



EPF CORPORATE GOVERNANCE PRINCIPLES AND VOTING GUIDELINES 2014



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Message

by **Shahril Ridza Ridzuan**

Chief Executive Officer, Employees Provident Fund

Four years have passed since we present this booklet on EPF Corporate Governance Principles and Voting Guidelines in 2010. This year, we return with a fresh review of our voting policies to consider the changes in regulatory framework and market practice, greater awareness on social and environmental issues, and to prepare ourselves for greater challenges ahead in view of turbulent market conditions.

Since the report on corporate governance commissioned by the High Level Finance Committee on Corporate Governance of Malaysia was launched in 2000, Malaysia's capital market continues to grow and establish new records, despite a more challenging global situation. We at EPF strongly believe that sound governance is imperative for the creation of wealth and development of this nation, and it is our greatest pleasure to once again present this booklet to our investee companies and the general investing public.

Modern corporate ownership structure brings about the conflict of interest between owners and managers of the company. The Global Financial Crisis in 2008 and events subsequent to that have shifted the dynamics to a whole new scale, as central banks strive to maintain confidence in the financial markets. The scope of Corporate Governance not only extends

to corporations and issuers, but also on the part of regulators and policy-makers. In this second edition, the voting guideline will attempt to incorporate issues concerning social and environmental, or better known as ESG Investing. We recognise the fact that addressing ESG in our investment philosophy will be a great challenge. The issues are very much diverse, opinions may differ, public perceptions are divided and there are no standard prescriptions. But where necessary and possible, EPF will pursue to have these issues being addressed or discussed by the investee companies at their Board or general meetings. Our primary focus will continue to be on corporate governance – a strong governance structure will ensure everything else falls into place.

In response to the challenges ahead, tighter policy framework and more enforcement by the regulators will continue to restore trust of the investors. Where policy and regulatory framework are not aligned to with our interests as the largest institutional investor in Malaysia, we will endeavour to set the standards ahead. We are proud to once again deliver the updated version of EPF Corporate Governance Principles and Voting Guidelines.

Thank You.

Introduction

Corporate Governance

Corporate governance refers to the structures and processes for the direction and control of companies. Corporate governance concerns the relationship among the management, Board of directors, shareholders and stakeholders. Good corporate governance contributes to sustainable economic development by enhancing companies' performance and increasing their access to capital.

- **World Bank**

The choice of a common stock is a single act, its ownership is a continuing process. Certainly there is just as much reason to exercise care and judgment in being a shareholder as in becoming one.

- **Benjamin Graham and David Dodd (1934)**

Corporate Governance Initiatives in Malaysia

Our effort in promoting the corporate governance principles is parallel to the regulators' call for sound corporate governance practices in Malaysia. In recent years, a number of initiatives have been undertaken by the Securities Commission and Bursa Malaysia to raise the standards of corporate governance practices amongst listed companies. Among the initiatives are :

1 The revised Malaysian Code on Corporate Governance in 2012 focuses on clarifying the role of the Board in providing leadership, enhancing Board effectiveness through strengthening its composition and reinforcing its independence. The Code also encourages companies to put in place corporate disclosure policies that embody principles of good disclosure and transparency. Companies are encouraged to make public their commitment to respecting shareholders' rights.

2 The government setting up of Women Director Programme to groom women for corporate boardrooms. The programme has the ambitious aim to place 1,500 women on the boards of listed Malaysian companies by 2016, representing 30% of Board memberships. The 30% target was announced as early as 2011, but was reinforced by the Prime Minister when he advocated that all government-linked investment companies and government-

linked companies should appoint at least one female member to their boards by the end of 2014.

3 In its Budget 2014 announcement, the government has also allocated RM1 billion fund to spur the development of ESG Investing. This will provide additional reference to improve EPF's own approach in promoting ESG-style of investing. EPF will continue to undertake and exercise its role and responsibility as an institutional shareholder not only to promote sound corporate governance practices among its investee companies, but also to raise awareness on social and environmental issues.

4 The establishment of ASEAN Corporate Governance (CG) Scorecard that could help raise corporate governance standards and practices to give greater visibility to well-governed ASEAN companies.

Evolution

of Corporate Governance in EPF

The Malaysian Code of Corporate Governance was developed by the 'Working Group on Best Practices in Corporate Governance' and subsequently approved by the High Level Finance Committee on Corporate Governance represented by both the Government and industry players, which was formed to identify and deal with corporate governance weaknesses highlighted by the 1997 financial crisis. In 2010, EPF issued its first Corporate Governance Principles and Voting Guidelines in line with the belief that sound governance is imperative for a sustainable wealth creation and development of the nation.

