Corporate Law Reform Committee

Responses and Comments Received on
Consultative Document
"Engagement with Shareholders"

Respondents:

A total of twenty five (25) responses were received from the following:

1. Johor Bahru (JB) Practitioners Group
2. Ms. Judy Lim on behalf of Protem Committee of Buyers of Coral Vista Condominium, Subang Jaya
3. Symphony House
4. PFA Corporate Services Sdn Bhd
5. Confidentiality of identity is requested by respondent
6. Persatuan Firma-Firma Akauntan Awam Melayu Malaysia
7. The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
8. Wong Beh & Toh
9. Tahan Insurance
10. Shearn Delamore & Co.
11. Institute of Approved Company Secretaries (IACS)
12. Malaysian Association of Company Secretaries (MACS)
13. Joint MIA-MICPA Working Group on Corporate Law Reform
14. The Association of Chartered Certified Accountants (ACCA)
15. Shook Lin & Bok
16. Hong Leong Group Malaysia
17. Employees Provident Fund (EPF)
18. CPA Australia
19. Company Secretary, Telekom Malaysia Berhad.
20. Malaysian Association of Asset Managers (MAAM)
21. Bank Negara Malaysia (BNM)
22. Malaysian Investment Banking Association (MIBA)
23. Minority Shareholder Watchdog Group (BPPSM)
24. The Association of Banks In Malaysia (ABM)
25. Bar Council Malaysia

Summary of responses and comments:

Respondents	Comments
Johor Bahru (JB) Practitioners Group	**Reply to Question 1:** 1.1 We are of the view that the requirement to hold AGM should remain mandatory and not be dispensed with on the following grounds: a. AGMs protect the basic rights of shareholders, whether the company is a private company or otherwise. b. AGMs provide the basic corporate avenue for companies to resolve matters that are required to be dealt with on an annual basis i.e. adoption of accounts, appointment of auditors, declaration of dividends. c. Provisions for mechanisms to protect the interest of minority interests as proposed by WGA and WGC may result in ambiguities and abuse in the applications of the law, and consequently, add-on to the cost burden of private companies. 1.2 As an alternative, we suggest that: a. Section 152A of the Companies Act, 1965, which allows the passing of resolutions in writing, be applied to AGMs to minimize the procedural cost burden of private companies in holding live AGMs. b. The changes to Section 152A as recommended by WGA and WGC are considered in Question 8 and 9 below. **Reply to Question 2:** 2.1 As asserted to in Para 1.1 above, we are not agreeable to the dispensation of AGMs for private companies. Mechanisms to protect the interests of minority shareholders may conversely have the opposite effect of increasing the cost burden of private companies. 2.2 However, if the AGM waiver is inevitably granted, members' rights in demanding for AGMs should be provided based on a minimum shareholding of five per centum (5%) *and* by at least two (2) shareholders. **Reply to Question 3:** 3.1 Yes, we agree that companies should be permitted to hold general meetings at unlimited number of locations, provided that: a. The location are situated in Malaysia and are *reasonably accessible* to the members of the company; and b. Real time, two-way *audio and visual* communication is available.

	3.2 We would also suggest that Section 145A of the Companies Act, 1965 which restrict the holding of general meeting in the State where a company's registered office is situated, be dispensed with, thereby allowing companies to hold general meetings in any State in Malaysia. **Reply to Question 4:** 4.1 Subject to Question 1 above, we opine that: a. The proposed 21 days notice period for AGMs of Public Listed Companies is appropriate in view of the large number of members and complexity of its Annual Reports and resolutions that may be tabled at meetings of such listed companies; b. The 14 days notice period for AGMs of Private Companies should however be maintained *vis a vis*, minimal shareholders, straightforward Annual Reports and resolutions to be tabled. 4.2 We further propose, to avoid corporate ambiguity and contention, that the distinction between different types of resolutions and the respective notice periods required, i.e. *Ordinary (14 days) or Special (21 days)*, be removed, and thereby reduce the inherent costs of compliance. 4.3 As such, we propose that minimum notice periods for all types of resolutions be streamlined as follows: □ Public Listed Companies 21 days □ Private Companies 14 days Question 5: 5.1 Malaysians in urban areas may generally be IT savvy and serviced by fast, reliable internet connections. However, this connectivity is not widespread, even within State capitals, where the "last mile" connection have yet to be linked. Mush less can be said for Malaysians in rural districts. 5.2 Malaysia, as a nation, is not ready for *de facto* electronic communications. 5.3 Corporate-wide adoption by companies of electronic means of communication based on approval by a majority of shareholders, will further disadvantage and disenfranchise the minorities. 5.4 We propose that individual shareholders may, through appropriate notifications to the Company Secretary, opt for notices to be sent electronically. Notice to other shareholders should continue to be issued by post.

