



REPORT ON

2020

ANNUAL

GENERAL

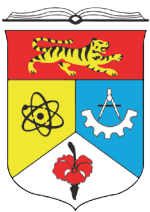
MEETING

OF

PUBLIC LISTED COMPANIES

◀ March 2022 ▶

In collaboration with:



UNIVERSITI
KEBANGSAAN
MALAYSIA
*The National University
of Malaysia*

FAKULTI
EKONOMI &
PENGURUSAN
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FOREWORD



I am pleased to present the **Report on 2020 Annual General Meeting of Public Listed Companies** which is produced by the Minority Shareholders Watch Group (MSWG) in collaboration with the Center for Governance Resilience and Accountability Studies, Faculty of Economics and Management, Universiti Kebangsaan Malaysia (UKM).

This Report focuses on the conduct of AGMs by public listed companies (PLCs) through the lenses of MSWG in 2020. An interesting point to note is that 2020 was the year that the world began to face the dreaded COVID-19 pandemic.

Hence, we came across many companies under our coverage adopting "virtual" AGMs. The Securities Commission Malaysia (SC) subsequently issued a *Guidance Note for the Conduct of General Meetings During the Pandemic* which greatly assisted in the running of an orderly and equitable virtual AGM.

I would like to thank our collaborating partner, UKM, for its efforts in contributing to this Report. MSWG hopes that this Report will be meaningful and relevant as well as able to create opportunities for improvement in the AGM conduct of Malaysian PLCs.

Going forward, with the pandemic remaining unabated, virtual AGMs will continue to feature prominently in the Malaysian corporate landscape.

DEVANESAN EVANSON

Chief Executive Officer
Minority Shareholders Watch Group
March 2022



First of all, we would like to thank the Minority Shareholders Watch Group (MSWG), especially Mr. Devanesan Evanson, the CEO for inviting us to author this study which is aptly entitled **Report on 2020 Annual General Meeting of Public Listed Companies**.

As the pinnacle of corporate governance conduct, the annual general meeting (AGM) has become a platform where important strategic decisions are discussed and approved; questions are levelled at senior management and boards on accountability matters and in short, it is an arena that connects shareholders to the board and management.

The COVID-19 pandemic has doubtlessly posed numerous challenges to companies in managing their AGMs effectively. Although there are guidelines available for companies to follow, not much is understood (even internationally) on AGM's best practices.

Findings of this report are based on manually collected data not found anywhere else given they are derived from observation of MSWG representatives and staff who attended the AGMs themselves.

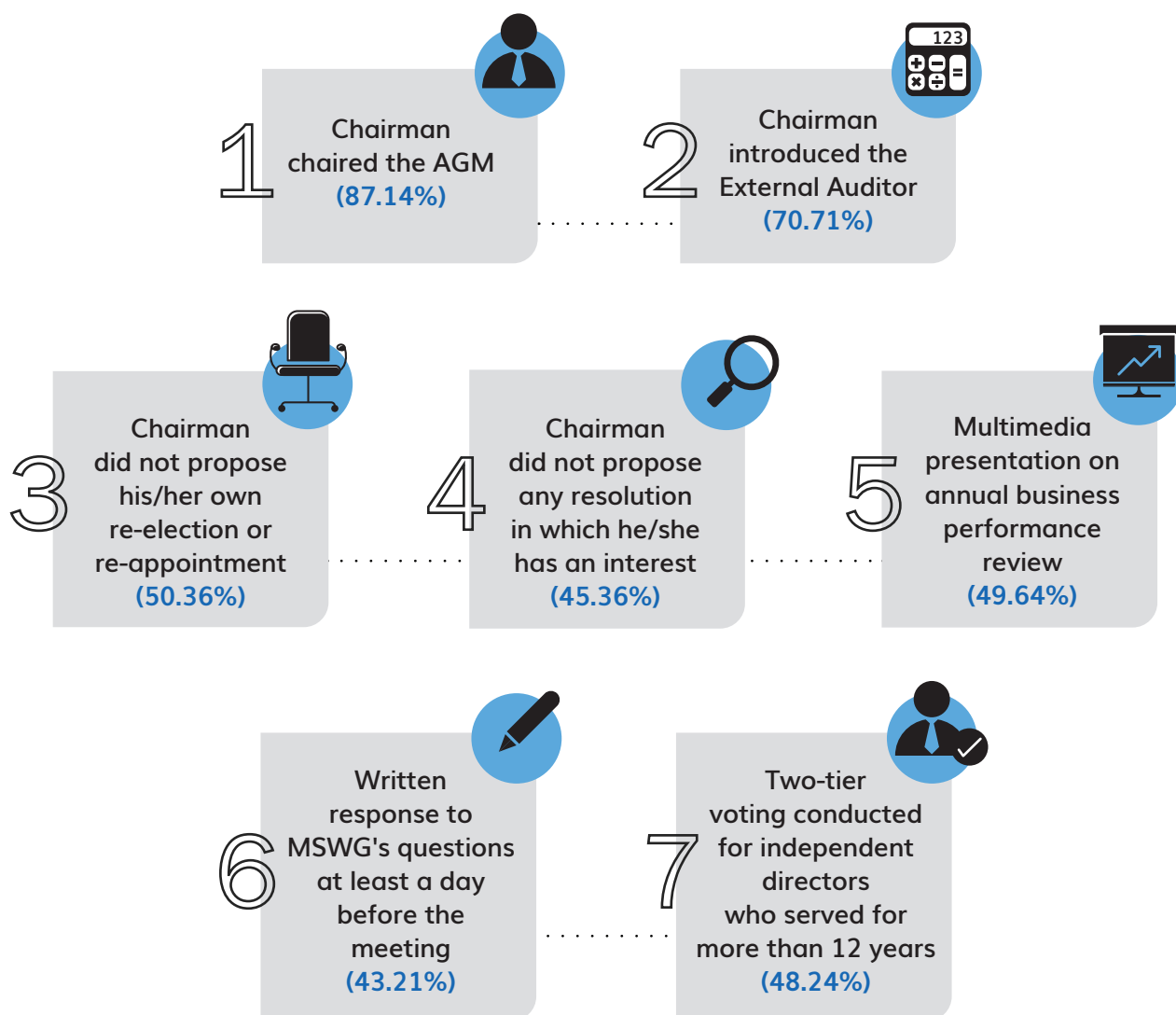
The narratives provided in this book could enlighten readers on some typical AGM practices that are synonymous with COVID-19 pandemic alongside issues and challenges which would eventually spark more critical thinking about ways to improve future AGM practices.

PROF. DATO' DR. NORMAN MOHD SALEH

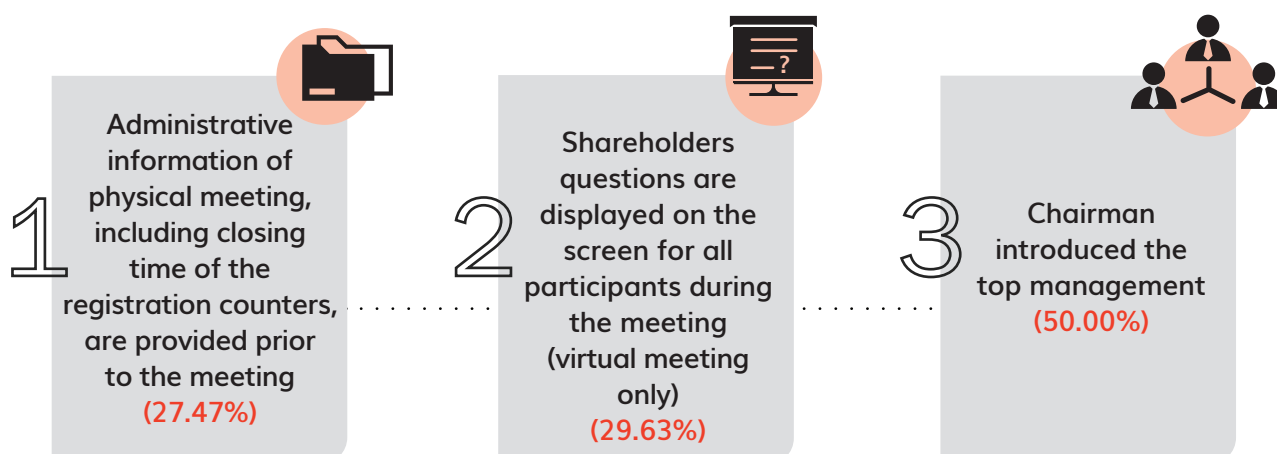
Center for Governance Resilience and
Accountability Studies

HIGHLIGHT OF FINDINGS

Seven (7) MUST-HAVES



Three (3) GOOD-TO-HAVES



SHAREHOLDER'S AND DIRECTOR'S DOs AND DON'Ts

Note: Pointers highlighted in (*) are only applicable for physical meetings while those highlighted in (#) are applicable for virtual meetings. Others are applicable for shareholders' meetings in general. Consistent with the scope of this report, the term "company" also refers to the public listed company (PLC).

