AGMs are not ritual, but a reckoning

IT'S that time of year again – annual general meeting (AGM) season is here!

Over the next few months, more than 500 public-listed companies in Malaysia will hold their AGMs.

Some companies see this as a meaningful opportunity to engage with shareholders, ensuring transparency and building trust.

Others, however, only do the bare minimum to comply with regulations, offering little value and showing reluctance to address questions or be held accountable.

But make no mistake.

Regardless of how grand or modest the AGM may appear, it is more than a line item on the corporate calendar.

It is the one forum where shareholders, especially minority shareholders, have the right to participate, question and vote on matters that affect the direction and governance of the company.

The AGM is not a courtesy extended by the board.

It is a right guaranteed to every shareholder and must be exercised with clarity, purpose and diligence.

DR ISMET YUSOFF, MINORITY Shareholders Watch Group (MSWG) chief executive officer

Before the AGM: Every page tells you something

Good shareholder activism begins before the AGM. The AGM notice and annual report should not be received passively but read with intent.

This is the time to assess how well the company is performing, not just in terms of profit but also operations, strategy and sustainability.

Pay attention to how the company is governed. Is the board diverse and effective? Are there enough independent directors?

Do they bring the right mix of skills, or is the board merely a collection of familiar names?

Scrutinising resolutions is equally important. Look closely at director reappointments, especially if they have been on the board for a long time.

If a so-called "independent" director has served more than nine years, ask whether they still bring a fresh perspective.

Is there an over-concentration of power by executive directors or the chairman?

How was each director selected through a transparent process or personal networks?

Another important area is remuneration.

If the board seeks approval for higher fees or executive bonuses, shareholders should ask whether these are justified by performance.

A company struggling financially but rewarding its top brass handsomely raises legitimate concerns.

Shareholders should also examine closely any proposed transactions listed as resolutions, particularly those involving issuing new shares or dealings with related parties.

Transactions that dilute existing shareholders' equity or benefit parties connected to the board warrant scrutiny.

If the company seeks approval for a private placement, rights issue or share scheme, ask whether it is value-accretive or merely a short-term funding patch.

Similarly, assess whether the company has provided enough justification for related party transactions and whether the terms are conducted at arm's length. Resolutions of this nature are not procedural formalities as they can significantly alter shareholder value and must be evaluated with the same rigour as any investment decision.

The AGM notice and circular, the annual report, the sustainability report and the corporate governance report are the only lenses shareholders have into the company's inner workings.

Approach them not as a formality, but as due diligence.

During the AGM: Ask, observe, reflect

The AGM is not just a reporting session. It is a dialogue; at least, it should be. This is when the board and management must be accountable, in real time, to the people they represent.

Shareholders should use this opportunity to engage respectfully but firmly.

Ask about the company's financial performance, business strategies, how risks are managed, sustainability priorities, climate strategy, or digital transformation plans.

> **Shareholders have the right to participate, question and vote on matters that affect the direction and governance of the company**

> **The AGM is a right guaranteed to every shareholder and must be exercised with clarity, purpose and diligence**

Be observant. Are all board members, management and the auditor present? Does the board chair encourage questions, or does he or she brush them off?

Are responses specific and sincere, or vague and evasive?

Often, the tone and conduct of an AGM say more than the answers themselves.

Pay attention to the meeting's structure. Rushing the meeting with little time for questions or ignoring pre-submitted queries are red flags.

A company that sees shareholders as partners will welcome scrutiny, not avoid it.

After the AGM: The follow-through matters

What happens after the AGM is as important as what occurs during. Companies are required to publish a summary of the "Key Matters Discussed" on their websites as soon as practicable after the AGM.

Shareholders should read this summary critically.

Does it honestly reflect the meeting, or has it been sanitised into a press release? Are the responses and discussions documented, or are shareholders left with a list of resolutions passed?

Beyond documentation, shareholders must monitor whether the company delivers on its promises. Were any issues raised at the AGM subsequently addressed?

Are environmental, social, and governance targets being acted upon, or have they become marketing slogans?

How is the company managing emerging risks like cyber threats, supply chain instability, or regulatory compliance?

Communication after the AGM is a good indicator of corporate culture. Does the company offer a clear channel for shareholders to engage, ask follow-up questions, or express concerns? Or is it radio silence until the next AGM?

Shareholders as catalysts for change

Shareholders play an increasingly vital role in shaping companies' direction, accountability and values.

In today's corporate landscape, where governance and sustainability standards are under growing public and regulatory scrutiny, the expectations placed on boards and, by extension, on shareholders are higher than ever.

The AGM offers a unique platform for shareholders to exercise their rights and reinforce the principles of transparency, fairness and long-term stewardship.

When shareholders show up, speak up and ask tough questions, it shifts the balance of power. Directors and management are reminded that they do not operate in a vacuum.

In its most constructive form, shareholder activism can nudge companies toward stronger governance, longer-term thinking, and greater transparency.

It is time to normalise shareholder participation, not treat it as an exception.

Regardless of the number of shares you hold, your questions matter. And your vigilance helps shape a healthier capital market.

The AGM is not a theatre. It is a test. It tests whether the board is transparent, whether shareholders care enough to question, and whether companies do governance because they have to or because they believe in it.

As hundreds of companies open their physical doors to shareholders this season, let us not squander the opportunity.

Attend the AGM. Ask the hard questions. Challenge what needs to be challenged. Follow up after the meeting. Hold the company accountable.

We at the Minority Shareholders Watch Group (MSWG) remain committed to supporting this journey by raising essential and pertinent questions, amplifying shareholder concerns, and encouraging companies to do better.

But ultimately, the power to shape the corporate landscape lies with shareholders themselves. If you don't ask, they won't tell. If you don't vote, they won't change.

This visual is human-created, AI-aided