

MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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Better corporate governance

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THE summary of corporate governance (CG) findings based on the Asean CG Scorecard methodology for last year shows that Malaysia has increased in the CG Index level to 68.20, compared with 66.9 in 2011, for the top 100 companies.

This result shows that the transparency and disclosure of Malaysian companies have improved. This could be attributed to the increased level of awareness by company directors and management in addition to new disclosure regulations under the listing requirements.

The gap can be improved, which includes the disclosure of the companies' minutes of meeting on their websites. I hope that Malaysian

companies will pay attention to this. Only one company made such disclosure last year. On the other hand, the majority of Thai companies disclosed the information voluntarily.

We are now in the midst of assessing companies for the CG Index for this year. The awards ceremony is scheduled for December 12.

Separately, in the United States, we see Jamie Dimon has relinquished the title of chairman of JPMorgan's main bank subsidiary, finally conforming with new internal policies on multiple roles.

JPMorgan's new policies dictate that a holding company's chairman cannot also be the chairman of a subsidiary so as to increase the amount of oversight.

JPMorgan may be a useful case study and example for our government-linked companies and even

top corporates.

In the United Kingdom, there have been further moves to regulate its financial services industry. Among a raft of reforms being proposed by the Bank of England (BoE) is the possible removal of bank management if capital planning or governance fall short of required standards, following annual stress tests.

The BoE's proposals come on the heels of news that senior bankers face up to seven years in jail if their mismanagement of the business leads to its collapse, under a new "reckless misconduct" offence.

These amendments may have been described as "the biggest ever overhaul of the UK banking system", but whether or not they should be adopted here, and to what extent, remains moot.

Rita Benoy Bushon is MSWG CEO