SHAREHOLDERS DOs

1. Do vote.
2. Do know your rights and responsibilities.
3. Do use the opportunity to interact with fellow shareholders, the management or board members.*
4. Do observe proper decorum and be courteous.
5. Do keep the questions short and to the point.
6. Do research your company, read relevant material like the annual reports, circulars and recent company announcements.
7. Do prepare and ask relevant questions relating to the resolutions, financial statements and corporate governance of the company.
8. Do attend/log in on time.
9. Do make use of the SC's *AGM Corporate Governance Checklist*.
10. Do go through the notice and administrative notes of the meeting.
11. Do send questions to the company before the meeting.#
12. Do check your internet connection and device before the meeting.#
13. Do check for the company's confirmation of your registration a day before the meeting.#

SHAREHOLDERS DON'Ts

1. Don't be rude, insulting, discourteous or abusive.
2. Don't dominate the Q&A session – give others a chance to ask their questions.
3. Don't demand for door gifts.
4. Don't expect the company to keep registration open after the commencement of meeting.*
5. Don't ask questions that have been answered.

DIRECTORS DOs

1. Do provide sufficient notice period of at least 28 days before the date of the meeting.
2. Do attend AGM.
3. Do provide reasons if a director is not present at the AGM.
4. Do provide an overview of the company's performance and future prospects.
5. Do introduce the board of directors and key management staff.
6. Do ensure an adequate number of registration counters.*
7. Do set up helpdesks to handle non-AGM related questions (e.g. customer complaints).*
8. Do allow shareholders to enter the meeting room at least 30 minutes prior to the commencement of AGM.*
9. Do allow sufficient time for the Q&A session.
10. Do provide meaningful answers to all questions posed by shareholders.
11. Do ensure all agenda items are well-explained in the notice of AGM.
12. Do publish AGM minutes within 30 days after the meeting.
13. Do provide packed food and gift vouchers during registration if you intend to provide them.*
14. Do provide ample parking space.*
15. Do set up adequate signages to the registration counters and helpdesks.*
16. Do provide adequate seats outside the meeting room for shareholders who arrive early to the meeting.*
17. Do explain the house rules and voting procedures during the meeting.
18. Do provide clear procedures for shareholders to participate and vote remotely in the notice of the meeting.#
19. Do engage independent moderators for Q&A sessions.#
20. Do ensure the meeting platform and internet bandwidth are adequate for the number of participants registered for the meeting.#
21. Do have dry runs and technical checks, and ensure that all video and audio systems are in working condition ahead of the AGM.#
22. Do have a back-up plan for probable system failure on the day of the AGM.#
23. Do display questions raised by all shareholders at the meeting.#

DIRECTORS DON'Ts

1. Don't limit the time for Q&A.
2. Don't be late for the meeting.
3. Don't 'bundle' resolutions.

SECTION 1 INTRODUCTION

Annual General Meeting (AGM) is a yearly meeting convened for board members and shareholders to deliberate matters related to the company. Generally, an AGM provides a platform through which shareholders could ask, propose resolutions, and get responses from the board in its capacity as their representative as well as in carrying out monitoring and supervisory role on the management.

It is during the AGM that the prescribed responsibilities of the board and management are presented based on objective indicators. AGM helps to ensure accountability to stakeholders, including the shareholders. This process helps the major stakeholders (shareholders) of companies to decide on the necessary course of action on the directors and management.

In addition to ensuring check and balance mechanisms are working appropriately, an AGM also serves as a platform where the board (and its committees) obtain third-party validation.

To ensure transparency, some of the actions or activities such as discussion on the financial statements (Section 340[1] of the Companies Act 2016 [CA 2016]) and other related reports, distribution of profits, discharging members of the board of directors and the Chairman from liability, the election of Chairman and members of the board, the remuneration paid to them, and even related party transactions (RPTs) are required by CA 2016 or the listing requirement of Bursa Malaysia Securities Berhad (Bursa Malaysia) to be approved by shareholders in the AGM.

In summary, AGM serves three functions, notably:

- i) election,
- ii) information, and
- iii) control functions (Cheffi & Abdennadher, 2019).

As such, CA 2016 emphasises on a proper conduct of an independent and transparent AGM. The provisions are summarised in Section 2.

The Minority Shareholders Watch Group (MSWG) encourages the participation of minority shareholders at AGMs as they serve an annual platform for them to communicate their views or to raise relevant questions on various matters regarding the affairs of a company.

In fact, minority shareholders can engage with PLCs any time throughout the year. On its part, MSWG raises questions at general meetings on operations, financial statements, corporate governance, and environmental, social, and governance (ESG) matters in the interest of minority shareholders and other stakeholders.

Moreover, MSWG makes its presence felt at the AGMs of PLCs to observe the process and conduct of the AGMs. An important part of good AGM practices includes the willingness of shareholders to exercise their rights effectively.

In 2015, MSWG published the *Report of AGM Practices by Malaysian Companies* to understand the state of play of AGMs of companies listed on Bursa Malaysia. The said report also delved on shareholders' rights.

MSWG continues to play a role in advising companies to institute good AGM practices. For example, the MSWG's CEO attended a physical AGM of a PLC in 2021 and noted that the company did not make a slide presentation of its business performance to shareholders. It was pointed out that the annual report was a few months old, hence minority shareholders will benefit from the sharing of the current and future scenarios.

The CEO of MSWG further commented that it would be good if there is a presentation on the current challenges, prospects, and outlook as financial statements and annual report are historic and "a few months old". Given that the slide presentation is within the control of the company, they can opt for a short presentation if they so desire. The AGM is a once-in-a-year opportunity for shareholders to learn more about the company (*MSWG's The Observer Weekly Newsletter*, 29 October 2021).

Above all else, this report aims to analyse the AGM conduct of selected PLCs against the best practices and proposes ways of improving its effectiveness.

The pandemic has introduced new challenges to companies in the quest to organise their AGMs. Most companies applied to defer their AGM while the prolonged movement control order (MCO) has pressured companies to change their mode of meeting from physical to virtual.

This phenomenon has motivated MSWG to revisit the 2015 report of AGM practices by analysing the current practices of AGM. Thus far, not much is known about AGM practices during this challenging period and their possible effects on accountability to stakeholders.

The objectives of this study:

- a) To analyse AGM conduct of Malaysian listed companies in 2020.
- b) To suggest areas of improvement for PLCs in holding their AGMs.

The scope of this study:

- a) Analysis of overall AGM conduct of Malaysian listed companies in 2020.
- b) Analysis of each item according to six broad themes, namely:
 - i) Timeliness;
 - ii) Meeting logistics;
 - iii) Assessment of Chairman;
 - iv) Evaluation of questions and answers (Q&As);
 - v) Board appointment and attendance; and
 - vi) Poll voting.

We wish to point out that this study neither covers the effectiveness of AGMs nor the compliance with the Bursa Malaysia Listing Requirements regarding matters for approval in AGMs.

METHODOLOGY

Every attended AGM is assessed by MSWG corporate representative based on a checklist developed by MSWG as per the Malaysian Code on Corporate Governance, Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) guidelines and the experiences of MSWG representatives.

MSWG corporate representatives are full-time analysts who are appointed based on their experiences and merit. MSWG provides clear instructions on the meaning of each item in the checklist to ensure consistent definitions are applied across every assessment. A descriptive analysis of each item was provided and a comparison with regulatory requirements and past practices contained in the 2015's AGM report was made.

Two (2) indices of AGM practices are used:

a) Unweighted index:

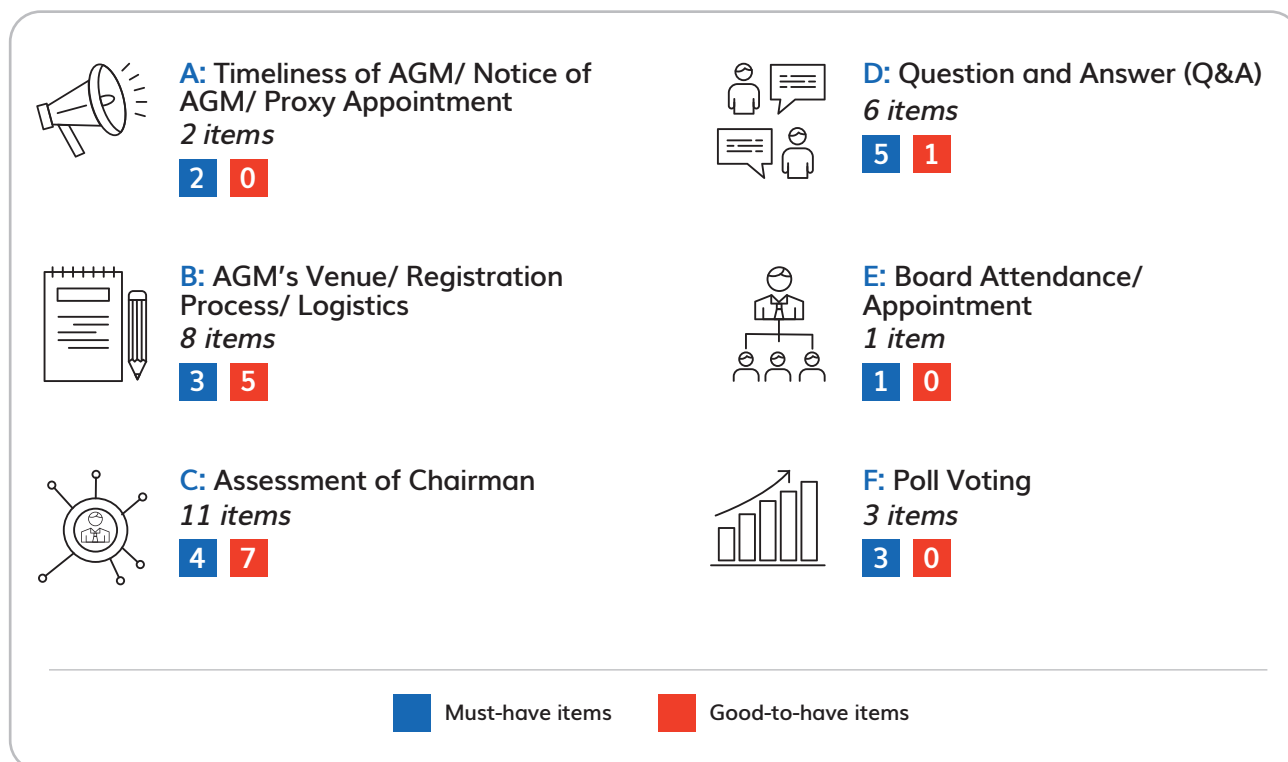
The below formula is used to calculate the overall unweighted marks for each company.