	Question 6: No comment. Question 7: No comment. Question 8: 8.1 We are of the view that the written resolution procedure be expressly excluded for Public Listed Companies based on corporate governance concerns. 8.2 Section 152A of the Companies Act, 1965 should be retained for Private Companies but reformed to dispense with the requirement for unanimous members approval. a. Written resolution circulated should be allowed to be passed by the same majority as required for the resolution at general meeting. b. Provision however should be made to ensure that such written resolutions are circulated to all shareholders. The written resolutions so circulated should also provide for indications of agreement therefrom. 8.3 As asserted to in Para 1.2 above, Section 152A should also be applied to Annual General Meetings of Private Companies. **Reply to Question 9:** We opine that members' rights in demanding for general meetings to be co0nvened be provided based on a minimum shareholding of five per centum (5%) *and* by at least two (2) shareholders, in writing. **Reply to Question 10:** 10.1 Please refer to our comments in Para 8.2. 10.2 As mentioned in Para 4.2, we propose that the distinction between Ordinary and Special resolutions be removed. As such, we opine that S152A be applicable for all types of resolutions of Private Companies. **Reply to Question 11:** 11.1 Please refer to our comments in Para 1.2, 4.2, 8.2 and 10.2. **Reply to Question 12:** 12.1 We are of the view that the written resolution procedure be expressly excluded for Public Listed Companies based on corporate governance concerns.

	Reply to Question 13: 13.1 We are of the view that the categorical limitations imposed by Section 149(1) (b) serve an important function protecting the interests of shareholders by ensuring that only the following are appointed as proxies: a. Fellow members, who are familiar with the operations of the company; or b. Qualified professionals, who have a good understanding of the corporate procedures and are able to comprehend Annual Reports and/or the corporate impact of resolutions to be tabled. 13.2 As such, we opine that Section 149(1) (b) should not be removed 13.3 The qualified professionals referred to in Section 149(1) (b) referred to only *"an advocate and approved company auditor or a person approved by the Registrar in a particular case"*. 13.4 We further suggest that the qualified professionals be expanded to include: a. Members of recognised accountancy bodies in Malaysia and other countries i.e. accountants who are not approved company auditors; b. Approved company secretaries and also members of recognised company secretarial bodies in Malaysia and other countries; and c. Other professionals such as doctors and engineers. **Reply to Question 14:** 14.1 We are of the view that proxy voting details should be disclosed in advance of general meetings to encourage transparency and good corporate governance practices, and that Such requirement should be legislated rather than addressed as part of a set of best practices so as to avoid ambiguity in its implementation. **Reply to Question 15:** 15.1 We opine that voting in *absentia* should not be allowed as representation by proxies as provided by Section 149(1) (b) adequately address the issue of members who are unable to attend general meetings **Reply to Question 16:** 16.1 Public Listed Companies a. We agree with the contention that in respect of Public Listed Companies, voting by a show of hands is anomalous in view of the unrepresentative nature of the attendance at general meetings, and the provisions of Section 149(1) (b) which provides that proxies are only entitled to vote in a poll.

	b. As such, we are of the view that voting by a show of hands should be abolished for Public Listed Companies, and that voting by poll, which would ensure transparency and effective representation of the members be made mandatory. c. The cost to Public Listed Companies in providing for poll voting procedures are well outweighed by the corporate value in greater transparency achieved. 16.2 Private Companies a. In view of its much smaller member size and the generally less contentious and controversial nature of resolutions tabled, we recommend that voting by a show of hands be retained for Private Companies, with the option for voting to be conducted by poll. b. We further opine that the prerequisites for voting by poll as provided by Article 51 of Table A is unnecessarily onerous, and suggest that members be allowed to request for voting by poll on the day of the general meeting. Shareholding of five per centum (5%) may be determined as the minimum qualification for voting by poll requests. **Reply to Question 17:** 17.1 Our comments on voting by show of hands with regards to public Listed Companies in Para 16.1 refers. 17.2 Proxies should be allowed to vote by a show of hands in Private Companies as they are the legal representative of the members. **Reply to Question 18:** No comment. **Reply to Question 19:** 19.1 The role and duties of the Chairman of general meetings should be provided on a non-legislative document. **Reply to Question 20:** 20.1 We agree to the proposed revision of the minimum equity threshold for members to requisition a meeting to five per centum (5%). **Reply to Question 21:** 21.1 We opine that the requirement for two (2) members be retained. However, we

