
**QUESTIONS AND ANSWERS IN RELATION TO
BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS FOR THE ACE MARKET
(As at 2 January 2018)**

CHAPTER 7 – CONSTITUTION

General

7.1 [Deleted]

7.2 **If a listed corporation undertakes amendments to its constitution, is there a requirement for the listed corporation to submit a letter of compliance and checklist of compliance similar to the requirement of Rule 3.11 of the ACE LR?**

Pursuant to Rules 2.11 and 2.12 of the ACE LR, any amendments made to the constitution by listed corporations must be submitted to Bursa Securities no later than 5 market days after the effective date of the amendment together with a letter of compliance. In relation to a checklist of compliance for such amendment, there is no requirement for submission of the same unless Bursa Securities requests for it.

Enhancements to proxy requirements

7.3 **Under Rule 7.21 of the ACE LR, where a member of a listed corporation is an exempt authorised nominee, there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. Who is an “exempt authorised nominee” for purposes of Rule 7.21 of the ACE LR?**

Under the Rules of Bursa Depository, an authorised nominee is defined as a person who is authorised to act as a nominee in accordance with the schedule prescribed under Part VIII of the Rules. This means that such person can hold securities on behalf of another person. On the other hand, an exempt authorised nominee is an authorised nominee who may hold deposited securities for more than one beneficial owner in respect of each securities account it holds, or commonly known as the omnibus account.

7.4 [Deleted]

Annual shareholder approval for directors’ fees and benefits

7.4A **Given that section 230 of the Companies Act 2016 already requires that the fees of directors and any benefits payable to directors to be approved at a general meeting, why must a listed corporation amend its constitution to the effect that the fees of directors, and any benefits payable to directors (“Directors Fees and Benefits”) shall be subject to annual shareholder approval at a general meeting pursuant to the ACE LR?**

This is to make clear that apart from seeking shareholder approval on director’s fees on an annual basis pursuant sections 230 and 340(1)(c) of the Companies Act 2016, a listed corporation must also seek its shareholder approval for benefits payable to directors on an annual basis. This will provide greater clarity on the frequency of shareholder approval for directors’ benefits as the Companies Act 2016 is silent on this point.

7.4B Is a listed corporation required to seek shareholder approval for its Directors' Fees and Benefits even though there is no increase in such fees and benefits?

Yes. A listed corporation must seek shareholder approval for its Directors' Fees and Benefits annually irrespective of whether there is an increase in the amount of such fees and benefits or otherwise.

Effect of the ACE LR

7.5 In the event a listed corporation has incorporated the deeming provision under Rule 7.36(4) of the ACE LR in its constitution, is the listed corporation still required to amend its constitution if there are amendments made to Chapter 7 of the ACE LR which are not already in its constitution?

Yes, a listed corporation is still required to amend its constitution in accordance with the relevant amendments of Chapter 7 of the ACE LR. This is to ensure that shareholders have access to constitution which are updated and comprehensive.