$$AGM\ Score_i = \frac{\sum Score\ obtained_i}{Maximum\ Score_i}$$

Careful consideration of non-applicable items have been given in the marking exercise for each company's AGM. Non-applicable items are not penalised but excluded from the denominator.

b) Weighted index:

The index consists of two components, namely the basic "must-have" component and the "good-to-have" component. The "must-have" items were given more marks compared with the "good-to-have" items. The "must-have" AGM items are items considered as very important to companies to ensure that accountability is achieved while the "good-to-have" items are AGM best practices.



Since there are multiple items in each category, the unweighted marks naturally give more weight to categories with more items. However, the natural weight does not represent the importance of the category to the overall marks. To avoid this problem, items were re-grouped into four main themes, namely:

- i) timeliness;
- ii) meeting logistics;
- iii) chairman and board; and
- iv) accountability arrangement.

The same equation was applied to calculate the total score in each category. Subsequently, each of the themes received equal weight (25%) of importance towards the total score.

SAMPLE

The sample includes the Top 100 largest PLCs in Bursa Malaysia by market capitalisation and PLCs with issues and concerns. On top of these, a stratified random sampling method is used to select mid and small cap companies. In total, there were 280 AGMs attended by MSWG representatives in 2020 (primary data).

To provide the fundamental for analysis, the next section discusses and provides updates on the AGM requirements.

SECTION 2

AGM COMPLIANCE AND BEST PRACTICES

This section highlights provisions on the conduct of an Annual General Meeting (AGM) as indicated in the Companies Act 2016 (CA 2016) and the Malaysian Code on Corporate Governance (MCCG).

COMPANIES ACT 2016 (CA 2016)

Companies need to comply with the provisions for shareholders' meetings as stipulated in Division 5 of CA 2016.

Below are the sub-divisions:

1. Meetings and Resolutions for Members (Sections 290-296)
2. Written Resolutions of Private Companies (Sections 297-308)
3. Passing Resolutions at Meetings of Members (Sections 309-315)
4. Notice of Meetings (Sections 316-326)
5. Procedure at Meetings (Sections 327-333)
6. Proxies (Sections 334-338)
7. Class Meetings (Section 339)
8. Additional Requirements for Public Companies (Section 340)
9. Record of Resolutions and Meetings (Sections 341-344)

Some highlights of the CA 2016 with regard to AGM and major matters discussed:

General

Private companies are no longer required to have AGM. However, the audited financial statement must be circulated to shareholders within six months of the financial year-end. Circular resolutions are permitted without holding a physical meeting.

The previous Companies Act 1965 stipulated that a company could only declare dividends from its profits. The CA 2016 adds another condition for a company to declare and distribute dividends, i.e. the company must be solvent. Solvency is determined by a company's ability to pay debts when it becomes due within 12 months immediately after the distribution is made.

Notice of meeting

Pursuant to CA 2016, at least a 21-day notice of meeting should be given. CA 2016 also states that the notice of an AGM meeting shall be furnished in a hardcopy and/or electronic form to every member, director, and auditor of the company.

Venue

The CA 2016 allows AGM to be held anywhere so long as the main venue is in Malaysia and the chairperson shall be present at the main venue. In case a company uses an online platform to conduct its meeting, the company must prove that such platform is located in Malaysia. SC has made this an additional requirement to ensure that companies fulfill the CA 2016 requirements regardless of the modes of meeting.

Proxy

A shareholder may appoint another person to attend the meeting, and/or to speak and vote on his/her behalf at an AGM. The restriction on qualified persons to be appointed as proxies and the maximum number of proxies has been removed.

Auditor

An automatic re-appointment of an auditor only applies to a private company.

Resolutions

Unlike private companies, PLCs cannot pass their resolutions by circulation (has to be through proper voting procedure).

MALAYSIAN CODE ON CORPORATE GOVERNANCE (MCCG)

AGM is seen as a platform for shareholders' engagement that can enhance accountability. On the conduct of AGM, MCCG states that AGM notice should be issued to shareholders at least 28 days prior to the meeting (more stringent than CA 2016). Sufficient notice and information should be given to shareholders to consider the resolutions.

All directors need to attend the AGM to provide a meaningful response to questions raised by shareholders. Below are some highlights of the new requirements in MCCG 2021:

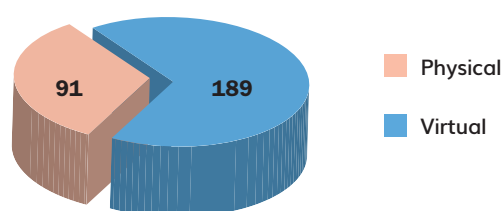
- ➡ The use of technology in facilitating accurate and transparent voting processes.
- ➡ Meaningful engagement (interactive ability to pose questions) between the board, senior management, and shareholders.
- ➡ Circulation of minutes to shareholders not later than 30 days after the AGM.
- ➡ A smooth broadcast, interactive platform, visibility of questions posted to shareholders.

SECTION 3

SOME FACTS ABOUT AGM

TYPE OF MEETING

FIGURE 1: TYPE OF MEETING (n=280)



Companies are allowed to use any technology or method that enables shareholders to participate and exercise their rights to speak and vote at the AGM (CA 2016). Considering the COVID-19 pandemic crisis, the SC had in 2020 issued a Guidance Note to guide all public companies on the conduct of general meetings during the pandemic where physical distancing and safety measures must be exercised. The Guidance Note states that companies can convene general meetings in three modes, namely fully virtual, hybrid or physical.

The SC explains that **fully virtual** means that a general meeting is conducted online without a physical meeting venue for board members, senior management, shareholders and others to gather in a general meeting. The only venue involved in the conduct of a fully virtual general meeting is the broadcast venue where only the essential individuals are physically present to organise the meeting.

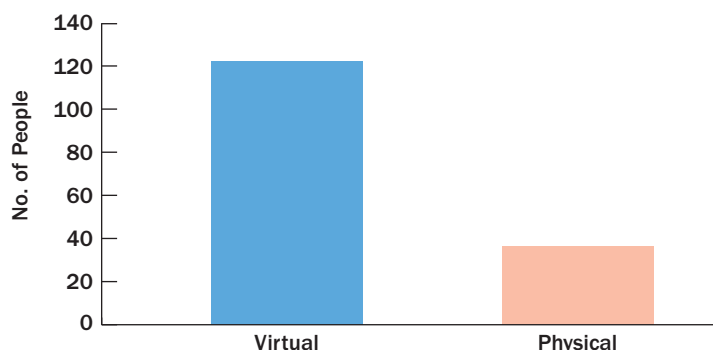
All shareholders in a fully virtual general meeting participate in the meeting remotely. The essential individuals would include the chairperson of the general meeting, board members, the chief executive officer, the chief financial officer, the company secretary, the auditor, the scrutineer, and those providing audio and visual support for the meeting.

A **hybrid general meeting** is conducted at a physical meeting venue with shareholders physically present. The same meeting is broadcasted online with shareholders also having the option to participate in the meeting remotely or online. A **physical general meeting** is conducted at a physical meeting venue without any remote participation.

In 2020, 67.5% (n=189) of the companies surveyed had fully virtual meetings whereas 32.5% (n=91) had physical meetings (refer to Figure 1). These physical meetings were held in Penang, Klang Valley, Johor, Perak, Melaka, Negeri Sembilan and Sarawak.

ATTENDANCE AT AGMs

FIGURE 2: AVERAGE OF ATTENDANCE (n=151)



Of the 280 companies assessed, 53.9% (n=151) had disclosed the number of participants who attended the AGM.

The results showed that on average, 124 participants attended virtual AGMs while only 36 participants attended physical AGMs (refer to Figure 2). This finding implies that virtual AGMs were more convenient and safer for shareholders, specifically during the pandemic period. Apart from safety reasons, prior studies such as that by Gao, Huang and Zhang (2020) found that virtual AGMs are a cost-effective way for shareholders to actively monitor the board and management of companies.