	suggest that the minimum equity threshold be reduced from ten per centum (10%) to five per centum (5%). **FURTHER AREAS FOR CONSIDERATION OF WGA & WGC** Consideration 1 – Section 153: Resolution requiring special notice 1.1 We are of the view that the phrasing of Section 153, reproduced below, is vague, confusing and ambiguous. " Where by this Act special is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the company not less than twenty-eight days before the meeting at which it is moved, and the company shall give its members notice of any such resolution at the same practicable shall give them notice thereof, in any manner allowed by the articles, not less than fourteen days before the meeting, but if after the notice of the intention to move such a resolution has been given to the company, a meeting is called for a date twenty-right days or less after the notice has been given, the notice, although not given to the company within the time required by this section, shall be deemed to be properly given. " 1.2 We suggest that Section 153 be clarified, modified or removed altogether. Consideration 2 – Section 147(1): Quorum at meetings 2.1 Section 147(1) provides that "two (2) members of the company, personally present shall be a quorum". 2.2 Pursuant to Section 147(1), a company with two (2) shareholders *cum* directors will NOT be able to transact its ordinary business in the following situations: a. Where one (1) shareholder cum director has inevitably pass away; or b. Where the two (2) shareholders *cum* directors are in disagreement and deadlocked. 2.3 We suggest that S147(1) expanded by supplementary provisions to cater to the aforesaid circumstances to allow the ordinary business of a company to be transacted without interruption. 2.4 Death of one (1) shareholder a. Where the shareholder has died Intestate or Partially Intestate i. The S147 (1) quorum requirement be waived to enable an immediate appointment of a new director, who will hold office until the next AGM. ii. The S147 (1) quorum requirement shall continue to be waived in all subsequent AGMs until the issuance of Letter of Administration for the Estate and the consequent distribution of the Estate.

	b. Where the shareholder has died Testate The Executor shall be recognized as the legal representative of the Estate and shall represent the equity shares of the deceased in all general meetings of the company until the issuance of the Probate for the Estate and the consequent distribution of the Estate. 2.5 Deadlocked shareholders a. Where one (1) shareholder holds a majority interest i.e. more that fifty-one per centum (51%) in the company i. We suggest that the S147 (1) quorum be waived so as to allow all ordinary business of a company to be transacted without interruption. b. Where the deadlocked shareholders hold equal equity interests in the company i. The proposed S147(1) waived shall NOT be applicable where the deadlocked shareholders hold equal equity interests in the company. ii. The CLRC may wish to consider legislating legal provisions for arbitration or other appropriate legal remedies to resolve such deadlocked companies.
Ms. Judy Lim on behalf of Protem Communitee of Buyers of Coral Vista Condominium, Subang Jaya	**Reply to Question 1:** Yes, provided that all members of the Company are made aware of their rights to request for an AGM at any particular year. **Reply to Question 2:** If yes, should there be a minimal threshold either based on shareholding or the number of shareholders to request for an AGM? NO Item no. 2.12 – Comments: Interactive 'virtual meeting" should be held with a physical meeting. Directors' posting of presentations or resolutions on the electronic bulletin board for Shareholders' feedback should never be used as a platform for a conclusive outcome of a general meeting but this can be allowed for a duration of a week, at least one week before the general meeting is scheduled to be held. Whilst provision is made for use of ICT, it should be noted that ICT should not be allowed to replace conventional methods of holding a general meeting in fairness to all Shareholders. **Reply to Question 3:**

	YES, provided that such communication methods do not eliminate the need to conduct a general meeting at least in one physical location for non-technology compliant Shareholders to participate. **Reply to Question 4:** YES. **Reply to Question 5:** YES, but in Shareholders agreement to adopt electronic means of communications, provision must be made for failure of delivery in electronic communications. If no acknowledgement of receipt is given within 3 days, to call or send out by post. **Reply to Question 6:** NO, notice of a general meeting is 3 weeks. To give sufficient time for shareholders to respond or counter-react, the company should be required to give notice of such statements as long as it has been lodged by the Shareholders holding 5% and above. The company should be obliged to bring up the proposal at the meeting so long as it received such feedback 24 hours before the scheduled meeting. **Reply to Question 7:** YES, the company should be responsible for the cost of circulation whenever it received proposal or statements by a Shareholder holding 5% and above of voting rights, whether before or after the meeting. **Reply to Question 8:** NO, not if the written resolution procedure were replace AGM for private companies because a private company operates like a partnership business in Malaysia and such a procedure will do injustice to the present minority Shareholders in private companies and discourage potential minority investments in private companies for the future. **Reply to Question 9:** YES. **Reply to Question 10:** YES.

