

**Malaysian Corporate Governance 2009: Bonus & Penalty Stage**

**Name of Company:**

**Stock Code:**

**Bonus Points**

No.	Items and description	Points	Why?	How (to get)?	Points To Note
<b>B1</b>	<b>Independent director</b>				
B1.1	Disclosed policy of engaging external adviser/source to identify and nominate suitable candidates for appointment as independent directors.	+3	To widen the choice / pool of suitable candidates.	Annual Report (AR) only.	
B1.2	External adviser/source was used in indentifying suitable candidates for appointment as independent directors during the year.	+2	To encourage B1.1 was actually put into practice.	AR only.	
B1.3	Disclosed policy of term limit for independent directors.	+3	To prevent possibility of loss of independent of mind when independent director(s) has(have) overstayed.	AR only.	
B1.4	Term limit for independent directors is not more than 9 years.	+2			
B1.5	Term limit for independent directors is not more than 12 years.	+1	To align with international development of not more than 9 years tenureship for independent director.	AR only.	
<b>B2</b>	<b>Directors' remuneration</b>				
B2.1	Disclosed aggregate remuneration for each director.	+3	To encourage transparency in disclosures of directors remunerations.	AR only.	
B2.2	Disclosed aggregate and components of remuneration for each director.	+2	To encourage transparency in disclosures of directors remunerations.	AR only.	
<b>B3</b>	<b>Directors' training</b>				
B3.1	Disclosed titles of training / continuing education sessions attended by each director.	+3	To encourage transparency as well as monitoring that directors attend continuing educational programmes.	AR only.	
B3.2	All directors attended at least one training / continuing education session during the year.	+2	To encourage B3.1 was actually put into practice.	AR only.	
<b>B4</b>	<b>Board diversity</b>				
B4.1	At least one woman director regardless of designation (both executive and non-executive).	+3	To encourage gender diversity in the board.	AR only.	
B4.2	At least one woman independent director.	+2	To encourage gender diversity in the board independent of family relationship.	AR only.	
B4.3	Board had multi-ethnic outlook in terms of composition.	+2			
B4.4	At least one foreign national in the board.	+2			
<b>B5</b>	<b>Whistleblowing policy</b>				
B5.1	Disclosed policy on whistleblowing.	+3	To encourage whistleblowing policy in company - 'red flag' should not come too late.	AR only.	
B5.2	Disclosed mechanism to protect employees who contemplate to "blow the whistle".	+2	To ensure B5.1 was actually put into practice.	AR only.	
B5.3	Disclosed contact details of the senior independent director.	+1			
<b>B6</b>	<b>Chairman and CEO</b>				
B6.1	The Chairman of the board and the CEO were two different individuals.	+3	To encourage separation of roles between Chairman and CEO.	AR only.	
B6.2	The Chairman of the board was an independent director.	+2	To bolster independence of the board.	AR only.	
<b>B7</b>	<b>Risk management</b>				
B7.1	Had a separate (i) board-level risk management committee led by independent director or (ii) other risk management committee but led by an independent director.	+3	To reinforce the significance of issues of risks that ought to be dealt by highest level of company, that is, the board.	AR only.	

