

Revolution of Annual General Meetings





Shorter duration





No. of attendees vs voters

Greater Shareholder Activism









Electronic Polling

Impact of Covid-19 on Annual General Meetings







Physical



Will this be the start of a new era?

Regulatory Flexibilities due to Covid-19

Regulatory Flexibilities Due to Covid-19





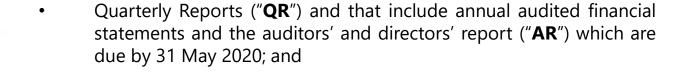
Suruhanjaya Syarikat Malaysia (SSM) had on 22 October 2020, revised its Practice Directive 6/2020 (PD6) pertaining to extension of time (EOT) for companies to hold its annual general meeting (AGM), to circulate and to lodge financial statements to SSM.

	Original Due Date for Circulation		1 st Init	tiative	2 nd Ini	tiative
Financial Year End		Original Due Date for Lodgement	Extended Circulation date of Financial Statement/ AGM date	Extended Lodgement Date of Financial Statement	Further extension in accordance with revised PD6/2020 issued on 22 October 2020 (to be applied before 15 November 2020)	
					Circulation	Lodgement
30.09.2019	31.03.2020	30.04.2020	29.06.2020	29.07.2020	31.12.2020	31.12.2020
31.10.2019	30.04.2020	30.05.2020	28.07.2020	27.08.2020	31.12.2020	31.12.2020
30.11.2019	31.05.2020	30.06.2020	28.08.2020	25.09.2020	31.12.2020	31.12.2020
31.12.2019	30.06.2020	30.07.2020	28.09.2020	28.10.2020	31.12.2020	31.12.2020
31.01.2020	31.07.2020	30.08.2020	29.10.2020	28.11.2020	31.12.2020	31.12.2020
29.02.2020	31.08.2020	30.09.2020	29.11.2020	29.12.2020	31.12.2020	31.12.2020
31.03.2020	30.09.2020	30.10.2020	29.12.2020	28.01.2021	29.12.2020	28.01.2021

Regulatory Flexibilities Due to Covid-19



Bursa had on **16 April 2020** granted an automatic EOT <u>until **30 June 2020**</u> for listed issuers for the issuance of the following:-





• QRs and ARs which are due by 30 April 2020 (which had been extended to 31 May 2020 from the previous directive issued by Bursa dated 26 March 2020).

Bursa had on 6 May 2020 granted an automatic EOT until 31 August 2020

• To listed issuers with financial year ended on 31 March 2020 to issue their ARs that include the annual audited financial statements and the auditors' and directors' reports which are due by 31 July 2020.

Regulatory Flexibilities Due to Covid-19



Paragraph 2.19B MMLR / Rule 2.19B ACE LR

A listed issuer may send any documents required to be sent under the MMLR / ACE LR to its shareholders by electronic means, if:-

- the Constitution of the listed issuer provides of the use of the electronic means to communicate with shareholders and specifies the manner in which electronic means is to be used;
- BURSA MALAYSIA
- listed issuer publishes the documents in its website, the listed issuer must separately and immediately notify shareholders in writing on such publication and designated website link or address for download of document;
- there is proof of electronic mail delivery for issuance of documents or notification via electronic mail; and
- upon receipt of request for hard copy of the document from shareholder, the listed issuer to forward the document to the shareholder as soon as practicable, free of charge

Bursa's letter on 17 March 2020



- Where a **listed company has issued its AR together with AGM Notice** before 17 March 2020, the listed company must **issue its AGM Notice again** if the AGM is **adjourned for 30 days or more**, in the same manner as in the case of the original AGM.
- Where a listed company has yet to issue its AGM Notice, it may issue the AGM Notice separately from the AR and ensure that the information contained in its AR is made up to a date which is not earlier than 6 weeks from the date of issue of the AR instead (unless waiver granted by SSM / Bursa)



WHAT happens **NEXT** should the **SC GUIDANCE** be **REMOVED** if no more pandemic situation?

Has your Constitution been revised to provide specific provisions for Virtual / Hybrid AGM?