This year in 2014, once again EPF launches the revised version of its Corporate Governance Principles and Voting Guidelines. This is necessary to address the rising governance issues that are now more prevalent particularly in the aftermath of the Global Financial Crisis. Through proactive interaction and engagement with the Board and management of investee companies, and ongoing participation in the companies' shareholders meetings, EPF aims to promote the best practices of corporate governance among our investee companies.

EPF is highly involved in shareholders activism in corporate Malaysia and this is proven from our track record over the years. EPF has experience in making a court injunction against a listed company on an asset sale exercise. We have pursued active engagement during a voluntary general offer exercise that resulted in higher exit

value for minority shareholders. Not all initiatives ended with success, as the case for the general offer on a PLC in 2013 which was not completed despite our success in pushing for a higher price as a result of non-acceptance by other major shareholders.

There were several successes in recent past. EPF strongly opposed a special resolution by a listed company to propose a general mandate to determine the fees for Non-Executive Directors. That resolution would result in shareholders losing their rights to approve fees for Non-Executive Directors in the future, which we felt was necessary to preserve the independence of the Board. The said PLC later withdrew the resolution following our engagement with their management.

Another case was the proliferation of the Employee Share Scheme (ESS) by way of share grant exercise and/or share options.

While EPF recognises the need to provide incentive to performing employees, we believe there should be limitations to such exercise to avoid significant dilution to shareholders. Several corporations, after engagement with EPF, have decided to withdraw resolutions on such schemes that exceeded our threshold limit of 10% or to withdraw resolutions that award such schemes to Non-Executive Directors.

In all of these cases, we deliver the success not only through our persistence and determination, but also from the cooperation and understanding by the Board and management of investee companies themselves to achieve a win-win solution for all stakeholders. With continuous active interaction with the Board and management, and participation in shareholders meetings, EPF hopes to continue promote best practices of corporate governance amongst our investee companies.

ESG Investing

Investment philosophy that centres on the issues concerning the Environmental, Social and Governance (ESG Investing) has gained traction in recent years. ESG Investing is a growing niche in the world of investment favoured by EPF as we value long term, sustainable value creation. It refers to the incorporation of environmental, social and governance analysis into investment decision-making, covering areas such as clean, efficient energy; environmental protection; sustainable infrastructure and development; health and well-being and social equity.

Furthermore, EPF has been playing an active role in the formation and establishment of the Institutional Investors (II) Code, in collaboration with MSWG and other institutional investors in Malaysia such as LTAT, KWAP and PNB. This initiative sets out to outline broad principles of effective stewardship by institutional investors accompanied by comprehensive guidance to implement the principles. The guidelines advocate institutional investors to ensure that their investments conform to the standard corporate governance principles

as well as sustainability considerations which include ESG.

While EPF does not adopt ESG Investing in its entirety, the growing trend of Sustainable Investing will not only deepen our existing emphasis on governance alone, but will also extend into social and environmental issues. Sustainable Investing in a broad sense includes environmental, social as well as governance principles into our investment decision.

The practical approach to ESG Investing may include negative screening, best-in-class or leader selection, and can be used as an “overlay” on our traditional stock selection that are based on fundamentals. Areas of discussion in our ESG Investing approach include:

- **Corporate governance**
- **Ageing population**
- **Women participation**
- **Climate change**
- **Income inequality**
- **Labour standards**
- **Food, water and energy security**

The issues above are not exhaustive and provide general guidelines to illustrate the range of issues that can be raised in the monitoring and assessment of our investee companies. The approach, views and opinions may differ, and there is no ‘one-size-fits-all’ type of policies that can consistently provide conclusive assurance and proven result. But where necessary and possible, EPF will pursue to have these issues being addressed or discussed by the investee companies at their Board meetings.

EPF Principles

of Corporate Governance

Reduce conflicts of interest between various stakeholders and related parties

Efficient and productive use of resources in the best interests of shareholders

Effective and independent Board with highly competent and diverse members to exercise objective judgment

Transparency through timely and complete disclosure of important information



Our Approach

In the last decade, EPF has made significant efforts to enhance awareness and promote adoption of good corporate governance practice among its investee companies. EPF is committed to further improve these practices by promoting greater transparency, integrity, accountability and responsibility among the public listed companies.