Attending a physical meeting can be costly for certain shareholders because of the transportation and accommodation costs. However, we cannot ascertain the effectiveness of virtual versus physical meetings despite the higher attendance.

In 2020, 71.4% (n=60) of disclosed companies with physical meetings had fewer than 30 participants. In addition, 26.1% (n=22) had between 30 and 100 participants while only 2.4% (n=2) had more than 100 participants. Fewer participants for physical meetings could be due to the COVID-19 pandemic, or generally smaller size PLCs have fewer shareholders attending the meetings.

For virtual meetings, most companies had more than 30 participants. Specifically, 52.2% (n=35) had between 31 and 100 participants and 34.3% (n=23) had more than 100 participants. Only 13.4% (n=9) of the disclosed companies had less than 30 participants.

SCHEDULE

As required under Section 340(1) of the CA 2016, every public company shall hold an AGM every calendar year. The AGM shall be held within six months of the company's financial year-end and not more than 15 months after the last preceding AGM.

Regarding the AGM months, the busiest months for AGM in 2015 were April, May and June. In comparison, the busiest AGM month in 2020 was June (n=59 AGM) followed by September (n=52 AGM) and July (n=38 AGM) (refer to Figure 3). The most popular date of the year for AGM was 28 September 2020 as 12 companies convened their AGM on this single date whereby seven of them held their AGM physically (the remaining five had their AGM virtually).

In terms of the day of the week, Wednesday was the busiest day (n=73 AGM) (refer to Figure 4). The result was different from that in 2015 where the most popular day was Thursday. Tuesday and Thursday were the second busiest days with 40.7% (n=114) of companies surveyed conducting their AGM on these two days. Two companies conducted their AGMs on Saturday (namely, icapital.biz Berhad and Nextgreen Global Berhad).

As shown on Figure 5, if we look at the most popular day in terms of meeting type, Wednesday and Tuesday were the most popular for virtual meeting, while Wednesday and Thursday were more popular for physical meeting.

FIGURE 3: MONTH OF AGMs (n=280)

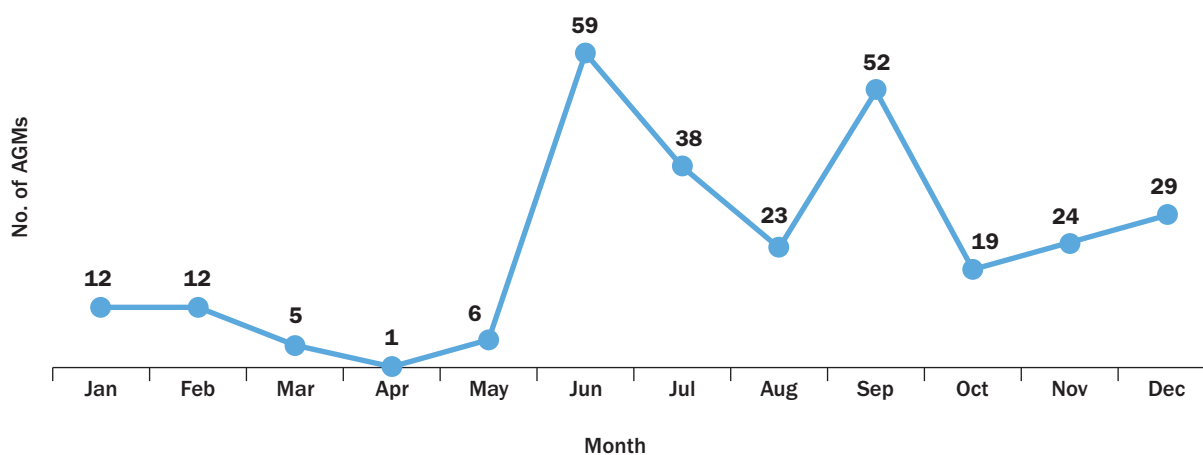


FIGURE 4: DAY OF AGMs (n=280)

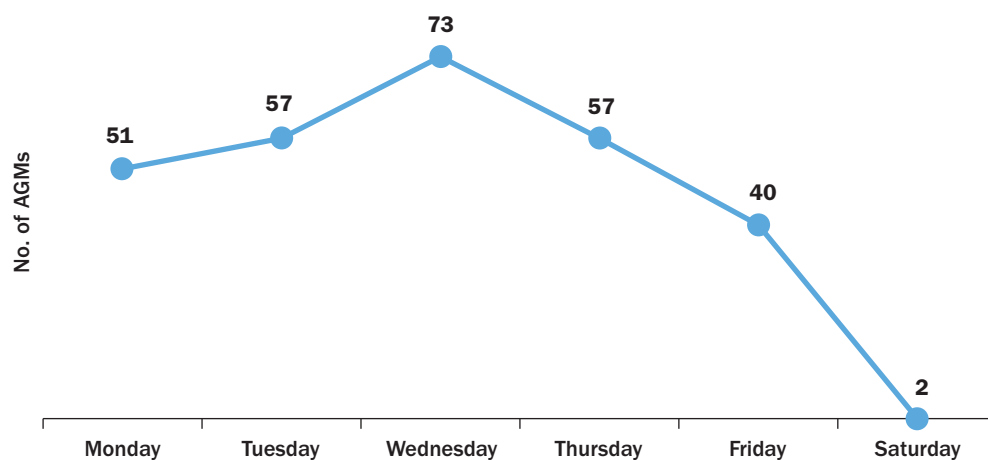
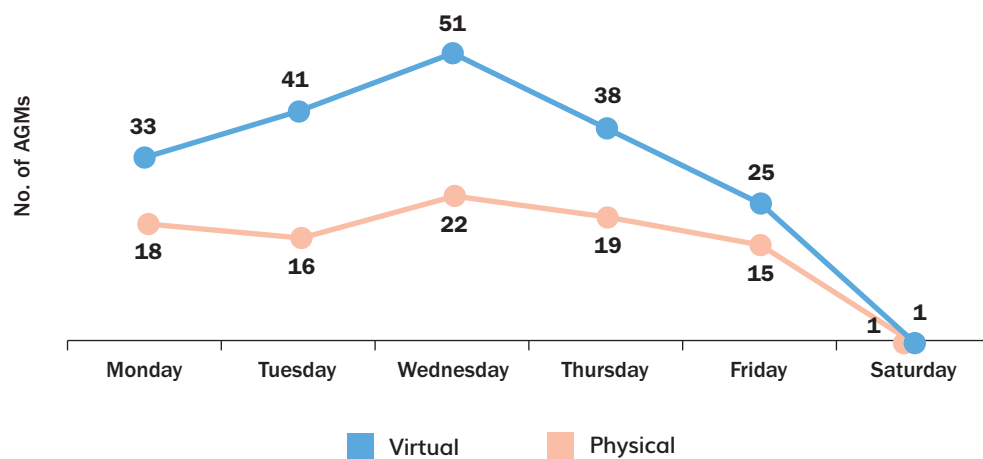


FIGURE 5: DAY OF AGMs (BY TYPE OF MEETING) (n=280)



SECTION 4

CONDUCT OF AGM: THE SIX BROAD THEMES

Section 4 presents and discusses the findings and recommendations concerning various aspects observed during the assessment of AGM by MSWG's representatives. It covers:

- Timeliness of AGM/Notice of AGM/Proxy Appointment;
- AGM's Venue/Registration Process/Logistics;
- Assessment of Chairman;
- Assessment on Questions and Answer (Q&A) session;
- Board attendance and appointment; and
- Poll voting.

A: TIMELINESS OF AGM / NOTICE OF AGM / PROXY APPOINTMENT

Item 1: AGM held after the financial year end (FYE)

Table 1 shows that no companies have had their AGM within two months after the FYE. The majority of companies (82.5%) held the meeting between two to six months after their FYE. Therefore, these companies comply with the requirement in Section 340(2) of CA 2016 which stipulates that every PLC must hold its AGM within six months from the date of its FYE and not later than 15 months from the date of its last preceding AGM. In comparison with 2015's AGM, companies on average took about 4.9 months to arrange their meetings.

Additionally, there are 49 companies (17.50%) which held their AGMs six months after their FYE. Examples of the companies are AirAsia Group Berhad, AirAsia X Berhad, BIMB Holdings Berhad, Sunsuria Berhad, and Sunway Berhad. The stated reasons for the delay of their AGMs were the imposition of Movement Control Order (MCO) and to comply with the Prevention and Control of Infectious Diseases Act 1988 to curb the spread of the COVID-19 virus.

Moreover, the delay in holding an AGM is allowed under Section 340(4) of CA 2016 which provides that if a company is unable to hold AGM within the stipulated time frame, the company may apply for an extension by providing a justification to the Registrar. In fact, the Companies Commission of Malaysia (SSM) issued *Practice Directive No. 6/2020* on 7 April 2020 which provides a blanket extension of time for public companies to hold their AGMs beyond the six-month period due to the MCO.

