

# ANNUAL GENERAL MEETING

## CORPORATE GOVERNANCE CHECKLIST

### FOR SHAREHOLDERS

As shareholders, are you prepared to participate effectively at an Annual General Meeting (AGM)? This Checklist highlights questions for shareholders to consider in preparation for an AGM. It covers primarily issues related to resolutions commonly tabled at AGMs such as the appointment or reappointment of directors, approval of directors' fees and the appointment of auditor.

Where shareholders have concerns, including finding gaps in the disclosure or information provided by the company

– they should raise these concerns at the AGM and ensure that the information required is provided. While the Checklist was developed for shareholders, other stakeholders such as consumers and potential investors are encouraged to use the Checklist to understand and evaluate the performance, policies and practices of companies.

*Note: This Checklist is not exhaustive but merely serves as a general guidance for shareholders.*

## PRE-AGM



### A. NOTICE OF AGM

1. Did you receive the notice of AGM at least 28 days before the meeting as recommended in the *Malaysian Code on Corporate Governance* (MCCG)?
2. Are the proposed resolutions supported by sufficient information, explanation and/or justification?
3. Is the venue, timing of the AGM and other administrative preparations convenient?
4. Does the company leverage technology to enable remote shareholders participation (e.g. broadcasting the AGM, using digital platform)?

### B. DIRECTORS: APPOINTMENT OR REAPPOINTMENT

1. Was the information on the board candidate sufficiently provided (e.g. qualification, experience)?
2. Did the company provide reasons to support the nomination of the board candidate and do you agree with them?
3. Is the board candidate involved with a competitor or connected to a failed or problematic company?
4. Does the board candidate appear 'stretched' in terms of his/her commitment (e.g. sitting on multiple boards or has full time executive position in another company)?
5. How was the board candidate identified? Did the company use independent sources (e.g. search firms, independent directors' registry)?
6. If all board candidates are male, were women candidates considered in the selection process? If not, why?
7. For the reappointment of a director, are you satisfied with his/her performance as a board member?
8. Does the company adopt the MCCG best practice for the reappointment or retention of independent directors with tenure of more than 9 years? If not, why?

★ Refer to Practice 4.2 of the MCCG.

### C. REMUNERATION

1. Do you know the company's remuneration policy?
2. Does the remuneration policy or structure encourage executive directors and members of senior management to consider a longer-term horizon of the business?
3. Is justification clearly provided to support the remuneration for the board and senior management including any significant changes in the remuneration?

★ The justification provided should help shareholders understand the link between remuneration and performance, including how remuneration is aligned with the company's strategies and priorities.

4. Did the company disclose the remuneration of the top five members of senior management?  
★ *The MCCG recommends the detailed disclosure of the senior management's remuneration including breakdown of each component e.g. director's fees, salaries, bonuses, commission, benefits-in-kind (Practice 7.2 & Step Up 7.3 of MCCG).*
5. Do you agree with the remuneration received by the Chief Executive Officer (CEO)?
6. If the Employee Stock Option Scheme (ESOS) / share grant is granted to non-executive directors, what was the basis or justification provided by the company?

#### D. ANNUAL REPORT

1. Have you read the company's annual report?
2. Was the information provided in the annual report meaningful?  
★ *The standard for meaningful should not be simply a listing of the company's activities rather substantive discussion on significant actions.*
3. Are you satisfied with the financial and non-financial performance of the company?
4. Was explanation clearly provided to explain the performance of the company?

#### E. ADOPTION OF CORPORATE GOVERNANCE BEST PRACTICES

1. Have you read the company's *Corporate Governance Report*? Are you satisfied with the explanations provided?
2. Are you satisfied with the company's adoption of the MCCG?
3. In relation to the company's departure(s) from the MCCG, do you agree with the alternative practice and timeline for adoption? Is the company meeting the timeline it has committed to?
4. Have you compared the company's corporate governance performance against other listed companies as reported in the SC's *Corporate Governance Monitor (CG Monitor)*?  
★ *The CG Monitor is an annual publication of the Securities Commission Malaysia which highlights the adoption of the MCCG and quality of disclosures in the CG Reports.*

#### F. SUSTAINABILITY

1. Is the company taking into consideration material sustainability issues in its operations (e.g. economic, environmental and social consideration)? Is there oversight by the board on these matters?
2. Are the company's sustainability efforts centred solely around charity, donations or community service?
3. Are any of the operations of the company negatively impacting the environment?
4. Does the company have clear and measurable Key Performance Indicators (KPIs) to indicate the effectiveness of its management of sustainability matters?

#### G. AUDIT, RISK MANAGEMENT AND INTERNAL AUDIT

##### Audit

1. Did the audit report highlight any issue(s)?
2. Are there any key audit matters raised by the auditor?
3. Are you aware of the fees paid to the company's auditor for non-audit services?
4. Do you agree with the fees paid to the company's auditor?  
★ *The fees paid to the auditor can be found in the annual report.*

## Risk Management and Internal Audit

1. Have you read the 'Statement of Risk Management and Internal Control' prepared by the board?
2. Are you satisfied with how the risks are identified and mitigated?
3. Is the company's internal audit function adequately resourced considering the size and complexity of the company's operations? Is the internal audit function carried out effectively?

## H. ANTI-CORRUPTION

1. Does the company have an anti-corruption policy? Is the policy adequate?
2. What was the company's assessment of corruption risk for the year?

## AT THE AGM



1. Are all board members (including CEO if he/she is not a board member), present at the AGM? If not, were reasons provided by the Chairman for their absence?
2. Did the company explain the voting procedures for the meeting?
3. Are questions posed by shareholders pre-AGM highlighted at the meeting?  
★ *For example, questions posed by the Minority Shareholders Watch Group (MSWG) or the Institutional Investors Council (IIC).*
4. Was sufficient time provided for questions and answers?
5. Are you satisfied with the responses provided by the board?
6. Apart from the Chairman, do other board members respond to questions?
7. Did the company's auditor present the audit findings at the AGM? Were there problems highlighted in relation to the audit?
8. If there is a change in auditor, is the outgoing auditor present?
9. Are there any current allegations or has the company been charged for any breaches of the law? If yes, what is the status and implications on the company and its stakeholders?

## POST AGM



1. Have you read the 'Key Matters Discussed'?  
★ *Listed issuers are required to publish the 'Key Matters Discussed' on its website which is a description of issues discussed and outcomes decided at the AGM.*
2. Do the 'Key Matters Discussed' reflect the discussions and outcomes of the AGM accurately?  
★ *The 'Key Matters Discussed' should not be a mere listing of resolutions and voting outcomes of the AGM.*
3. Are shareholders provided with an accessible and effective mechanism to maintain communication with the company?