	Reply to Question 11: YES. **Reply to Question 12:** YES. **Reply to Question 13:** YES. **Reply to Question 14:** NO, proposal no. 5.14 seems a reasonable option. **Reply to Question 15:** YES. **Reply to Question 16:** From the view of fairness, the attendance of an AGM is never representative of the Shareholders' voice since Malaysians are generally passive investors/voters. However, with the reforms taking place which enables greater Shareholders' participation in voting in absentia, by post or electronically, then voting by poll will be a better gauge of the Shareholders agreement or consent than by the show of hands. Naturally votes by poll, when lodged with an independent party before and after the general meeting is a more reliable method, free from undue influence by the directors of the company. Both methods can co-exist in conduct but for accuracy of decisions, if the outcomes are in conflict, then the votes by poll should be deemed conclusive, to override voting by show of hands. **Reply to Question 17:** YES, afterall the proxies are authorised to vote for the Shareholder. **Reply to Question 18:** I agree with the item no 5.46, view and practises held in Australia. Every issue raised should have separate resolutions for Shareholders to vote and it needn't be a lengthy meeting, if all the facts had been disclosed in the Notice of Meeting. Thus no repetition or presentation is required during the conduct of the General Meeting. Most of the time, decisions would have been predetermined unless reasonable doubts have been raised by some Shareholders during the meeting, which may hold

	sway to the votes eventually cast. **Reply to Question 19:** I agree with the views presented in item no. 5.54. The functions and duties of the Chairman should be spelled out by the Bursa rules because it involves protecting the best interest of the public or investing communities. Item no. 6.14 – Comments: It works against logic and the best interest of the investing party to impose losses to their vested interest. **Reply to Question 20:** YES. **Reply to Question 21:** YES.
Symphony House	**Reply to Question 1:** Yes. **Reply to Question 2:** Yes. Yes, and the threshold should be low, such as 10% equity holding or 2 persons, to assist the minority shareholders. **Reply to Question 3:** Yes, but the number of locations should be limited to two at the most to ensure proper coordination and controls are in place – the liberty of holding an AGM in more than 2 different places at the same time may be open to abuse. **Reply to Question 4:** No. 14 days' notice is sufficient unless there are special issues requiring longer notice. In any case, they are currently provided for in the Companies Act. **Reply to Question 5:** Yes. **Reply to Question 6:** Yes.

	Reply to Question 7: Yes. **Reply to Question 8:** Yes. **Reply to Question 9:** Yes, but there should be a limit to the number of meetings that these shareholders may call for in a year so as to put a cap on costs incurred by the Company. **Reply to Question 10:** Yes. **Reply to Question 11:** Written resolutions for shareholders still useful for private limited companies for all types of resolutions. However, it is not suitable for public companies. **Reply to Question 12:** Yes. **Reply to Question 13:** Yes. **Reply to Question 14:** Yes, but only as recommended best practice. **Reply to Question 15:** Yes, provided that the votes are deposited with the Company at least 48 hours before the meeting. **Reply to Question 16:** For public companies, the law should allow for voting by show of hands to facilitate expeditious decision process, unless a poll is demanded. For private companies, the voting by show of hands or polling is not an issue as generally the number of shareholders is small.

	Reply to Question 17: Yes, so long as not more than one proxy is appointed for a particular shareholder, on the basis of one vote for one shareholder. **Reply to Question 18:** Yes. No. A recommendation on best practice should be sufficient. The decision is highly dependant on the nature of issues which are being tabled at a general meeting. As this is dependent on the nature or type of issues proposed, discretion should be given to the board on how they are to be tabled. **Reply to Question 19:** Yes. **Reply to Question 20:** Yes. **Reply to Question 21:** Yes.
PFA Corporate Services Sdn Bhd	**Reply to Question 1:** There is a need to define a private company, into whether it is a "proprietary type". Because a private company may be:- a. owned by family members, or b. owned by joint-venturers and c. government owned private companies. Thus, holding of AGM could be made optional or elective, if so required by shareholders. **Reply to Question 2:** Yes to question 2. The minimal threshold should be based on 5% level for a share capital company or a percentage of member for a limited by guaranteed company. The reason is that guaranteed company may have a minimum of 2 members. **Reply to Question 3:** For private companies, this is possible but the launching centre should be based in the State of the Registered office address.