TABLE 1: AGM HELD AFTER THE FINANCIAL YEAR END (FYE)

AGM	NO. OF COMPANIES	PERCENTAGE (%)
Within 2 months	0	0.00
Within 2 to 4 months	8	2.90
Within 4 to 6 months	223	79.60
After 6 months	49	17.50
Total	280	100.00

Item 2: At least 28 days of Notice for AGM

Ideally, companies should provide sufficient notice period to encourage shareholders to attend their AGMs. Specifically, the notice or circulars for AGM should be consistent with the recommended practices. The Malaysian Code on Corporate Governance (MCCG) 2017 (Practice 12.1) advocates that an AGM notice of at least 28 days prior to the meeting should be issued to shareholders. This is in line with the international best practices. A longer notice period would encourage shareholders to attend and provide more time for them to review the company's performance and related documents attached with the notice for the meeting.

However, Section 316(2)(a) of CA 2016 states that shareholders should be given an AGM notice of at least 21 days. Additionally, Section 316(3) of CA 2016 further states that a company may issue a shorter notice than the period referred to in subsection (2) if it is agreed by all the members entitled to attend and vote at the meeting.

Table 2 shows that 247 companies (88.20%) have given at least a 28-day notice for the meeting. On the other hand, there were 33 companies that have given fewer than 28 days period of notice for meeting. Nevertheless, these companies complied with the minimum requirement of the notice as stated in the CA 2016.

TABLE 2: AT LEAST 28 DAYS OF AGM NOTICE

28-DAY NOTICE	NO. OF COMPANIES	PERCENTAGE (%)
Yes	247	88.20
No	33	11.80
Total	280	100.00

B: AGM'S VENUE/REGISTRATION PROCESS/LOGISTICS

Item 1: Venue (held within the vicinity of the company's registered address/business address or other venues with acceptable reason)

For physical meeting, a company should take into consideration the venue of its AGM so that majority of its shareholders can make plans to attend the meeting. The chosen venue should provide ample parking spaces and be accessible by public transport. In 2020, 98.90% (n=90) of physical AGMs were conducted within the vicinity of the company's registered/business address (refer to Table 3). However, one company held its AGM in Johor although its registered company's address is in Penang while its business address is in Kuala Lumpur. The other company held its AGM in Johor Bahru within the vicinity of one of its major subsidiaries.

TABLE 3 : VENUE (Held within the vicinity of the company's registered address/business address or other venues with acceptable reason)

HELD WITHIN THE VICINITY	NO. OF COMPANIES	PERCENTAGE (%)
Yes	90	98.90
No	1	1.10
Total	91	100.00

Item 2: Registration smooth with sufficient registration counters

Table 4 shows that all AGMs attended by MSWG representatives had provided sufficient registration counters to ensure the registration process attended by shareholders went on smoothly. In 2015, 99% of AGMs provided sufficient registration counters.

TABLE 4: SMOOTH REGISTRATION WITH SUFFICIENT REGISTRATION COUNTERS

REGISTRATION COUNTERS	NO. OF COMPANIES	PERCENTAGE (%)
Yes	91	100.00
No	0	0.00
Total	91	100.00

Item 3: Registration with special helpdesk

Special helpdesk during registration process is required for AGMs with more than 100 attendees. This is to ensure a smooth registration process and to handle non-AGM-related complaints. During the 2020's AGMs, out of 19 companies which provided the special helpdesk (refer to Table 5), 17 of them had less than 100 attendees. The two companies which had more than 100 attendees and did provide the special helpdesk were Fraser & Neave Holdings Bhd (500 attendees) and Top Glove Corporation Bhd (300 attendees). F&N and Top Glove's AGMs were held before the imposition of Movement Control Order by the Malaysian Government on 18 March 2020 to tackle the COVID-19 pandemic. For 2015's AGMs, 78% of companies provided special helpdesks during the registration of attendees.

TABLE 5: REGISTRATION WITH SPECIAL HELPDESK

SPECIAL HELPDESK	NO. OF COMPANIES	PERCENTAGE (%)
Yes	19	20.88
No	72	79.12
Total	91	100.00

Item 4: Administrative information of the physical meeting (including closing time of registration counters)

Directors and top management need to plan and prepare for an effective AGM. As such, some relevant administrative information about the meeting such as closing time of the registration counter must be provided in advance. The information can be included in the notice of AGMs. In the 2020's AGMs, only about 27% of companies provided such information (refer to Table 6). This practice should be improved in future AGMs to encourage a smooth registration process.

TABLE 6: ADMINISTRATIVE INFORMATION OF THE PHYSICAL MEETING (including closing time of registration counters)

ADMINISTRATIVE INFORMATION	NO. OF COMPANIES	PERCENTAGE (%)
Yes	25	27.47
No	66	72.53
Total	91	100.00

Item 5: Shareholders are allowed to enter the meeting room (at least half-an-hour prior to commencement of AGM)

Shareholders should be allowed to enter the meeting room earlier so that they can choose the sitting arrangement that they are comfortable with. Among the 2020's AGMs, 79 companies (87%) allowed shareholders to enter the meeting room earlier (refer to Table 7).

TABLE 7: SHAREHOLDERS ARE ALLOWED TO ENTER THE MEETING ROOM (at least half-an-hour prior to commencement of AGM)

ENTER EARLY	NO. OF COMPANIES	PERCENTAGE (%)
Yes	79	86.81
No	12	13.19
Total	91	100.00

Item 6: Directors mingle with shareholders at AGMs

All board members and top management should make an effort to interact and mingle with shareholders before the start of the meeting. This signals to shareholders their importance as the capital providers of the company. The 2020's AGMs saw directors of 67 companies mingled with shareholders before the commencement of meeting. However, directors of another 24 companies did not do so before the start of the meeting.

TABLE 8: DIRECTORS MINGLE WITH SHAREHOLDERS AT AGMs

DIRECTORS MINGLE	NO. OF COMPANIES	PERCENTAGE (%)
Yes	67	73.63
No	24	26.37
Total	91	100.00

Item 7: Administrative guide for registration process (closing date and time of registration clearly stated in the Notice of AGM [virtual meeting only])

In virtual AGMs, detailed information about the registration process such as the closing date and time of registration must be clearly stated in the notice of AGM. In the 2020's AGMs, the majority of companies (99%) provided this information (refer to Table 9).

TABLE 9: ADMINISTRATIVE GUIDE FOR REGISTRATION PROCESS (closing date and time of registration clearly stated in the Notice of AGM [virtual meeting only])

ADMINISTRATIVE GUIDE	NO. OF COMPANIES	PERCENTAGE (%)
Yes	187	98.94
No	2	1.06
Total	189	100.00

Item 8: Shareholders' questions are displayed on the screen for all participants (virtual meeting only)

PLCs should allocate sufficient time to address all relevant questions posed by shareholders as answers to these questions could benefit other shareholders who attend the AGMs. Apart from ensuring that its questions are presented and answered; MSWG also advises board of companies to answer all relevant questions raised by shareholders during AGMs.

During an AGM, a company should provide adequate facilities to enable shareholders to keep track of the proceeding, ask questions and listen to others posing their questions. Instead of relying on audio equipment, the company should also provide a screen on which all proceedings and issues discussed can be displayed.

In the 2020's AGM, only about 30% (56 companies) had provided a screen to display the proceedings of their meetings as well as for the Q&A session (refer to Table 10).

TABLE 10: DISPLAY OF Q&A

QUESTIONS DISPLAYED	NO. OF COMPANIES	PERCENTAGE (%)
Yes	56	29.63
No	133	70.37
Total	189	100.00

C: ASSESSMENT OF CHAIRMAN

AGM is an important platform for directors and senior management of companies to engage with shareholders to enhance the latter's understanding of the company's business and performance. In an AGM, shareholders can exercise their rights to vote on proposed resolutions or express their views to the board and top management on any areas of concern. Based on his/her experiences and expertise, the Chairman is responsible to direct the company on strategic formulation and monitor top management performance.

Item 1: Chairman chairs an AGM

The presence of Chairman in an AGM and presiding the AGM is crucial to demonstrate his/her commitment and this could facilitate the effectiveness and efficiency of an AGM. Not only should the Chairman attend and chair the meeting, he/she is also expected to ensure all directors must make an effort to attend the AGM. Their presence enhances shareholders' confidence in their commitment towards the betterment of the company.

Section 329(1) of CA 2016 states that Chairman of the board shall preside as the chairperson at every general meeting of the company. Therefore, all AGMs must be chaired by the Chairman. However, only 244 companies (87.14%) were chaired by the Chairman of the board in the 2020's AGM (refer to Table 11). The 36 AGMs that were not chaired by the Chairman could be due to MCO and various lockdowns which prevent the Chairman from being present at the broadcast venue.

TABLE 11: CHAIRMAN CHAIRS AN AGM

CHAIRMAN CHAIRS AN AGM	NO. OF COMPANIES	PERCENTAGE (%)
Yes	244	87.14
No	36	12.86
Total	280	100.00

Item 2: Chairman introduces board members

There are certain best practices that ought to be adopted in the opening of an AGM. Among others, the Chairman should take the opportunity to introduce members of the board to shareholders who are attending the meeting. This gesture signals the togetherness of board members in managing and monitoring the company.

In the 2020's AGM, 89.29% of the Chairmen introduced members of the board to shareholders (refer to Table 12) compared to only 33% of Chairmen did so during the 2015's AGM.

