

## MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia - Company No. 524989-M)

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ADOPTING THE CODE FOR GOOD GOVERNANCE: (From left) Minority Shareholder Watchdog Group (MSWG) CEO Rita Benoy Bushon, Securities Commission Malaysia (SC) deputy CEO Datuk Dr Nik Ramlah, Lembaga Tabung Angkatan Tentera CEO Tan Sri Lodin Wok Kamaruddin, MSWG chairman Tan Sri Dr Sulaiman Mahbob and SC chairman Datuk Ranjit Ajit Singh at the launch of the code in Kuala Lumpur. The MSWG has urged institutional investors to adopt the principles of the newly launched Malaysian Code for Institutional Investors 2014 to promote better governance and long-term sustainability of their investee companies. SEE P2

## MSWG urges institutional investors to adopt new code

*Signatories to code urged to have cohesive voice in engaging firms on key issues*

by FARAH ADILLA

THE Minority Shareholder Watchdog Group (MSWG) has urged institutional investors to adopt the principles of the newly launched Malaysian Code for Institutional Investors 2014 to promote better governance and long-term sustainability of their investee companies.

Its CEO Rita Benoy Bushon said, although the code is not compulsory, being signatories would enable investors to have a cohesive voice in engaging companies on issues such as board governance and accountability as well as transparency and sustainability.

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"There are about 6 principles in the code and most of them are universal. I think it will not be difficult for them to adhere to those principles," says Bushon after the launch of the code at the SC in Kuala Lumpur yesterday

(institutional investors) to adhere to those principles," she told reporters after the launch of the code at the Securities Commission Malaysia (SC) in Kuala Lumpur yesterday.

The SC and MSWG launched the code, jointly developed by Malaysia's largest institutional investors such as Employees Provident Fund, Permodalan Nasional Bhd, Kumpulan Wang Persaraan, Social Secu-

rity Organisation, Lembaga Tabung Angkatan Tentera and Lembaga Tabung Haji.

The code aims to set out broad principles of effective stewardship by institutional investors such as their disclosures of stewardship policies, monitoring of and engagement with investee companies and managing conflict of interests.

The adoption of the code's principles by institutional in-

vestors demonstrates their intent towards good corporate governance, the SC remarked.

MSWG chairman Tan Sri Dr Sulaiman Mahbob said, despite the code being voluntary, institutional investors should apply the code in the interest of their beneficiaries.

"A good take-up and application of the code by institutional investors will encourage good governance and long-term sustainability of their investee companies," he said.

SC said the initiative to promote greater leadership in governance and responsible ownership by institutional investors originates from the Corporate Governance Blueprint 2011 and marks a significant milestone in Malaysia's corporate governance landscape.

Starting from 2016, signatories to the code are expected to report annually on their application of the principles of the Code in their website, annual report or in other publicly accessible documents.