



BoardRoom
Smart Business Solutions

Preparing for Virtual Meetings in 2021 and beyond

8 December 2020 @ 2.00pm – 3.30pm

Revolution of Annual General Meetings





Physical

Virtual

Hybrid

Will this be the start of a new era?

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.**



Financial Year End	Original Due Date for Circulation	Original Due Date for Lodgement	1 st Initiative		2 nd Initiative	
			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

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

- Quarterly Reports (“**QR**”) and that include annual audited financial statements and the auditors’ and directors’ report (“**AR**”) which are due by 31 May 2020; and
- 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.



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;
- 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



- 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

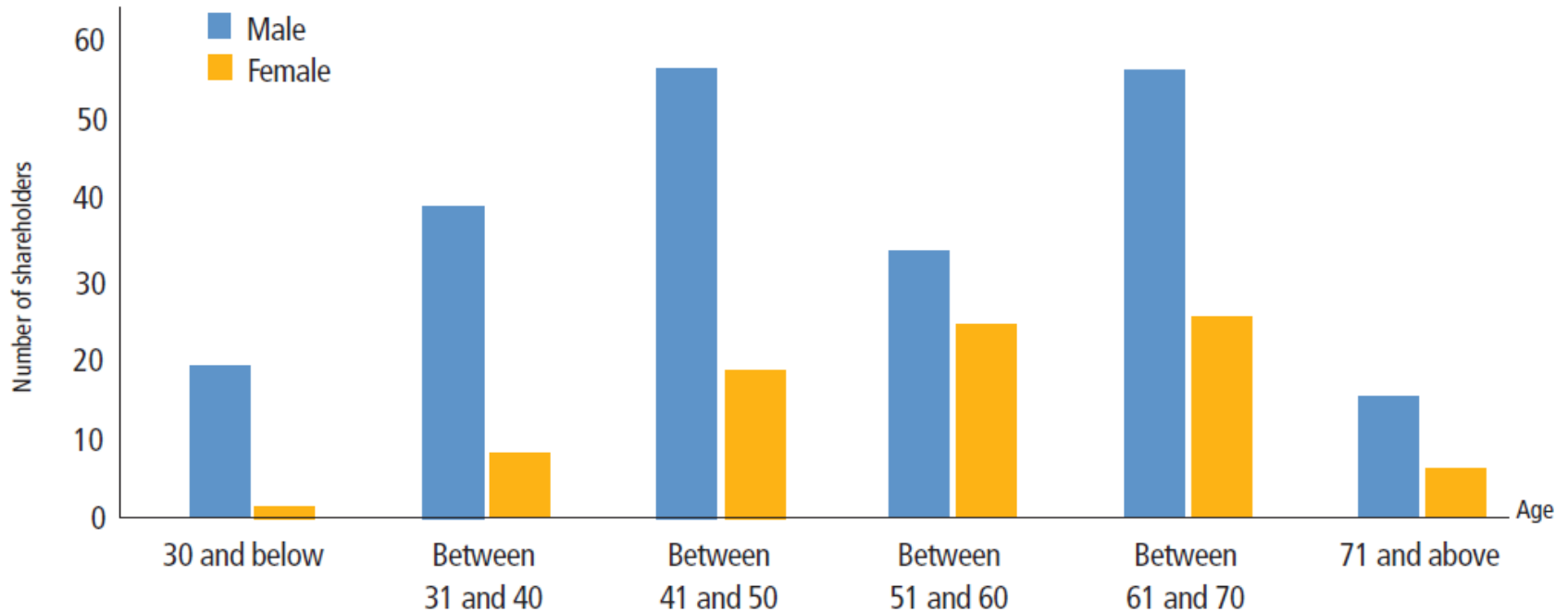
- Possible reason : absence of door gifts, meals/refreshments
- More questions posed, easier to pose questions via Chat Box

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 & easy-to-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

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%

<ul style="list-style-type: none">• Would like to also have the option to participate in the meeting remotely (online)	82%	65%	69%	71%	56%	43%
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What does this mean?