TABLE 12: INTRODUCTION OF BOARD MEMBERS

INTRODUCTION OF BOARD MEMBERS	NO. OF COMPANIES	PERCENTAGE (%)
Yes	250	89.29
No	30	10.71
Total	280	100.00

Item 3: Chairman introduces top management

Other gestures of togetherness in managing a company is when the Chairman introduces key management personnel in the AGM. This practice symbolises the unity of those entrusted to manage the company. Table 13 shows that in the 2020's AGMs, half of the Chairmen introduced top management to the meeting. Although this practice is not required under the CA 2016, this good practice should be encouraged in future AGMs to signal the unity between the board and top management in managing the company.

TABLE 13: INTRODUCTION OF TOP MANAGEMENT

INTRODUCTION OF TOP MANAGEMENT	NO. OF COMPANIES	PERCENTAGE (%)
Yes	140	50.00
No	140	50.00
Total	280	100.00

Item 4: Chairman introduces external auditor

External auditors promote good corporate governance by ensuring the board and top management of the company are acting responsibly for the best interest of shareholders. Auditor provides quality assurance over a company's financial statement. The appointment of an external auditor and the introduction of the auditor in the AGM symbolise an act of accountability by a company's top management towards its shareholders.

Section 285(1) of CA 2016 states that auditors of public companies shall attend every AGM whereby financial statements of the company needed to be laid out so that auditors can respond to questions posed by shareholders accordingly. Therefore, it is appropriate that the Chairman introduces the external auditor to shareholders before the start of an AGM. In the 2020's AGMs, majority of companies (70.71%) introduced their external auditors in the meeting (refer to Table 14).

TABLE 14: INTRODUCTION OF EXTERNAL AUDITOR

INTRODUCTION OF EXTERNAL AUDITOR	NO. OF COMPANIES	PERCENTAGE (%)
Yes	198	70.71
No	82	29.29
Total	280	100.00

Item 5: Notification of the number and proportion of registered shareholders and proxies

Shareholders should be made aware of the number and proportion of registered shareholders and proxies to have a better understanding among meeting participants and to facilitate voting process. In this regard, the Chairman should make available this information to meeting participants.

Table 15 shows that in the 2020's AGMs, about 51.79 % of Chairmen disclosed such information in the meeting. In contrast, only about 33% of Chairmen provided the information during the 2015's AGM. Since this information is crucial and relevant for a better conduct of AGM, it is suggested that future AGMs should make it a point to convey this information to meeting participants.

TABLE 15: NOTIFICATION OF THE NUMBER AND PROPORTION OF REGISTERED SHAREHOLDERS AND PROXIES

	NO. OF COMPANIES	PERCENTAGE (%)
Yes	145	51.79
No	135	48.21
Total	280	100.00

Item 6: Explanation of voting procedure

The voting and voting tabulation procedures need to be explained clearly early on to avoid any confusion and misunderstanding. This is the role of the Chairman. In the 2020's AGM, majority of Chairmen (98.57%) explained the voting procedure while only 4% had done so during the 2015's AGM. A clear explanation of the voting procedure can smoothen the voting process.

TABLE 16: EXPLANATION OF VOTING PROCEDURE

VOTING PROCEDURE	NO. OF COMPANIES	PERCENTAGE (%)
Yes	276	98.57
No	4	1.43
Total	280	100.00

Item 7: Shareholders allowed questions, adequate opportunities and time

In AGMs, shareholders should be given adequate opportunities to exercise their own right by asking relevant questions and providing views pertaining to the company's operation. In the 2020's AGMs, it was perceived that majority of companies (98.21%) have provided shareholders with adequate opportunities and time to ask questions.

TABLE 17: SHAREHOLDERS ALLOWED QUESTIONS, ADEQUATE OPPORTUNITIES AND TIME

SHAREHOLDERS ALLOWED QUESTIONS	NO. OF COMPANIES	PERCENTAGE (%)
Yes	275	98.21
No	5	1.79
Total	280	100.00

Item 8: Board had sufficiently answered all relevant questions

AGM is the platform that provides an opportunity for shareholders to ask questions and confirm some relevant issues pertaining to the company's operation. In the 2020's AGMs, available data show that most boards (97.86%) managed to sufficiently answer all relevant questions by shareholders. This can enhance shareholders' confidence with regard to the board's ability to monitor the company.

MSWG also noted that at virtual AGMs, some PLCs notified shareholders that if their boards were unable to answer shareholders' questions due to time constraint, they would e-mail the answers to shareholders soon after conclusion of AGMs.

TABLE 18: BOARD HAD SUFFICIENTLY ANSWERED ALL RELEVANT QUESTIONS

BOARD ANSWERED QUESTIONS	NO. OF COMPANIES	PERCENTAGE (%)
Yes	274	97.86
No	6	2.14
Total	280	100.00

Note: Based on the perception of MSWG representatives who attended the AGM.

Item 9: Chairman was able to manage the time and meeting in an orderly manner to the satisfaction of shareholders

According to Chapter 3 (Paragraph 3.3; "Presiding over the AGM") of the *Best Practice Guide on AGMs for Listed Issuers* (by MAICSA with the support of Bursa Malaysia Berhad), "the Chairman usually sets the tone of the AGM and should ensure that it is effectively conducted. The Chairman should ensure that shareholders can effectively exercise their right to express their opinion on issues concerning the company and to consider and vote on resolutions tabled at the meeting."

In essence, the Chairman is responsible for the smooth and orderly conduct of the meeting as well as to discuss the meeting agenda in an organised manner. He/she should provide opportunities to shareholders to raise their views/concerns and should not dominate, close or disregard other opinions. Interpersonal communication and listening skills are important during the meeting.

In the 2020's AGMs, available data shows that majority of the Chairman (98.21%) was perceived to be able to orderly conduct the meeting to the satisfaction of shareholders (refer to Table 19). This practice needs to be continued in future AGMs.

TABLE 19: CHAIRMAN WAS ABLE TO MANAGE THE TIME AND MEETING IN AN ORDERLY MANNER TO THE SATISFACTION OF SHAREHOLDERS

	NO. OF COMPANIES	PERCENTAGE (%)
Yes	275	98.21
No	5	1.79
Total	280	100.00

Note: Based on the perception of MSWG representatives who attended the AGM.

Item 10: Chairman did not propose his/her own re-election or re-appointment

The Chairman should set the right tone at the top which includes championing of good governance and ethical practices throughout the company. These practices should also be applied during the AGM. Hence, the Chairman should not propose his/her own re-election or re-appointment as director in the AGM. Table 20 shows that about 8% of Chairman (n=22) in the 2020's AGM did propose his/her own re-election or re-appointment. In contrast, no Chairman proposed his/her own re-election or re-appointment during the 2015's AGM.

TABLE 20: CHAIRMAN DID NOT PROPOSE HIS/HER OWN RE-ELECTION OR RE-APPOINTMENT

	NO. OF COMPANIES	PERCENTAGE (%)
Yes	141	50.36
No	22	7.86
Not applicable	117	41.78
Total	280	100.00

Item 11: Chairman did not propose any resolution in which he/she has an interest in

A Chairman should not jeopardise his/her position as a good leader with high ethical value. As such, a Chairman should not propose any resolutions in which he/she has an interest in. In 2020's AGM, there were 21 Chairmen (7.5%) who proposed some form of resolution in which he/she has an interest in. In contrast, only 2% of Chairmen did so during the 2015's AGMs.

TABLE 21: CHAIRMAN DID NOT PROPOSE ANY RESOLUTION IN WHICH HE/SHE HAS AN INTEREST IN

	NO. OF COMPANIES	PERCENTAGE (%)
Yes	127	45.36
No	21	7.50
Not applicable	132	47.14
Total	280	100.00

D. ASSESSMENT ON QUESTION AND ANSWER SESSION

AGM is an avenue for all shareholders – especially retail and minority – to actively engage with board members to better understand the business, governance and performance of a company. The event allows shareholders to exercise their rights to express their concerns either by asking questions in the Q&A session or through voting.

According to the MCCG 2021, concerned stakeholders should prepare themselves by getting to know issues related to the company's appointment or re-appointment of the board, remuneration policy, annual report, adoption of corporate governance best practices, sustainability, audit, risk management, and internal audit and anti-corruption.

Stakeholders, especially retail shareholders can play their roles to pressure the management and board during this session if they are dissatisfied with the company's operations or management (Yedhula, 2021).

Therefore, board members and the respective committees cannot simply ignore issues raised by shareholders, particularly retail or minority shareholders. MCCG 2021 further highlights that the board must ensure that shareholders are able to participate in all sessions and engage with them throughout the meeting. Companies may provide better facilities such as new technology for virtual communication, multimedia presentation, and making informed voting decisions at general meetings. The following sections present findings related to communication between the board and stakeholders during the Q&A session.

Item 1: Multimedia presentation on annual business performance review

Every investor must be concerned with the annual performance of their investee companies as it reflects the performance of the top management and board members of the company. The AGM is the only event that they can attend and participate in the discussion and ask questions or demand explanation. Therefore, to facilitate the discussion, companies may use multimedia presentation to brief shareholders their business and financial performance. Such presentation will allow shareholders to review and interpret the performance before asking relevant question to the management and board members.