EPF aims to achieve these targets through a five-pronged action plans, simplified as the "IDEAL" concept:

INTERACTION

To broaden and improve interaction with regulators, authorities and corporations.

DIALOGUE

To identify specific issues on ESG and discuss these broad issues among the institutional shareholders.

EXCHANGE

To exchange information, experience and knowledge on best practices in ESG worldwide through participation in relevant conferences, seminars, roundtable discussions and attachment programmes.

ACTION

To promote the adoption of best practices relating to ESG through engagement with the investee companies and other shareholders.

LEGISLATION

To align and integrate EPF Voting Guidelines to the regulators' framework of ESG guidelines.

EPF Corporate Governance

Guidelines

Based on the key principles set out in the Malaysian Code on Corporate Governance 2012, EPF combined its own governance philosophy to develop the EPF Corporate Governance Guidelines that drives our voting principles. As the largest institutional shareholder in the country, we seek to ensure that:

1. Board of Directors always act in the best interests of the company and its shareholders
2. The company conducts all of its business in a lawful and ethical manner
3. All rights of shareholders are clearly defined and preserved
4. All shareholders receive fair treatment from the Board and management
5. The Board and its Committees are structured to act independently from the management, individuals or entities that can influence its decision
6. Internal controls, risk framework and procedures are in place to guide the management's day-to-day operations
7. The company's operating and financial performances are consistently reported to shareholders in a transparent, accurate and timely manner.

Principle 1

Establish clear roles & responsibilities

- 1.1 The Board should establish clear functions reserved for the Board and those delegated to management.
- 1.2 The Board should establish clear roles and responsibilities in discharging its fiduciary and leadership functions.
- 1.3 The Board should formalise ethical standards through a code of conduct and ensure its compliance.
- 1.4 The Board should ensure that the company's strategies promote sustainability.
- 1.5 The Board should have procedures to allow its members access to information and advice.
- 1.6 The Board should ensure it is supported by a suitably qualified and competent company secretary.
- 1.7 The Board should formalise, periodically review and make public its Board charter.

Principle 2

Strengthen composition

- 2.1 The Board should establish a Nominating Committee, which should comprise exclusively of non-executive directors, a majority of whom must be independent.
- 2.2 The Nominating Committee should develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors.
- 2.3 The Board should establish formal and transparent remuneration policies and procedures to attract and retain directors.

Nomination Committee

The Nomination Committee should be exclusively Non-Executive Directors, majority of which are Independent and chaired by an Independent Director.

The company should accord its shareholders the flexibility to nominate new Directors to meet changes in the industry from time to time.

The following information should be disclosed:

- i. Criteria for appointment of new director on the Board
- ii. Composition, background and areas of expertise of existing Board of Directors, and whether new nominees complement the Board's current portfolio of talent
- iii. Attendance records of Board of Directors at regular and special meetings
- iv. Succession plan for the Board and key management

Board Size

The size of the Board should be optimised to capture the diverse skills and expertise required to ensure best interests of the company. It should not be too large either so that effective and conclusive decisions can be made and while ensuring active participation from every director. EPF believes the appropriate Board size should comprise no less than seven and not more than twelve directors. This will

allow the Board to be most effective in decision making, promote healthy discussion and participation by individual Board member.

Board Composition

The Board should include a balance of Independent and Non-Independent Non-Executive Directors such that no individual or small group of individuals can dominate the Board. This also fits the requirement by Bursa Malaysia to have at least one-third of the Directors to be Independent.

Board Meetings

The Board should meet regularly, depending on the issues, size and the complexity of the company.

Attendance of Directors and the frequency of Board and Board Committees meetings in the year should be disclosed in the annual report.

Executive Directors

EPF encourages the appointment of only one Chief Executive Officer (or its equivalent) on the Board, representing all top executive officers. Other top executive officers could be invited to participate in Board discussions. This could minimise the size of the Board and enhance the effectiveness of the Board.

Diversity

EPF encourages diversity of Board members in terms of gender, background, ethnicity, age and skills, while maintaining the selection to be based on merit and performance.

Principle 3

Reinforce independence

- 3.1 The board should undertake an assessment of its independent directors annually.
- 3.2 The tenure of an independent director should not exceed a cumulative term of nine years. Upon completion of the nine years, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director.
- 3.3 The board must justify and seek shareholders' approval in the event it retains as an independent director, a person who has served in that capacity for more than nine years.
- 3.4 The positions of chairman and CEO should be held by different individuals, and the chairman must be a non-executive member of the board.
- 3.5 The board must comprise a majority of independent directors where the chairman of the board is not an independent director.