	However for public listed companies, this technology based facility will have numerous problems, like:- a. Verifying proxies or members; b. Siting of the equipment for the two-way communication; and c. Accessibility by rural shareholders to these sites for communication and participation. **Reply to Question 4:** Since the number of days will be beneficial to shareholders by giving them more time to read through the AGM documents, increasing to 21 days notice in the Companies Act should be encourage. **Reply to Question 5:** The means of sending notice should be left to the drafting of the Articles of Association rather then be in law. However, electronic means of communications may require more sophisticated electronic controls for identifying the sender. This is because emails are subject to virus and other tempering by hackers etc. **Reply to Question 6:** Yes. This is only fair for the company to know who are the requisitionists are and the content of the resolution / statement. **Reply to Question 7:** We do not agree that the company be responsible for the cost, even if deposited on time. The reason is that the requisitionists should bear the cost of circulating to members. This is to ensure that requisitionists are really serious in their proposed resolution and to deter unhealthy proposals on small and minute issues. **Reply to Question 8:** The unanimity rule is to ensure total consensus of minds, and is practically used by a company with small number of shareholders. Using a lesser majority than unanimity will only be fair if the law required that such a written resolution should be sent to ALL shareholders, but the signed copies with a lesser majority than unanimity i.e. over 50% of the signatures (representing 50% or more shares) for ordinary resolution and over 75% of signatures (representing 75% or more shares), for special resolution, shall pass the respective resolution. **Reply to Question 9:**

	It will be better to allow one or more shareholders having at least 5% of ordinary shares to be able to demand in writing for a general meeting to be held for private company. **Reply to Question 10:** Yes, so that this mode can only be used for AGM, but section 169 and 143 should also be reworded to include written resolution for "the accounts being received". **Reply to Question 11:** To leave it to the drafting of the Articles for such circumstances. In this regard, wholly-owned subsidiaries is an exception, because the corporate representative need only sign the paper "minutes" without holding a meeting. **Reply to Question 12:** No, because public companies may also have small numbers of shareholders and members. **Reply to Question 13:** Yes, Section 149(1)(b) should be removed from the Companies Act as it serves no purpose. **Reply to Question 14:** No. This is corporate governance best practices and should be followed instead of being prescribed. **Reply to Question 15:** Yes, but a proper set of rules should be developed if electronic voting or postal voting are envisaged. **Reply to Question 16:** Yes. Should not be prohibited, not made mandatory. **Reply to Question 17:** Voting of proxies by show of hands should not be allowed. Since small private companies may use written resolution procedures most of the time. **Reply to Question 18:**

	The bundling of proposed resolution should be governed by Best practice, and be restricted to re-electing members of the board. All other proposed resolution should not be allowed to be bundled, and should be considered one at a time. **Reply to Question 19:** Yes, because the functions and duties of the Chairman is a matter of Best Practice and should not be legislated. A code of best practise should be developed and endorsed by the CCM for general application. **Reply to Question 20:** Yes, one or more persons holding not less than 5% shall requisite a meeting. **Reply to Question 21:** Yes. A single member holding more than 10% of the issued capital should be allowed to call for a meeting of the company.
Confidentiality of identity is requested by respondent	**Reply to Question 1:** **Views and comments** Yes but subject to certain condition. Please refer to constructive suggestions below. Despite some apparent advantages e.g. reduction in administrative work and cost saving in rental expense and refreshments for meetings, we also wish to highlight the following disadvantages:- <u>Disadvantages / Practical issues to consider:</u> a. High tendency of preparation of audited accounts being delayed as the private companies now no longer required to <u>lay its' accounts before members</u> in AGMs. b. Members are deprived from engaging in a two-way communication with the Board and participating in the decision making process of a company. c. Does not promote transparency and good corporate governance. d. Certain information that are of interest to members (particularly members who are not Directors) may no longer be available e.g.:- <u>Declaration of Dividends</u> – The move towards dispensing with AGMs, does not provide members any avenue to enquire on the possibility of any dividend payments? <u>Retirement and re-election of Directors</u> – Members would no longer be able to exercise their power to weed out non-performing Directors by not re-electing them in AGMs. As a consequence, members have to resort to