CG Monitor 2020 by Securities Commission *Issued on 8 October 2020*

CG Monitor 2020 : Conduct of fully virtual general meetings – A new normal

BoardRoom



- Fully virtual Only essential individuals are present at the broadcast venue with all shareholders participating online
- Hybrid Shareholders have the option to be physically present at the meeting venue or to participate online
- Physical All participants are physically present at the meeting venue

246 **fully virtual** general meetings (AGM, EGM, meeting of unitholders) were conducted between 18 March – 31 July 2020

Observations on PLCs

Size is not a barrier to leverage on digital tools

Mid-cap & small-cap companies were able to leverage digital tools

Board & shareholder engagement continue despite lower turn out

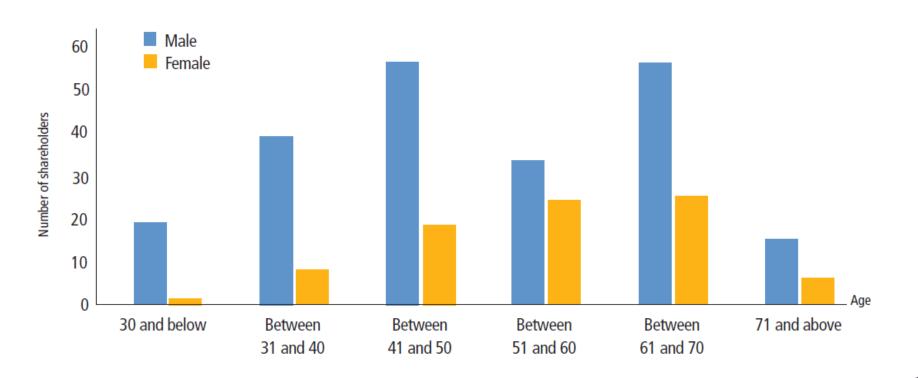
- Possible reason : absence of door gifts, meals/refreshments
- More questions posed, easier to pose questions via Chat Box

Companies continuing to offer remote shareholder's participation

 59% of PLC responded that they will continue to offer RPV for future AGM

> 2021 AGM?

Observations on Shareholders



Observations on Shareholders

Ease of participation

- 88% says they were provided clear & easyto-follow instructions for RPV
- Areas of improvement
 - Better connectivity
 - Trouble-shooting guide / Helpdesk
 - More user-friendly platform / tools

Shareholder – Board Engagement

 Questions and remarks posed by shareholders should be visible to all meeting participants

Preferred mode of participation

- Younger group = RPV
- Silver category = Physical participation

CG Monitor 2020 : Conduct of fully virtual general meetings – A new normal

BoardRoom

Observations on Shareholders – Preferred Mode of Participation

Participation preference / Age	30 and below	Between 31 and 40	Between 41 and 50	Between 51 and 60	Between 61 and 70	71 and above
Online	48%	45%	38%	40%	21%	30%
Physical	52%	55%	62%	60%	79%	70%
 Would like to also have the option to participate in the meeting remotely (online) 	82%	65%	69%	71%	56% What does	43%
					this mean?	



Digital tools are no longer a 'nice to have' but Integral

Guidelines for Virtual General Meetings

Guidelines on Virtual General Meetings



Item	Remarks		
Constitution	 If Constitution does not prohibit/ is silent on the manner a general meeting to be conducted, listed company is permitted to leverage technology to conduct its general meeting. 		
	 Where listed company's constitution expressly prescribes the requirement for a physical meeting venue to conduct its general meeting, such listed co is advised to defer the conduct of its general meeting until circumstances permit the use of a physical venue. 		
	 After the MCO is lifted, listed company should review and update their constitutions to enable the use of technology to conduct general meetings and facilitate communication and engagements with shareholders electronically. 		

Guidelines on Virtual General Meetings



Item	Remarks
Notice of Meeting	 Notice of meeting may be sent electronically to its shareholders subject to constitution and complies with any applicable requirements under the CA 2016 and MMLR.
	• Follow the stipulated notice period stated under section 316(2) of CA 2016 and the listed issuer's constitution (21 or 28 days notice?)
	 In the case of a fully virtual general meeting, the notice must indicate the broadcast venue as the place of meeting and also state the online platform being used for the meeting to ensure members are aware and have access to it.
	 As the right to speak includes <u>other modes of expression</u> for example real time submission of typed texts, it should be expressly stated in the notice.

