

**BURSA MALAYSIA SECURITIES BERHAD****GUIDANCE NOTE 19****APPOINTMENT OF ADVISER FOR CORPORATE PROPOSALS**

<u>Details</u>	<u>Cross References</u>
<u>Effective date:</u> 3 August 2009	<u>Rule 8.06</u>

**1.0 Introduction**

1.1 Rule 8.06 of the Listing Requirements provides as follows:

- (1) A listed corporation must engage the services of an Adviser where it undertakes such corporate proposal or activity prescribed by the Exchange to require the services of an Adviser.
- (2) A listed corporation must ensure that the circular or document in respect of such corporate proposal is prepared, reviewed and approved by its Adviser before it is issued to its securities holders.

1.2 This Guidance Note sets out the corporate proposals where a listed corporation -

- (a) must appoint and engage the services of an Adviser; and
- (b) need not appoint an Adviser.

1.3 A listed corporation must consult the Exchange if the corporate proposal undertaken by it does not fall under paragraphs 2.0 or 3.0 below, and appoint an Adviser for the corporate proposal if so required by the Exchange.

**2.0 Corporate proposals or activities that require the services of an Adviser**

2.1 A listed corporation must appoint an Adviser for the following corporate proposals or activities:

- (a) significant change of a business direction or policy in a listed corporation;
- (ab) a new issuance of securities;
- (bc) a transaction where any one of the percentage ratio is 25% or more and shareholder approval is required pursuant to Rule 10.07 of the Listing Requirements;
- (ed) a related party transaction where any one of the percentage ratio is 5% or more, excluding a shareholder mandate for a Recurrent Related Party Transaction;
- (de) a proposal by Cash Companies pursuant to Rule 8.03(5) of the Listing Requirements;

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- (ef) a regularisation plan by GN3 Companies pursuant to Rule 8.04(3)(a) of the Listing Requirements;
- (fg) provision of financial assistance to associated companies;
- (gh) a scheme of compromise, arrangement, amalgamation, reconstruction or restructuring scheme in general;
- (hi) a capital distribution, repayment or reduction;
- (ij) a subdivision or consolidation of shares;
- (jk) a corporate proposal which may result in material dilution of its principal subsidiary pursuant to Rule 8.23 of the Listing Requirements;
- (kl) a corporate proposal which may result in diversification in the listed corporation's operations pursuant to Rule 10.13 of the Listing Requirements;
- (lm) an extension of time for maturity or expiry of convertible securities;
- (mn) a withdrawal of listing; and
- (no) such other corporate proposal or activity which may be prescribed or determined by the Exchange.

**3.0 Corporate proposals or activities that do not require the services of an Adviser**

**3.1 A listed corporation need not appoint an Adviser for the following corporate proposals or activities:**

- (a) a share buy-back;
- (b) a shareholder mandate for a Recurrent Related Party Transaction;
- (c) amendments to or adoption of Memorandum and Articles of Association;
- (d) amendments to trust deeds or deed polls;
- (e) increase in its authorised share capital;
- (f) notices of adjustments to warrants;
- (g) redemption of irredeemable convertible loan stocks;
- (h) notices of maturity or expiry of convertible securities;
- (i) termination of share scheme for employee;
- (j) change of name of listed corporation;
- (k) change of auditors of listed corporation; and
- (l) change to the board of directors of listed corporation.