	removal of directors by enforcing S 128 or the procedure set out in the company's articles of association. e. Re-election of Auditors in AGM – S 172(2) would be redundant. f. S 165 – Requirement governing the annual return and lodgement deadline with SSM would need to be amended. g. There should be an appropriate mechanism to protect the interest of minority shareholders e.g. individual members be accorded the right to demand for an AGM to be held. **Constructive suggestions** <u>We are of the opinion that either one of the followings would make a better choice:</u> Option 1 **Private companies are not required to hold AGMs unless shareholders elect to do so (opt-in).** Comments:- Option 1 is preferred over option 2 because chances are less people would opt in for an AGM. However, procedures for "opt-in" need to be clearly stated e.g. timeframe to requisite for an AGM and the manner to requisite. To consider whether shareholders' decision to opt-in for an AGM can be mandated for subsequent years it is revoked by shareholders. Option 2 Private companies are required to hold AGMs but may elect to opt out of this requirement. Other constructive suggestions:- To consider new provisions for Companies Act e.g. allowing for audited accounts to be made available to shareholders of private companies via CD-ROM or other technological means e.g. e-mails or posted in websites. **Reply to Question 2:** **Views and comments** Yes but there should be a minimal threshold either based on shareholding or the number of shareholders to request for an AGM. Practical issues to be considered:- a. There should be procedure for individual members to demand for an AGM. b. S 143 need to be modified to specify a reasonable period for shareholder to send notice to the registered office to requisite for an AGM.

	Reply to Question 3: **Views and comments** Convening of GMs at two or more locations. However, the primary venue of the meeting must still be in Malaysia. We welcome the flexible approach of allowing companies to hold their GMs at locations other than the state where the registered office is situated. However, we would like to caution that unscrupulous management might resort to organizing GMs at remote locations intentionally to deter shareholders from attending the GMs. The use of any technology that will allow shareholders reasonable opportunity to participate in meetings. The above proposal encourages shareholders participation, enhances flexibility and is no doubt a convenient way of holding meetings. However, this approach seems practical to be implemented for non-listed companies only. It can be a challenging task for Company Secretaries of a listed company to prepare for GMs as there are many practical issues and concerns to be considered:- a. Difficulty in verifying the identity of shareholders and their shareholdings and eventually their votes especially those participating via electronic means e.g. teleconferencing. b. For shareholders that participate via-teleconferencing from another location, company secretary would have difficulty collating signatures on the attendance list. The validity of signing attendance electronically should also be considered. c. GMs via teleconferencing may be costly. Companies would need to equip themselves with the appropriate equipments. The issue of calls charges to be borne by the company or the shareholder need to be resolved before implementation too. d. Meetings held by way of technological means will lack human interaction between management and shareholders. e. Impractical to carry out voting by way of show of hands if there are some participants which participate via-teleconferencing from other locations. f. Is proxy allowed to participate via tele-conferencing? Or restricted to shareholders only? g. Concerns pertaining to downtime or breakdown in communication, line busy and time difference for overseas shareholders. h. Security issues e.g. outsider tapping in to listen to the proceedings of the meetings. i. Chairman may face difficulty in conducting the meeting are too many

	shareholders participating via teleconferencing. **Constructive suggestion** The above proposal seems practical for implementation on private companies. As for public companies, the above issues need to be resolved first before implementation. **Reply to Question 4:** **Views and comments** a. <u>The period of notice for calling an AGM in the Companies Act 1965 be increased from 14 days to 21 days.</u> Agreeable to the above proposal. This would be in line with the Listing Requirement (LR) of Bursa Malaysia Securities Berhad (Bursa Securities) and to accommodate the same requirement of notice for special resolution under special business of AGM. Secretary would have sufficient time to prepare for AGM while management would have more time to prepare themselves of potential enquiries from shareholders. More time is accorded to shareholders to study and consider the resolutions to be passed in the AGM. b. <u>The present provisions in relation to the minimum notice periods for different types of resolutions be retained;</u> Yes. c. <u>Section 145 be divided into two:-</u> 1. <u>To provide for specific procedures to the calling of meetings by members in general</u> Yes. 2. <u>To provide for procedure in relation to the calling of meetings on short notice</u> Agreeable. However, should not apply to public listed companies. For consent to short notice, a minimum threshold is preferred to having all members to consent. For simplification, the same threshold requirements should apply to all GMs **Reply to Question 5:** **Views and comments** For the time being we are agreeable. However, in the longer term, regulators should allow all notices to be sent via electronic means and hardcopies be made available only upon shareholder's request. Electronic means of communication will be able to provide the Company with the

