESSIONAL BODIES/ MEDIA

Date: 12 June 2008

Venue: Sime Darby Convention Centre

	ISSUES/POINTS RAISED	MSWG'S RESPONSE	ACTION TO BE TAKEN
1.	Proposal to have a rating mechanism for corporate governance compliance of public listed companies vis-à-vis the Corporate Governance Statement disclosed in the annual report.	MSWG clarified that its current annual corporate governance survey is only based on the assessment of the corporate governance practices as disclosed in the annual report.	MSWG will look into the suggestion for corporate governance rating and evaluate its feasibility to be carried out by MSWG.
2.	Proposal for MSWG to organise a forum for independent non-executive directors (INEDs) given the enhanced responsibilities of INEDs under the revised Malaysian Code on Corporate Governance and amendments under the Companies Act, 1965.	MSWG has plans in the pipeline to organise a forum for Non-Executive Directors of public listed companies, to address among others their roles and responsibilities.	MSWG to organise a forum for Non-Executive Directors.
3.	Concerns on Parliamentarians interfering with the strategic business plans/ proposals undertaken by government-linked companies and its effects on minority shareholders.	MSWG more focused on educating the general public, particularly the retail investors.	MSWG to continue its focus to educate the public in general, particularly retail shareholders on their rights as shareholders as well as becoming better informed investors.
4.	MSWG to consider training	MSWG holds regular workshops	Details on upcoming MSWG

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	programmes for the members of the press and media.	throughout the year which are open to the general public. Members of the press and media are encouraged to register and participate in these workshops.	workshops are posted on MSWG website (www.mswg.org.my)
5.	The appropriateness of allowing members of the press to attend the annual general meeting of public listed companies given that they have no locus standi as shareholders of the company.	Given the higher accountability and transparency required from PLCs, there is a strong case for allowing the members of the press to be present at the AGM. Nevertheless, MSWG cautions that if this privilege is accorded to the press, the press must in turn report responsibly on the proceedings or issues/points raised in the AGMs.	None.
6.	Clarification on the funding structure of MSWG and whether it is funded by PLCs.	MSWG is now substantially funded by the Capital Market Development Fund (CMDf) under MSWG's Business Plan 2008 to 2009, as well as through its own efforts. MSWG is not funded by PLCs. PLCs contribute to MSWG through purchase of MSWG publications and advertisements in the publications.	None.

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7.	Suggestion for the Government to mandate PLCs to financially support MSWG within a certain structured framework given its important role in the capital market to protect minority shareholders.	MSWG is substantially funded by the CMDF. Nevertheless MSWG intends to be a financially healthy and sustainable capital market institution. This can be achieved through sale of its products and services. Moving forward, MSWG targets to expand its subscriber base to ensure sustainability of MSWG's operations.	MSWG to increase its efforts to "brand" itself as a credible and trusted institution for shareholder activism and protection of minority interest.
8.	MSWG to be more "visible" to the public. MSWG has to be more vocal and critical in its statements, especially to highlight issues of transgressions by PLCs, unfair treatment of minority shareholders and financial irregularities.	MSWG issues its comments from time to time addressing issues of concern. By and large, the PLCs in Malaysia generally adhere to the rules and guidelines of the SC/ Bursa Malaysia and have good corporate governance standards.	MSWG to make "stronger" comments, where appropriate, if the issues adversely affects the minority shareholders of the companies.
9.	Suggestion for MSWG to conduct talks addressing ethical behaviours for directors/ companies.	As mentioned earlier, MSWG's activities are more focused on educating the general public, particularly the retail investors.	MSWG may consider this aspect to be incorporated during the forum for Non-Executive Directors.