Guidelines on Virtual General Meetings



Item	Remarks
Quorum	 Participation of members is not restricted to physical presence but also includes members' online participation at the meeting. Can be determined by the number of members logged-in at the start of the meeting. There must be proper audit trail to record the attendance. Does Constitution indicate Quorum? Is it required at commencement of general meeting OR Must be maintained throughout?

Hybrid vs Virtual General Meetings

	Hybrid (Onsite and Offsite Voting)	Virtual (Offsite Voting)
Registration Counter in the Broadcast Venue	 Required at physical venue Credentials (log-in ID and passwords) are issued after RPV registration and verification by Scrutineers Allow pre-registration online before AGM date for those attending physical venue to determine number of attendees? 	 Not required BR Smart Investor Portal can allow preregistration prior to AGM date, subject to SC Guidance / Constitution Credentials (log-in ID and passwords) are issued after RPV registration and verification by Scrutineers
Attendance of Directors in Broadcast Physical Venue	 Required MCCG – Chairman of Board and Chairman of Committees to attend and answer questions 	 Only Chairman of the Meeting and key / essential Directors or Management Team

	Hybrid (Onsite and Offsite Voting)	Virtual (Offsite Voting)
Participation	 Offsite attendees can watch, listen and participate the meeting real time via webcast Onsite attendees can partake in Q&A session by raising their hands and using the designated microphone in the venue. Offsite attendees can partake in Q&A session online via text Company is encouraged to share questions submitted by shareholders prior to or at general meeting itself. Non-essential persons can attend meeting physically / remotely 	 Attendees can watch, listen and participate the meeting real time online/live streaming Offsite attendees can partake in Q&A session online via text Questions raised online are advised to be published and made visible to all participants during the general meeting for transparency purposes Company is encouraged to share questions submitted by shareholders prior to or at general meeting itself MSWG encourages PLCs to appoint independent moderator (not compulsory) to ensure that most questions raised are being addressed Non-essential persons may attend meeting remotely

Hybrid Vs Virtual General Meeting



	Hybrid (Onsite and Offsite Voting)	Virtual (Offsite Voting)		
Method of voting	 Onsite: Lumi individual handheld device / Kiosk Offiste: Via Lumi app / Lumi AGM portal (Mobile / Laptop / Desktop) Voting to take place after each motion or at the end of meeting after tabling of all motions 	 Via Lumi app / Lumi AGM portal / device (Mobile / Laptop / Desktop) Can allow voting at the start / commencement of meeting or at end of meeting after tabling of all motions 		
Voting Results	 Real time, projected immediately after each resolution or at end of meeting 	 Real time, projected immediately after each resolution or at end of meeting 		
	Question: Can announcement of voting results to Bursa be withheld until the end of the day after 5pm?			

Hybrid Vs Virtual General Meeting



	Hybrid (Onsite and Offsite Voting)	Virtual (Offsite Voting)	
Security	The system is highly secure using encryption.	 The system is highly secure using encryption. 	
Cost	 High As it is a hybrid of both online (remote) and physical venue 	• Lower	

Practical Considerations

Practical Considerations

BoardRoom

Company's Readiness

Working Committee

Virtual Meeting Platform

MeetingAdministrators

Broadcast Venue

Administrative Guide

Remote Directors

Update Regulators

Scrutineers

Meeting Agenda **Polling**

Q&A

Pre-meeting Briefing

Dry-run

Broadcast Venue Checks

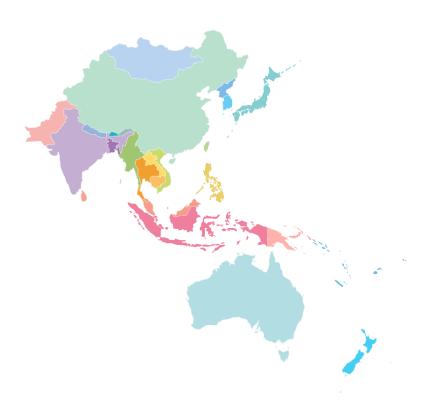
Internet Connection

Actual Meeting

Post meeting

BoardRoom

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