	flexibility of dispatching notices via email/fax or even posting it in on the website, which saves time and cost. This could minimize mails from being delayed or lost in post. Despite the above benefits, we need to bear in mind that sending documents via emails could risk exposing the company to the possibility of files being hacked thus threatening the privacy of the documents. Other practical issues to consider:- Would a return receipt report via email be sufficient proof of sending? Can a shareholder argue that he did not receive the notice via email due to wrong email address or server problem; is it then a valid argument to invalidate the proceedings of a GM? If a website is provided for notices of meetings to be posted for shareholders' viewing, then the systems capability to cope with high number of viewers logging in at the same time should be considered as well. Shareholders may change over time and unless the new shareholder provide his email address, company will not be able to send notices to them. **Constructive suggestion** Regulators could consider the below stated provision found in Singapore Companies Act for purpose of regulating the adoption of electronic means of communications:- "Notice of meeting shall be treated as given or sent to, or served on a person where the company and that person have agreed in writing that notices of meetings required to be given to that person may instead be assessed by him on a website." **Reply to Question 6:** **Views and comments** Yes to both of the above recommendations. In order to deter proposals that lack substantial value to the company from being circulated, we agree that statutory provision pertaining to threshold requirements and documents for circulation should consist not more than 1000 words be retained. The proposal that company is not required to give notice of any resolution or to circulate any statements unless a copy of the requisition signed by the requisitionist is deposited not less than 4 weeks before the meeting seems reasonable. Our decision is based on the following:- a. Company requires time to prepare notice (base on the requisition deposited) prior to circulation to the shareholders. This is to ensure that notice circulated is free from errors / mistakes. b. Sufficient time is accorded to shareholders to read, understand and decide on whether to attend and vote on the proposals.

	c. Company needs to uphold its image and reputation. Circulation of notice of any resolution or statements which are short of the required notice period may tarnish the company's reputation, even though, Company is not entirely responsible for the delay. **Constructive suggestion** We wish to highlight that the current provision S 151 does not provide a clear understanding of the whole provision. The following questions were raised: a. Does the current provision make reference to all "GMs" or "AGMs"? Some areas seem to suggest that it is only for AGM. b. The current notice period for AGM for private limited companies and listed companies are 14 days and 21 days respectively. We wish to highlight that the current S 151 states that company is not bound to circulate the notice of resolution if the notice is lodged at the registered office less that 6 weeks before the meeting i.e. 42 days. If the Company only require 21 days notice period to call for an AGM, then it is unlikely shareholders would be aware of the date of the meeting, thus the rights accorded to shareholders under S151 seems futile. c. In the case whereby, the requisitionists circulate the notice of resolution to shareholders at their expense (e.g. an ordinary resolution requiring 21 days notice), what is the validity of such resolution being passed at a meeting if it was circulated less than 21 days notice period? **Reply to Question 7:** **Views and comments** Yes. We view the above proposal as fair. Shareholders are free to exercise their rights to put forward their proposed resolutions without contemplating about the cost of circulation, provided such request is deposited not less than 4 weeks before the meeting. Copies of requisition lodged less than 4 weeks will have to be circulated at the shareholders' expense is a necessary measure for the following reasons:- a. Requisionists would need to consider their proposals carefully before sending out their notice of resolutions. This indirectly could curb shareholders from abusing their rights. b. The above measure could discourage requisitionists from lodging at the Company notice of resolution or statements at the very last minute. Company would then have sufficient time to circulate the same to

	shareholders. **Reply to Question 8:** **Views and comments** Disagree to the proposal to replace unanimity rule with same majority as required at general meetings. Many companies may conveniently pass written resolution at the expense of minority interest (MI) and companies will eventually resolve all matters using written resolution. **Reply to Question 9:** **Views and comments** Not applicable, as we disagree with Q8's proposal. **Reply to Question 10:** **Views and comments** Agreeable to the above as it is able to expedite decision-making in a company. We are of the opinion that S 152A be modified to state clearly the circumstances whereby the application of S 152A is prohibited e.g. removal of Director etc. **Reply to Question 11:** **Views and comments** We agree that the written resolution procedure should not be applied for resolutions where special notice is required (e.g. removal of directors and auditors) as the affected person may make representation to the company and written resolution procedure does not provide for such avenue. However, we are of the opinion that if a physical meeting is required just to dispense with the need to hold AGM, then, the company may as well call for a meeting to transact the ordinary businesses of an AGM. **Reply to Question 12:** **Views and comments** Yes, it is not practical for public companies having unrestricted number of members. **Reply to Question 13:** **Views and comments** Agree with the proposed removal of categorical limitations on the types of persons who can be appointed as a proxy due to the following reasons:-

