

MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia – Company No. 524989-M)

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FGV'S DOMESTIC INQUIRY

'INDEPENDENT PANEL PREFERRED OPTION'

Members must not have any knowledge on results of investigation, says MSWG

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FELDA Global Ventures Holdings Bhd's (FGV) domestic inquiry panel must comprise people who are neither directly nor indirectly connected to the investigation to ensure a fair outcome for its top two executives involved, said Minority Shareholder Watchdog Group (MSWG).

"As we had previously stated, an independent panel would be a preferred option to deal with the matter. A panel comprising parties outside the company and not linked or associated to any interested body would be more likely to be independent and impartial," MSWG general manager Lya Rahman told NST Business recently.

"This is particularly so in this case, where the issues involve

personnel assuming very high positions and more so, where there had also been counter allegations among the top people in the company," Lya added.

On June 14, FGV's board of directors issued and served show-cause letters to FGV group president and chief executive officer Datuk Zakaria Arshad and chief financial officer Ahmad Tifli Mohd Talha. This was related to the long outstanding debt of Safitex Trading LLC with Dejima Oil Products Sdn Bhd.

FGV said it had evaluated the explanation given by Zakaria and Tifli, and formed an internal panel to conduct a domestic inquiry against the two.

It said the board had estab-

lished an appropriate panel, with its members not consisting any FGV directors.

Lya said the question on whether the domestic inquiry would lead to a fair solution for both executives depends on whether the proper inquiry process, procedures and regulations are observed.

"The domestic inquiry panel members must not have any knowledge on the results of the investigation. The hearing must be impartial and the executives concerned must be given reasonable opportunity of being heard of their defences.

"We hope the principle of natural justice would be observed in the domestic inquiry process.

Lya said shareholders might be concerned that the inquiry might drag on too long. This will adversely affect FGV's business due to the lack of direction and possible low staff morale.



Lya Rahman