Although multimedia presentation is significantly important, Table 22 indicates that almost one-half of the AGMs used multimedia presentations to facilitate annual business performance reviews (49.64%). However, the score is lower than 2015's level of 57%. The result is surprising given that the COVID-19 pandemic has significantly affected the conduct of AGMs, hence the emphasis on more online means to conduct meetings.

Nevertheless, as most companies are moving towards online AGMs, the use of multimedia presentation is expected to increase. In fact, management and board members should embrace different new technology to improve the meeting experience of participants by facilitating an analysis of the companies' strategies and performance vis-à-vis the raising of any important and relevant questions during the Q&A session.

TABLE 22: USAGE OF MULTIMEDIA PRESENTATION

MULTIMEDIA PRESENTATION	NO. OF COMPANIES	PERCENTAGE (%)
Yes	139	49.64
No	141	50.36
Total	280	100.00

Item 2 and 3: Question and answer (Q&A) (multimedia/verbal)

Similarly, multimedia presentation should also be provided on questions put forward by MSWG and shareholders together with their responses. This practice increases transparency and facilitates all attendees to make further analyses on the issues and reasonableness of the responses.

Additionally, this also prevents directors from 'cherry-picking' questions to answer. The transparency of issues discussed is helpful to gain an understanding of the board's decision-making in relation to company strategy. The result shows that 97.86% of companies had prepared multimedia presentation. This score is higher than the 54% reported in 2015. Although this is expected to be practiced by companies, there was still 2.14% of companies that did not provide such facilities (refer to Table 23).

TABLE 23: FREQUENCY OF COMPANIES PROVIDING A MULTIMEDIA Q&A PRESENTATION

MULTIMEDIA Q&A	NO. OF COMPANIES	PERCENTAGE (%)
Yes	274	97.86
No	6	2.14
Total	280	100.00

Item 4: Hard copies of MSWG's questions/ answers made available to shareholders/ proxies (physical meeting only)

In addition to multimedia presentation, boards are encouraged to provide hard copies of MSWG's questions and their responses to shareholders in physical meetings. MSWG plays a significant role in asking questions that are raised by minority shareholders. Although such questions may be ignored by the board, they nevertheless serve as important evidence to ensure that the voice of minority shareholders are considered by the companies.

Table 24 indicates that out of 91 companies that had a physical meeting, only 4.4% of them provided shareholders or their proxies hard copies of MSWG's Q&A. Table 24 indicates that 95.60% of the companies failed to provide a copy of MSWG's Q&A to their shareholders.

TABLE 24: FREQUENCY OF HARD COPIES OF MSWG'S Q&A MADE AVAILABLE TO SHAREHOLDERS/ PROXIES

HARDCOPIES OF Q&A	NO. OF COMPANIES	PERCENTAGE (%)
Yes	4	4.40
No	87	95.60
Total	91	100.00

Item 5: Written response to MSWG's questions at least one day before AGM

MSWG expects companies to respond to its questions at least one day prior to their AGM so as to enable it to assess their responses. In the event of companies being unresponsive to its questions, MSWG's representative might highlight the questions again during the Q&A session. Table 25 indicates that 43.21% of the sample companies abide by MSWG's requirements while another 56.79% failed to do so.

TABLE 25: FREQUENCY OF COMPANIES RESPONDING TO MSWG'S QUESTIONS

WRITTEN RESPONSE	NO. OF COMPANIES	PERCENTAGE (%)
Yes	121	43.21
No	159	56.79
Total	280	100.00

Item 6: Audio equipment in good working condition

Shareholders have specifically noted the importance of asking direct questions to the board during an AGM in order to receive a reply which is not prepared or rehearsed. How the board responds to questions fielded from shareholders demonstrates the degree to which the board is individually and collectively aware of any current issues or concerns (*Corporate Governance AGM Guidance, 2020*).

As such, it is important to have working audio equipment that can facilitate the process. The MCCG 2021 also encourages companies to invest in technology to ensure better communication between their board and shareholders during AGM. Table 26 indicates that 98.21% of the companies have good audio equipment. However, there were no complaint reported among the 1.79% of companies with low quality equipment.

TABLE 26: FREQUENCY OF COMPANIES WITH GOOD AUDIO EQUIPMENT

AUDIO EQUIPMENT	NO. OF COMPANIES	PERCENTAGE (%)
Yes	275	98.21
No	5	1.79
Total	280	100.00

E: BOARD ATTENDANCE AND APPOINTMENT

Item 1: All directors are present at AGM

MCCG 2021 advocates that the presence of all directors in AGMs will enable an effective engagement between shareholders and directors. The presence of Chairman and board committees facilitates a cordial interaction while allowing shareholders to raise questions and concerns directly to those responsible.

To enhance shareholders' perception towards the board, all board members are expected to be present at their companies' AGM. Therefore, notwithstanding their busy schedules and other commitments, all members of the board are expected to make every effort to be present at the AGM. This level of commitment would only enhance the perception of shareholders towards the directors and arguably encourage attendance in future AGMs.

Table 27 indicates that 84.29% of the AGMs had the presence of all directors. Meanwhile, 15.71% of the AGMs which had instances of directors being absent, the Chairmen had voluntarily explained the reasons. They highlighted that out of the 44 companies, 19 company directors were absent for acceptable reasons. Among the reasons pointed out by the Chairmen are:

- i) The Movement Control Order (MCO) contributed by COVID-19 pandemic (ten companies);
- ii) Medical leave (seven companies);
- iii) Different time zones (one company); and
- iv) Clashed with another meeting (one company).

However, 25 company directors were absent without any reason. Nevertheless, the 2020 performance is better than the 2015 report which recorded about 30% of the companies did not have full attendance.

TABLE 27: BOARD ATTENDANCE AT THE AGM

DIRECTORS ATTENDANCE	NO. OF COMPANIES	PERCENTAGE (%)
Yes	236	84.29
No	44	15.71
Total	280	100.00

F: POLL VOTING

Besides posing questions at AGMs, shareholders are expected to participate in the poll voting process. Due to the COVID-19 pandemic, the SC through Guidance (G13.3) of MCGG 2021 highlighted that company board should take proactive measures to ensure that shareholders are able to participate at general meetings effectively.

In facilitating greater shareholder participation, it is important for companies to consider leveraging technology to facilitate electronic voting and remote shareholder participation.

Companies are expected to benefit from the utilisation of electronic voting. Among others, this will lead to a more accurate and transparent voting results; shorter turnaround time for declaration of results; voting will become more accessible even for the disabled; reducing administrative cost and paperwork; and removing the need for physical ballot papers.

Item 1: Two-tier voting for independent directors who have served for more than 12 years

The SC is consistent in its decision for companies not to retain an independent director after having served the board for nine years. Retention of an independent director above the maximum year will require annual shareholders' approval. A stringent requirement for retention of an independent director above 12 years was also introduced in the form of a two-tier voting process which involves voting by large shareholder(s) (Tier 1) followed by voting by other shareholders (Tier 2).

However, large companies are discouraged from retaining an independent director for more than 12 years.

TABLE 28: TWO-TIER VOTING

TWO-TIER VOTING	NO. OF COMPANIES	PERCENTAGE (%)
Yes	41	48.24
No	44	51.76
Total	85	100.00

It appears from the data that only 48.24% of sample companies adopted this practice. This low percentage of adoption raises questions about the enforceability of this requirement and its implications on the director's independence.

Item 2: Disclosure of voting results by number of shares and percentage voted for and against each AGM agenda

Exercise of voting right is essential to uphold good governance. There are matters that need shareholders to vote during the AGM. It is important to disclose results of voting for the shareholders to know to uphold integrity and accountability. The majority of companies (94.64%) disclose their voting results.

TABLE 29: DISCLOSURE OF VOTING RESULTS

DISCLOSURE OF VOTING RESULTS	NO. OF COMPANIES	PERCENTAGE (%)
Yes	265	94.64
No	15	5.36
Total	280	100.00

Item 3: Disclosure of independent scrutineers for poll voting

Independent scrutineers are appointed to ensure transparency and integrity of voting process. Being an impartial party, independent scrutineer provides assurance that the competence and independence of the voting process cannot be called into question. The result shows that 94.29% of companies follow this suggestion.