Moving Forward

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

Guidelines for Virtual General Meetings

Item	Remarks
Constitution	<ul style="list-style-type: none"><li data-bbox="484 259 1812 390">• 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.<li data-bbox="484 441 1812 615">• 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.<li data-bbox="484 666 1812 840">• 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 .

Item	Remarks
Notice of Meeting	<ul style="list-style-type: none">• 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.

Item	Remarks
Quorum	<ul style="list-style-type: none">• 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?<ul style="list-style-type: none">• Is it required at commencement of general meeting OR• Must be maintained throughout?

Hybrid vs Virtual General Meetings

Hybrid Vs Virtual General Meeting

	Hybrid (Onsite and Offsite Voting)	Virtual (Offsite Voting)
Registration Counter in the Broadcast Venue	<ul style="list-style-type: none"> • 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? 	<ul style="list-style-type: none"> • Not required • BR Smart Investor Portal can allow pre-registration 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	<ul style="list-style-type: none"> • Required • MCCG – Chairman of Board and Chairman of Committees to attend and answer questions 	<ul style="list-style-type: none"> • Only Chairman of the Meeting and key / essential Directors or Management Team

	Hybrid (Onsite and Offsite Voting)	Virtual (Offsite Voting)
Participation	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none">• Onsite: Lumi individual handheld device / Kiosk• Offsite: 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Real time, projected immediately after each resolution or at end of meeting	<ul style="list-style-type: none">• 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?

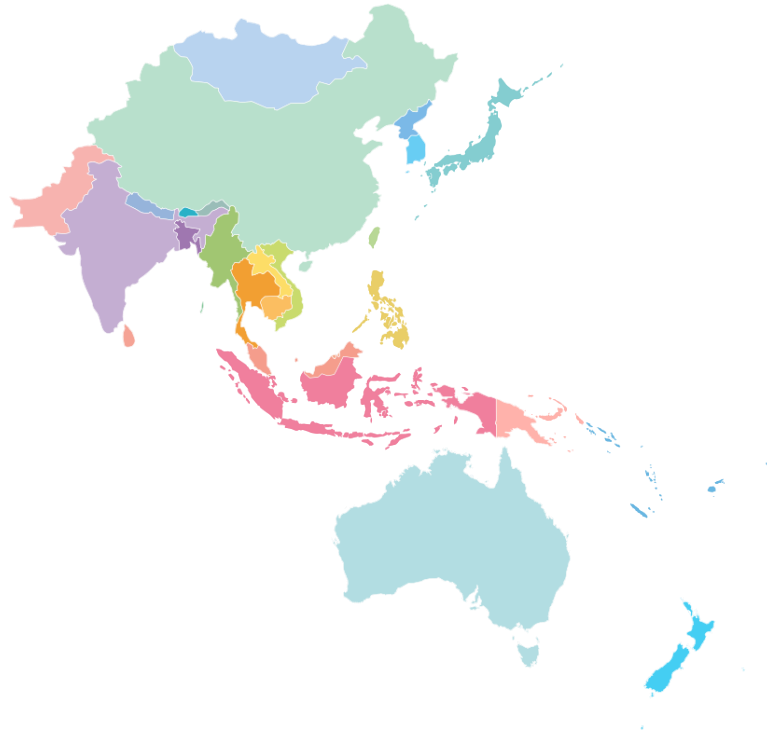
Hybrid Vs Virtual General Meeting

	Hybrid (Onsite and Offsite Voting)	Virtual (Offsite Voting)
Security	<ul style="list-style-type: none">• The system is highly secure using encryption.	<ul style="list-style-type: none">• The system is highly secure using encryption.
Cost	<ul style="list-style-type: none">• High• As it is a hybrid of both online (remote) and physical venue	<ul style="list-style-type: none">• Lower

Practical Considerations



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Japan

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Scotland

Switzerland

Taiwan

Thailand

The Netherlands

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TO BE THE UNRIVALLED PARTNER FOR
INTEGRATED CORPORATE SOLUTIONS
DRIVEN BY INNOVATION AND TECHNOLOGY

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