

GUIDANCE NOTE NO 10/2006

TRAINING FOR DIRECTORS

Issued in relation to Rule 15.08 of the Listing Requirements;

And

Pursuant to Rule 2.09 of the Listing Requirements.

1.0 Introduction

- 1.1 This Guidance Note prescribes the requirements of the Exchange in relation to training programmes that must be attended by directors of a listed company or an applicant seeking listing on the Official List of the MESDAQ Market (herein after referred to as the "Directors") in compliance with these Requirements.
- 1.2 Pursuant to Rule 15.08 of these Requirements Directors must attend training programmes that are prescribed by the Exchange from time to time.
- 1.3 In furtherance of Rule 15.08 of these Requirements, the Exchange has prescribed that Directors attend the Mandatory Accreditation Programme ("MAP").

2.0 Mandatory Accreditation Programme

- 2.1 The MAP is organised by such body corporate as may be approved by the Exchange (hereinafter referred to as the "Approved Organiser").
- 2.2 A Director must comply with the following requirements in relation to the MAP:-
 - (a) A Director must attend the MAP consisting of a total of 9 modules. After completion of the MAP to the satisfaction of the Approved Organiser, a certificate will be issued to the Director to confirm his completion of the MAP;
 - (b) A Director who is appointed for the first time as a director of a listed company must complete the MAP within 4 months from the date of appointment;
 - (c) A Director of an applicant seeking listing on the Official List of the MESDAQ Market must complete the MAP within 4 months from the date of listing of the applicant; and
 - (d) Unless otherwise stipulated by the Exchange, only a Director who has been issued a certificate by the Approved Organiser for completion of the MAP within the timeframes stipulated in subparagraphs (b) or (c) above or such other timeframe as may be allowed by the Exchange will be deemed to have completed the MAP.
- 2.3 The course content and duration of the MAP may be varied by the Approved Organiser, with the approval of the Exchange, at any time deemed necessary provided that a Director who has already been issued with a certificate for completing the MAP or any part thereof prior to the date of variation will not be affected by the variation.

3.0 Saving and Transitional Provisions in relation to Continuing Education Programme (CEP)

3.1 The repeal of Guidance Notes 10 which were issued on 1 July 2003 ("GN10/2003")) with effect from 1 January 2005 shall not in any way affect the obligations of Directors to attend the Continuing Education Programme (CEP) as prescribed under GN10 which obligations arose prior to the effective date of the repeal. For this purpose, it is clarified that the following Directors are directors who must ensure that they comply with their obligations under GN10/2003 prior to its repeal, to accumulate the requisite minimum CEP Points for the calendar years 2003 and 2004:-

- (a) Directors who have completed the MAP or whose Stipulated Timeframes (as defined under Note 10.5 of GN10/2003) for completion of the MAP expire on or before 31 December 2002 (hereinafter referred to as "Group 1 Directors"); and
- (b) Directors who are required to attend CEP for the calendar year 2004 namely Directors who have completed the MAP or whose Stipulated Timeframes for completion of the MAP expire on or before 31 December 2003, other than Group 1 Directors (hereinafter referred to as "Group 2 Directors").

3.2 Notwithstanding the provisions of GN10/2003, the Directors referred to in paragraph 3.1 above (hereinafter collectively referred to as "the Said Group of Directors") are hereby given an extension of time as follows to accumulate the requisite minimum CEP Points referred to in paragraph 3.1 above –

- (a) Group 1 Directors must accumulate a minimum of 24 CEP points for the calendar year 2003 and 48 CEP points for the calendar year 2004. The Group 1 Directors will have up to 31 December 2005 to accumulate a total minimum of 72 CEP points for both the calendar years of 2003 and 2004.
- (b) Group 2 Directors must accumulate a minimum of 48 CEP points for the calendar year 2004. The Group 2 Directors have up to 31 December 2005 to accumulate a minimum of 48 CEP points for the calendar year of 2004.

3.3 For the avoidance of doubt, the Said Group of Directors need not accumulate any CEP Point for the calendar years commencing 2005. The requirements of Rule 15.08(2) of these Requirements, instead, will be applicable to the Said Group of Directors with effect from 1 January 2005. In this regard, all Listed Companies must commence making the disclosure required in Rule 15.08(2) and paragraph (29) of Appendix 9C of these Requirements in respect of annual reports issued for financial years ending on or after 31 December 2005.

4.0 Duty of listed companies

4.1 Listed companies must notify their directors of the requirement to attend the MAP.

5.0 Failure to comply with Rule 15.08 of these Requirements

5.1 A Director who does not attend the MAP within the timeframes stipulated will be in breach of these Requirements and enforcement action may be taken against him pursuant to Rule 16.16 of these Requirements.

6.0 Approved Organiser

- 6.1 Details of the Approved Organiser are available at the Exchange's website at www.bursamalaysia.com

7.0 Effective Date

- 7.1 This Guidance Note takes effect on 3 July 2006.