TABLE 30: DISCLOSURE OF INDEPENDENT SCRUTINEERS AT THE AGM

INDEPENDENT SCRUTINEERS	NO. OF COMPANIES	PERCENTAGE (%)
Yes	264	94.29
No	16	5.71
Total	280	100.00

SECTION 5

GOOD AGM INDEX ANALYSIS

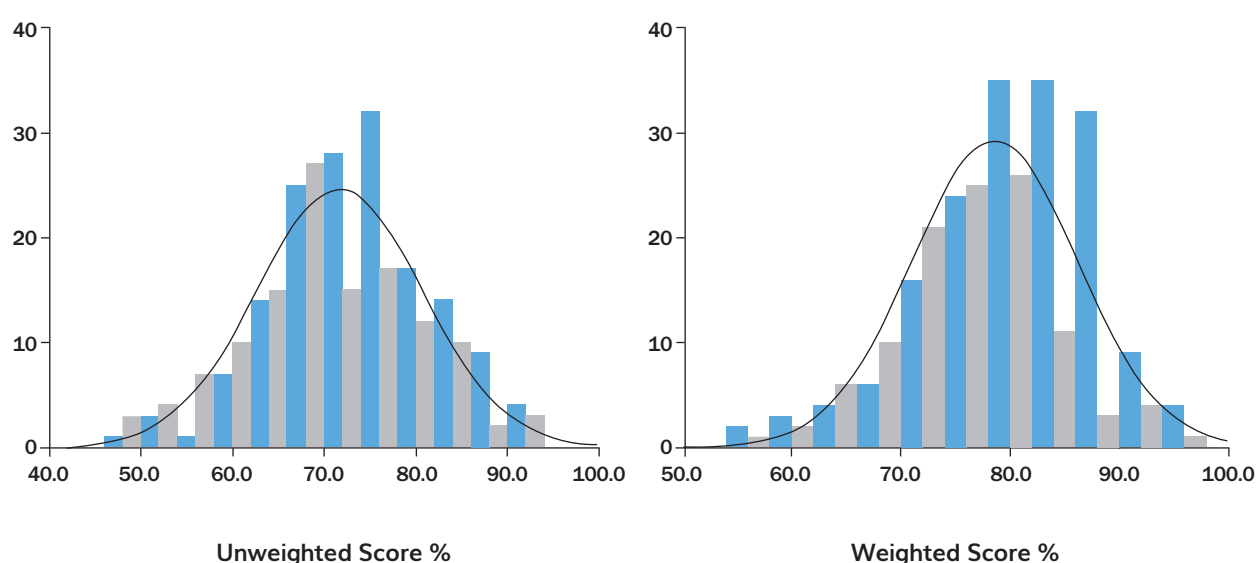
All in all, a total of 280 AGMs held by PLCs of different sizes and performance were analysed in this study. On average, companies met 71.7% (78.6%) of AGM's unweighted (weighted) index of good practices as described in Table 31. The maximum scores are more than 90% while the minimum scores are around 50%.

TABLE 31: DESCRIPTIVE OF THE SCORES (N=280)

	UNWEIGHTED SCORE %	WEIGHTED SCORE %
Mean	71.7	78.6
Median	70.8	78.7
Minimum	47.8	54.0
Maximum	92.0	96.9
Std. Deviation	9.1	7.6

The distribution of unweighted and weighted scores is as followed. Both graphs show that generally, the distribution follows a normal distribution pattern whereby most companies score around the respected means. But there are a few companies which score just below 50% in the unweighted score category.

FIGURE 6: DISTRIBUTION OF SCORES



The top 10 performers are as follows (Aeon Credit Service (M) Berhad, Cahya Mata Sarawak Berhad, Chemical Company of Malaysia Berhad, and Sime Darby Plantation Berhad appear in both categories):

TABLE 32: DESCRIPTIVE OF THE SCORES (N=280)

NO.	UNWEIGHTED SCORE	WEIGHTED SCORE
1.	Duopharma Biotech Berhad	LPI Capital Bhd
2.	Petronas Gas Berhad	Sime Darby Plantation Berhad
3.	Sunsuria Berhad	Chemical Company of Malaysia Berhad
4.	Sime Darby Plantation Berhad	Cahya Mata Sarawak Berhad
5.	Chemical Company of Malaysia Berhad	UEM Sunrise Berhad
6.	Press Metal Aluminium Holdings Berhad	IOI Corporation Berhad
7.	Cahya Mata Sarawak Berhad	AEON Credit Service (M) Berhad
8.	Top Glove Corporation Bhd	UEM Edgenta Berhad
9.	AEON Credit Service (M) Berhad	Fraser & Neave Holdings Bhd
10.	AMMB Holdings Berhad	Gamuda Berhad

Paired correlation between the weighted and unweighted good AGM index is 71.1%. Paired correlations are also checked between the indexes and the future and contemporaneous performance (ROA and ROE) but appear to be insignificant. This evidence suggests that good implementation of AGM does not directly associate with company performance.

Table 33 below shows that there are significant positive correlations between the scores of good AGM practices and board size and women directors. This evidence shows that good AGM practices are contemporaneously associated with larger boards and higher proportion of women on board. The good AGM indexes are also significantly associated with two measures of company size, total assets, and total equity. This implies that companies with more resources could provide better AGM experience.

TABLE 33: CORRELATION

	UNWEIGHTED SCORE %	WEIGHTED SCORE %
Board size	0.225**	0.154*
Women Director	0.311**	0.301**
Total assets	0.496**	0.346**
Total equity	0.480**	0.354**

*, **, *** significant at 10%, 5% or 1% levels

SECTION 6

SUMMARY OF OPPORTUNITIES FOR IMPROVEMENT AND RECOMMENDATIONS

P rinciple C of the MCCG 2021 highlights that a company should engage with stakeholders to facilitate mutual understanding of objectives and expectations. Such engagement allows stakeholders to be aware of the company's business, its policies on governance, the environment, and its social responsibility.

Therefore, the board should ensure effective, transparent, and regular communication with its stakeholders. Such communication or interaction channel allows stakeholders to post their views, feedback or complaints appropriately. Hence, AGM is the best channel for shareholders to raise their concerns about the companies. Findings from our study indicate some concerns on the current practices related to question and answers (Q&A), board attendance and chairman's role in AGM that can be further improved.

QUESTIONS AND ANSWERS (Q&A)

1. Platform

Firstly, it is important to consider allowing both options, namely:

- i) To call questions from shareholders prior to the meeting; and
- ii) Allowing time to take questions in the meeting

It is inevitable that presentation made during meeting could trigger additional questions from shareholders.

Secondly, companies can consider using virtual platforms available in the market such as Zoom, Webex or Microsoft Teams with a chat function to be used as an engagement platform. A telephone link can also be a good alternative for the shareholders (*Corporate Governance AGM Guidance*, 2020).

2. Response

It has also been suggested in other jurisdictions for companies not responding to the Q&A – either posted by the shareholders or MSWG at the AGM – to respond by uploading Q&A transcripts of all submitted questions and the company's responses onto the company website following the conclusion of the AGM (not later than 30 days after completion of the AGM).

The initiative to respond indicates that the board values shareholders' concern on the company's performance as well as issues raised for the benefit of the company (*Corporate Governance AGM Guidance*, 2020).

3. Sufficient time for Q&A session

To ensure active participation among shareholders, companies should provide enough time for shareholders to submit questions. In some parts of the world, best-practice companies allowed e-mailed questions up to the morning of the AGM (*Corporate Governance AGM Guidance*, 2020).

4. Grouping of questions

It is acknowledged that some companies group the questions received from their shareholders based on certain keywords or themes. However, the grouping method may lead to the overlook of some questions. Therefore, if a company is considering the grouping approach, it should be made clear in advance with reasons for this approach.

The best practice would be to contact those shareholders who have submitted similar questions to ensure they are contented with their questions being grouped prior to the meeting. Due to time constraint, companies may also limit the number of characters/words in a question. However, the *Corporate Governance AGM Guidance*, 2020 discourages such action.

BOARD ATTENDANCE

Principle A of the MCCG 2021 indicates that the board is collectively responsible for the long-term success of a company and the delivery of sustainable value to its stakeholders. It is the Chairman of a board who is responsible for instilling good corporate governance practices, leadership and effectiveness in meeting the company's goals and objectives.

Therefore, the board's engagement with the shareholders is important, especially their presence at the AGM. Hence, the Chairman must ensure that all board members are present at the AGM so that all questions raised by the shareholders can be answered during the AGM itself.

CHAIRMAN'S ROLE IN AGM

The Chairman should play an exemplary role on all occasions during the AGM. Thus, it is important for the Chairman to chair the AGM as required by the CA 2016 and take responsibility for all strategic matters presented and discussed in the meeting.

The Chairman should also be seen as a person of high integrity. Therefore, he/she should not be allowed to propose his/her own re-election or re-appointment or even propose any resolutions in which he/she has an interest in.

CONCLUDING REMARKS

Recognising the importance of AGM as part of governance mechanisms, MSWG places high priority in monitoring the AGM practices of PLCs. This report showcases AGM conduct and practices among selected PLCs in Bursa Malaysia throughout 2020.

A checklist of “must-have” and “good-to-have” items was developed and used for analysis. A sample of 280 companies was selected. On the overall, our findings reveal that most companies practice good AGM conduct with an average achievement of between 72 (based on unweighted score) and 79 (based on weighted score) percentage of good AGM practices.

Our data further indicates that in 2020, the majority of companies conducted their AGMs virtually. This change from physical to virtual AGM – while having its appeal especially during the pandemic period – may eventually trigger issues in the accountability process as well as shareholders’ engagement given a very short time adaption period.

There are aspects of AGM conduct that can be improved, and the suggestions are summarised in Section 6. This report also highlights issues related to the role of Chairman that need to be strengthened.

As a role model, the Chairman should be seen by the shareholders as taking the responsibility in leading the board and company, showing no tolerance for any conflict of interests and open to be questioned or criticised and being transparent in demonstrating the actual performance of the companies.

However, the results should be interpreted with caution. The results are not generalisable to the total population of listed companies because of some bias in the sample selection. The bias is driven by firstly, selection of the total Top 100 based on market capitalisation, selection of companies with issues or concerns, and a stratified random sampling to choose the mid- to small-cap companies.

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