Separation of Chairman and CEO

EPF believes combining the two roles may impair the ability of Independent Directors to execute their responsibilities. A Chairman separate from Chief Executive Officer (CEO) will promote healthy debate and discussion at the Board level. EPF further encourages that the Chairman to be Independent.

Re-election

As provided under the Company's Memorandum and Articles of Association, all Directors shall submit themselves for re-election at least once in every three years.

Other Board membership

EPF believes that an individual should not be a Board member on more than five

public listed companies. This is to ensure adequate commitment of the Director in serving the company.

Succession planning

EPF believes that the company needs to have a succession plan for all of its Board members, particularly those exceeding 70 years old. This is to ensure adequate preparation in place for continuity and succession planning.

Audit Committee

The Audit Committee should comprise of Non-Executive Directors and majority of members should be Independent Directors. All members of the Audit Committee should be financially literate and at least one should be a member of an accounting association or body.

The Board should ensure that the internal and external audit functions report directly to the Audit Committee.

The Audit Committee appoints the external auditors, set the scope of audit and its remuneration and ensures the independence of external auditors.

The Audit Committee reviews audited financial statements, discuss audit findings with the management and meet external auditors without the management to assess any issues raised. Any material findings by the external auditors should be disclosed in the Audit Committee Report in the company's annual report.

The Audit Committee should work with internal audit to oversee the internal control structure of the company and ensure its operational effectiveness.

Risk Management Committee

The Risk Management Committee is responsible to assist the Board in overseeing all risk management activities, reviewing key risks inherent in the organisation and establish internal controls necessary to manage these risks, and report its findings to the Board.

The committee should continuously carry out enterprise-wide programmes to create risk awareness culture in the form of policies, procedures, organisational structure, training programmes and well-defined responsibilities.

The risk controls to be monitored by the committee should also include a business continuity management programme to

ensure sustainability of the business.

Remuneration Committee

The Remuneration Committee should comprise mainly of Non-Executive Directors and chaired by an Independent Director.

The committee should ensure that the compensation structure encourages the CEO, key management and employees to act in ways that will enhance the company's long-term profitability and value. The committee must also ensure that the compensation plans commensurate with the level of responsibilities of the employees, transparent, aligned with stakeholders' requirement and enables the company to retain talent. Total remuneration package, including other incentive plans such as share options and bonuses, must be appropriate and align with company's performance, as well as preserve long term value to shareholders.

Non-Executive Directors should be adequately compensated based on their experience and contribution to the Board, and their responsibilities to shareholders. EPF believes the compensation for Non-Executive Directors should be fixed and not related to any variable component such as incentive bonus or share option schemes.

EPF believes that the remuneration policy of the company and detailed remuneration amount for each individual Director should be disclosed. Such transparency will enable shareholders to evaluate Directors' pay package based on the performance of the company and peer practice.

Re-election of Directors

EPF generally will not object to the re-election of Directors that possess the relevant qualification and experience which in turn can contribute positively to the company. EPF will also support re-election of founding Directors.

EPF will vote **AGAINST** the re-election of a Director if, it has a reason to believe that:

- (i) The Director does not have the required skills and knowledge that can contribute positively to the company.
- (ii) The Director has poor reputation and/or a history of corporate misconduct
- (iii) The Director has experience of not acting in the best interest of this shareholders.
- (iv) The Director has involvement in financial irregularities in another company, or under investigation for another corporate mismanagement, whether indicted or not.
- (v) The Director failed to attend at least 50% of the Board and Audit Committee meetings.
- (vi) The Director did not fulfil sufficient training hours.

EPF will **ABSTAIN** from voting in any resolution concerning the re-appointment of a Director exceeding 70 years old, except for the founder of the company.

EPF will vote **AGAINST** the re-election of a Director exceeding 80 years old, except for the founder of the company.

Re-election of Independent Directors

EPF will vote **AGAINST** the re-election of Independent, Non-Executive Director who has served on the Board for more than 12 years. Until the Director can prove otherwise, EPF will take the view that a Director serving more than this period shall no longer be deemed as Independent.

EPF will also vote **AGAINST** any Non-Independent Director who has been re-designated as Independent Director and served more than 12 years on the Board when combined.

