

Global Settlement

Background Information

A potential global settlement involving long pending lawsuits between Tan Sri Tajuddin Ramli (TSTR) and several Government-linked companies (GLCs) including Axiata, MAS, TM and Pengurusan Danaharta, and other companies namely Naluri Corp. Bhd and Atlan Holdings Bhd, was in the news since last Friday (12 August 2011). Negotiations on more than 10 cases relating to breaches of contracts and other causes of action had dragged on since as early as 2004.

MSWG's Analysis and Comments

The respective Boards of the relevant litigant companies need to assess the merits and demerits of the proposed global settlement once formally proposed, and need to be transparent to their shareholders in this matter. These include, among others, disclosing the timelines, settlement term, the pros and cons, rationale, the ringgit amount involved, and other financial and non-financial impact, etc.

Interested directors of the respective PLCs should declare their interests and abstain from participating in any discussion or voting on the proposed settlement

A timely and equitable dissemination of information is crucial. The Boards are responsible and accountable to all the shareholders, hence full and proper disclosures will go a long way to help to clarify the doubts of the shareholders.

Rita Benoy Bushon

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