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B7.2	Disclosed key risk factors as identified by the risk management committee.	+2	To ensure shareholders and investors know what are the risks the company is facing.	AR only (disclosures of risks in Notes to Accounts is not acceptable)	
<b>B8</b>	<b>Public shareholding spread</b>				
B8.1	Public shareholding spread at FYE was more than 35%.	+3	To encourage a higher level of public spread or float in company shareholdings which to certain extent could help to minimise likelihood of detrimental related party transactions, cheaper cost of entry and exit and stronger public shareholders voice in the company. It could also help to minimise incidences of non-compliance of mandatory 25% requirement.	AR only (disclosures of risks in Notes to Accounts is not acceptable)	Information on public shareholdings (latest as at 31 December) is available in Semi Annual Return made by listed companies to Bursa. MSWG to help NUBS to request said information from Bursa).
<b>B9</b>	<b>Audit Committee (AC)</b>				
B9.1	Chairman of AC was a member of an accounting association/body.	+3	To encourage only credible director leading the AC.	AR only.	
B9.2	All members of AC were independent directors.	+2	To encourage higher level of independence in AC.	AR only.	
<b>B10</b>	<b>Dividend policy</b>				
B10.1	Disclosed clear and specific dividend policy, that is, including the target dividend payout ratio.	+3	To encourage a rather committed policy in terms of dividend.	AR only.	
B10.2	Had declared/paid dividend more than or equal to the target dividend payout ratio during FYE.	+2	To encourage the articulated policy was actually put into practice.	AR only.	
B10.3	Had declared/paid dividend at least in four of the last five years.	+2			
<b>B11</b>	<b>Transparency (timeliness of annual report)</b>				
B11.1	Submitted annual report to Bursa Malaysia within 60 days from FYE.	+5			
B11.2	Submitted annual report to Bursa Malaysia within 90 days from FYE.	+3	To encourage timeliness of annual financial reporting.	Bursa's Listed Companies Announcements' website.	
	<b>Maximum possible bonus points</b>	<b>69</b>			

No.	Items and description	Points	Why?	How (to get)?	Points To Note
<b>Penalty Points</b>					
<b>P1</b>	<b>Independent director</b>				
P1.1	At least one independent director has served more than 12 years.	-3	To discourage over-tenureship of independent director(s) which perceptibly affect the director(s)' independence of judgement.	AR only.	
P1.2	More than one independent directors have served more than 12 years.	-2		AR only.	
P1.3	Any one of independent director whose remuneration other than director fees was more than RM240,000 of his/her total director remuneration.	-5			
<b>P2</b>	<b>Independence of external auditor</b>				
P2.1	Non-audit fees paid to appointed external audit firm (or its affiliates) were more than 50% of financial statement audit fees.	-5	To discourage rather excessive non-audit fees paid external auditors - may affect their independence.	AR only.	
<b>P3</b>	<b>Directors / Board credibility</b>				
P3.1	Individual director and / or company received public reprimand(s) from the regulator(s).	-10	To encourage director and/or company to uphold conduct that is in compliant with relevant laws, rules and regulations in force.	Bursa's internal records.	MSWG to help NUBS to request said information from Bursa.
<b>P4</b>	<b>Stakeholder engagement</b>				
P4.1	Had received query or queries from Bursa Malaysia pertaining to unusual market activity (UMA) during FY.	-3	To encourage fair and equitable access to information to a company's state of affairs. The argument that company may not know what shareholders are discussing is tenuous. Invariably, share prices move when shareholders who have significant shareholdings in the company are doing the "talking". More often than not, significant shareholders are represented on board (non-executive director). There is a 'linkage' between them and the company. Hence, there is credible basis for company to claim lack of awareness.	Bursa's internal records.	MSWG to help NUBS to request said information from Bursa.
P4.2	Did not respond to query or queries made by MSWG during FY.	-5	To encourage responsiveness to the interest of minorities shareholders.	MSWG's internal records.	MSWG to provide the said information to NUBS.
P4.3	Presence of any conduct of the listed company that is deemed to be <b>moderately detrimental</b> to the interest of minority shareholder during the financial year in review and up to November 2009.	-5			
P4.4	Presence of any conduct of the listed company that is deemed to be <b>severely detrimental</b> to the interest of minority shareholder during the financial year in review and up to November 2009.	-10			
	<b>Maximum possible penalty points</b>	<b>-48</b>			
<b>Overriding Exclusion Criteria:</b>					
<b>EC1</b>	<b>Presence of any conduct of the listed company that is deemed to be severely detrimental to the interest of minority shareholder during the financial year in review and up to November 2009.</b>	<b>Yes/No</b>			

If Yes, please explain:

No.	Items and description	Points	Why?	How (to get)?	Points To Note
EC2	Refusal by the listed companies to MSWG's invitation for an engagement session between MSWG and key directors of the listed company.	Yes/No			