Principle 4

Foster commitment

- 4.1 The Board should set out expectations on time commitment for its members and protocols for accepting new directorships.
- 4.2 The Board should ensure its members have access to appropriate continuing education programmes.

Principle 5

Uphold integrity in financial reporting

- 5.1 The Audit Committee should ensure financial statements comply with applicable financial reporting standards.
- 5.2 The Audit Committee should have policies and procedures to assess the suitability and independence of external auditors.

Principle 6

Recognize and manage risks

- 6.1 The Board should establish a sound framework to manage risks.
- 6.2 The Board should establish an internal audit function which reports directly to the Audit Committee.

Principle 7

Ensure timely and high quality disclosure

- 7.1 The Board should ensure the company has appropriate corporate disclosure policies and procedures.
- 7.2 The Board should encourage the company to leverage on information technology for effective dissemination of information.

Disclosure to Board members

EPF believes that the Board will act effectively in making business decision only if material information is delivered to Directors in a timely manner. All Board of Directors must have access to all relevant information to make an informed decision.

There should be internal mechanisms to support the independent assignment of the Board, including the authority to appoint independent consultants or advisors. This mechanism provides the Board with the ability to obtain independent expert opinion in specialised areas, to circumvent potential areas of conflict with the management, and to preserve the integrity of the Board's oversight function.

Principle 8

Strengthen relationship between company and shareholders

- 8.1 The Board should take reasonable steps to encourage shareholder participation at general meetings.
- 8.2 The Board should encourage poll voting.
- 8.3 The Board should promote effective communication and proactive engagements with shareholders.

Shareholders Meetings

The company is encouraged to disclose the collective voting results to shareholders during the general meeting.

Shareholders' permission should be sought if the company intends to combine resolutions to be voted during the general meeting. Nevertheless, EPF believes that voting on resolutions on re-election and re-appointment of directors should be conducted individually.

EPF believes that minutes of the shareholder meetings should be made available for shareholders inspection upon request. This will enable the shareholders to verify that issues raised during the meeting have been adequately deliberated and addressed by the Board.

EPF believes that the resolution on "Other Businesses" should not be tabled for voting unless a notice has been disseminated to shareholders within the stipulated timeframe. EPF believes that this will put non-attending shareholders at a disadvantage as they are not informed of the resolution and cannot exercise their voting rights. Furthermore, appointed proxies may not have the mandate to vote on behalf of their shareholders. EPF will vote against this if prior notice has not been disseminated to shareholders.

Adequate information regarding the resolutions proposed should be readily accessible by the shareholders.

Poll Voting Requirement

Most resolutions passed at general meetings are voted upon by show of hands as opposed to poll voting. Since this practice is viewed as unfair as it does not represent the actual shareholding position of the respective shareholders, EPF is of the view that companies should encourage poll voting as it is more transparent as votes are seen to be representing the number of shares held and produces exact and definitive results. Shareholders during the voting process will also vote based on their own decisions.

Other **EPF Principles**

Director's Fee

EPF will vote **AGAINST** resolution on approving the directors' fees if EPF observes that past decisions from the Board has brought the Company into a financially distressed position.

EPF will vote **AGAINST** resolutions for a general mandate to determine the fees for Non-Executive Directors as it would result in shareholders losing their rights to approve fees for Non-Executive Directors in the future.

EPF will vote **AGAINST** resolutions to approve Directors' fees in advance as fees should be set in consideration of the performance of the company, not for future performance that has yet to occur.

Employees Share Scheme

The Employees Share Scheme (ESS) is a share issuance plan for employees, whether as a grant without any purchase price consideration, or as an option to purchase the shares of the company at a price to be determined. EPF believes such plan is vital to ensure sustainable performance of its employees as the incentive plan would be linked to employees' individual Key Performance Indicators (KPIs) or subject to the group's key financial targets being met. This is in line with EPF's view that the award of ESS should be based on actual performance. EPF also believes that the company should set a vesting period for the ESS to be exercised and to ensure that these benefits are removed for employees who resigned from the company. EPF is also of the view that a 10% share issuance plan is adequate for distribution across all high-performing employees.

EPF will vote **AGAINST** the proposed ESS if:

- (i) Total ESS issue exceeds 10% of the company's paid-up capital.
- (ii) Detailed criteria and basis of ESS allocation is not disclosed in the circulars, or are not based on performance.
- (iii) The entire ESS issue is vested immediately and not staggered over several years.
- (iv) The ESS is awarded to Non-Executive Directors of the company.

