

MINORITY SHAREHOLDERS WATCH GROUP
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia – Company No. 200001022382 (524989-M))

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SC unveils AGM checklist to enhance activism

PETALING JAYA: Shareholders will now have a checklist that can guide them in raising issues for discussion at corporate AGMs.

In a move to promote meaningful dialogues and discussions between shareholders and board of directors at AGM, the Securities Commission (SC) yesterday announced the release of the AGM corporate governance checklist for shareholders (AGM CG Checklist).

Developed in collaboration with the Institutional Investors Council Malaysia (IIC) and the Minority Shareholders Watch Group (MSWG), the checklist would serve as a guide to shareholders on issues that could be raised for discussion at general meetings, the capital market regulator said.

MSWG CEO Devanesan Evanson said the initiative was all about encouraging shareholder activism.

"The checklist jointly issued by the SC, IIC and MSWG, is to encourage shareholder activism. It is a summary of some of the questions that shareholders can ask at the AGM, especially focused on the resolutions that public listed companies propose at the general meetings. It is not an exhaustive list," he told *StarBiz*.

"Now shareholders can use the checklist as a guide while perusing the annual reports and the CG reports," he said.

Devanesan added this was the first time such a checklist was being issued by the statutory regulator, the SC, and IIC, which promotes institutional investors activism, and MSWG, which promotes minority shareholder activism.

Meanwhile, the Institute of Corporate Directors Malaysia (ICDM) CEO and presi-

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dent Michele Kythe Lim reckoned the release of SC's AGM CG checklist as a timely, as the market moved towards stronger and better corporate governance and more effective boards.

"We see the checklist as constructive effort in providing investors a reference with regards to their engagement with the company's board directors. While companies have a responsibility in upholding the highest standards of corporate governance, shareholders need to also play a role in driving the right kind of behaviour from the companies they invest in," Lim explained.

"Both institutional and retail investors can play a part in shareholder activism. By taking more interest in their investments and asking the board the right, difficult questions, shareholders can eventually establish a meaningful discourse with their investee companies.

Boards too should be prepared to engage differently, and take the step towards building a closer rapport that is relevant and transparent with their investors," she added.

Lim said the checklist would act as a guide and set a baseline for companies to ensure a productive and purposeful AGM.

"This is the right step for companies towards building a culture of trust, transparency and integrity to ensure long-term sustainability and continuity of market confidence," she said.

In a statement, SC chairman Datuk Syed Zaid Albar said shareholders play an important role in driving responsible corporate behaviour.

"The AGM is one of the platforms where they can raise material issues for discussion or seek explanation from the board and management," he explained in conjunction with the release of the checklist.

"The AGM CG checklist is meant to guide shareholders on key issues they may need to consider or raise at an AGM before they exercise their voting rights," he added.

These relate primarily to resolutions commonly tabled at AGMs such as the appointment of directors, approval of director's fees and the appointment of auditors. It also reminds shareholders to engage boards on other critical issues including sustainability and anti-corruption measures.

While the AGM CG checklist was developed for shareholders, the SC said other stakeholders, such as consumers and potential investors, should use the checklist to understand and evaluate the performance, policies and practices of companies.