Dividend Policy

The company is recommended to establish a dividend policy statement. Such policy reflects the management's confidence on the growth prospects of the company. The dividend policy could serve as a mechanism to align the management's interests in reaching its profitability objective while at the same time reward shareholders who are long term investors. A formal dividend policy should create a balance between the needs for fresh reinvestment capital that will generate better future returns to the shareholders.

The company is recommended to disclose its dividend policy in the annual report.

Related Party Transaction

The Board should disclose all information on transactions with related parties in a transparent, accurate and timely manner. For significant transactions, the information provided should exceed the minimum disclosure as required in the Bursa Listing Requirement.

EPF generally does not encourage the company to table any ratification resolution, particularly when the transaction is material and significant in value.

Authority for Purchase of Own Shares by the Company

The company has to ensure that the share buy-back scheme is conducted in the best interest of the company and its shareholders. Such consideration should balance between the benefits of deploying excess cash into reinvestment that will sustain future profitability, or return cash to shareholders in the form of dividends or share buy-back scheme.

EPF will vote in **AGAINST** of such resolution if:

- (i) The Company has a weak balance sheet with high gearing or does not generate strong cash flow.
- (ii) The Company does not have a good dividend payment record or no dividend payout statement.

Transactions

EPF will conduct its own assessment on Transactions that require shareholders approval, but the assessment will rely on corporate disclosures by the company. Any corporate restructuring exercise, mergers and acquisitions, or capital raising exercise should meet the long term strategic objective of the company and deliver sustainable value to its shareholders. Any Transactions that result in dilution to EPF shareholdings or expansionary exercise that requires new capital injection will require more detailed disclosure from the Board and management. EPF, in exercising its fiduciary duty to its members, may vote AGAINST such Transactions if the company did not provide detailed and relevant information to the shareholders.

Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act 1965

EPF requires companies to disclose the purpose and utilisation of proceeds arising from the general mandate to issue new shares under section 132D. EPF will monitor closely investee companies that are seeking shareholders' approval on this general mandate to ensure that the capital raised from such exercise will result in the enhancement of shareholder value and is done in a transparent manner.

Summary

of Voting Guidelines

Directors' Attendance at Board

Description	Vote
Re-election of a director who failed to attend 50% of the Board and Audit Committee meetings	AGAINST

Re-election of Directors

Description	Vote
<p>If EPF finds any of the following:</p> <ol style="list-style-type: none"> 1. The director has a poor reputation and conduct; 2. The director has not acted in the best interest of shareholders ; 3. The director has a record of mismanagement, or has involved in financial scandals in any other company; 4. The Director does not have the required skills and knowledge that can contribute positively to the company; 5. The Director failed to attend at least 50% of the Board and AuditCommittee meetings; 6. The Director did not fulfil sufficient training hours 	AGAINST
Reappointment of director exceeding 70 years old (exception given to founder of the company).	ABSTAIN
Reappointment of director exceeding 80 years old (exception given to the founder of the company).	AGAINST
Reappointment of Independent Non-Executive Director who has served on the Board for more than 12 years.	AGAINST
Reappointment of Independent Non-Executive Director who was previously Non-Independent and served on the Board for a combined period of 12 years or more.	AGAINST

Directors Fees

Description	Vote
Approving the directors' fees if EPF observes that past decisions from the Board has brought the Company into a financially distressed position.	AGAINST
Approving for a general mandate to determine the fees for Non-Executive Directors.	AGAINST
Approving of advance directors fees prior to the closing of the current financial year.	AGAINST

Employees Share Scheme

Description	Vote
1) Total ESS issue exceeds 10% of the company's paid-up capital.	AGAINST
2) Detailed criteria and basis of ESS allocation is not disclosed in the circulars, or are not based on performance.	
3) The entire ESS issue is vested immediately and not staggered over several years.	
The ESS is awarded to Non-Executive Directors of the company.	AGAINST

Transactions

Description	Vote
Transactions that do not disclose adequate material information relating to the transactions to all shareholders.	AGAINST

Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act 1965.

Description	Vote
The company fails to state specifically the purpose and planned utilisation of the proceeds to be raised from such mandate.	AGAINST

EPF Contacts

Should you need further clarification on EPF Corporate Governance Principles and Voting Guidelines, please contact the following:

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Disclaimer

The content of this booklet serves as a guide to EPF's approach of corporate governance assurance.

References

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(<http://www.micg.org.my>)
- **Green Book**
by Putrajaya Committee on GLC High Performance