	a. It has the same desired effect of encouraging shareholders to vote; b. Shareholders should have the discretion to appoint anyone who in their opinion is able to represent them thus more shareholders would be encouraged to participate; and c. Categorical limitation slows down the process of appointment of proxies, as shareholders would be faced with difficulties of locating qualified candidates to represent them in meeting It is interesting to note that many companies especially listed companies had opted not to apply S 149 (1) (b) by amending its' articles of association to confer an express right in favour of shareholders to appoint non-members as a proxy holder without any qualification as to the status of the proposed appointee. It is therefore clear that, the categorical limitations on the types of persons who can be appointed as proxy do not have a desirable impact on the companies. **Reply to Question 14:** Views and comments Disagree to disclosure of detailed proxy votes however agreeable to the disclosure of summary of proxy votes. We disagree with the proposal to disclose <u>detailed proxy votes</u> i.e. allowing shareholders the right to inspect the originally lodged proxy forms prior to the general meeting. Votes cast by shareholders should be kept confidential, otherwise shareholders would choose to deposit their proxy forms at the very last minute or even choose not to cast their votes. A decision made based on a majority's decision may not necessary be the best decision and therefore would not reflect an accurate decision, as there are elements of influence. However, to allow for transparency and to enforce the practice of good corporate governance, Chairman should announce the <u>summary of proxy votes</u> at the commencement of the general meeting. Disclosure of proxy voting information should be addressed as part of a set of best practices. **Reply to Question 15:** **Views and comments** Disagree with the above proposal for Direct Absentee Voting ("DAV"). We do not support the idea due to the following reasons:- a. In the case of private limited companies with small number of members, if all member vote via DAV, there will be not be any quorum present for

	general meetings. Thus, Company will not be able to convene its meeting to pass the resolutions set out in the agenda. b. "Meeting" carries the meaning of members coming together to discuss on agenda of a meeting. The spirit of holding meeting will be lost if members prefer DAV. **Reply to Question 16:** **Views and comments** Disagree to the above proposal i.e. decisions on all business at the AGM of a company be taken by poll. We acknowledge the fact that voting by show of hands seems anomalous for large companies' AGMs merely because the attendance of AGMs is unrepresentative nature. However, the ordinary businesses that are discussed at the AGM are normally uncontroversial issues, which can be disposed off quickly, thus voting by show of hands which is transparent is still preferred over poll. Moreover Chairman or shareholders have powers to demand for a poll if he/they have reason to believe that it would yield different results from the show of hands. **Reply to Question 17:** **Views and comments** Yes, voting by show of hands of expressly allowed for proxies provided the Act allows only one shareholder to appoint one proxy. It is interesting to note that S 149(1)(a) is rarely put to use because the articles of private as well as public companies commonly provide for proxies to vote on a show of hands. Furthermore, Paragraph 7.20 of the Listing Requirements of Bursa Securities makes it mandatory for articles of public listed company to entitle proxies to vote on a show of hands. The proposed amendments would be consistent with the LR. **Reply to Question 18:** Views and comments We support the practice of "bundling" is to be governed by best practices. The essence of bundling proposed resolutions together is to deal with resolutions, which are interdependent by aligning it to form one significant proposal and to facilitate the conduct of an efficient meeting. It is best governed by best practice because management and board are in a position to decide whether the proposed resolutions are substantially separate issues and

	should be dealt individually or generic in nature thus can be bundled together. I think the current application of law coupled by the proposed best practices should adequately protect the shareholders. **Caution statements** Management / Board need to be tactful when bundling proposed resolutions as there are apparent disadvantages:- a. Could lead to abuses i.e. hiding of important details peculiar to contentious proposed resolutions. b. It restricts opportunity to debate particular component parts of the proposed resolution. c. Deprive shareholders of their decision-making powers in particular their right to vote on each matter of business separately. **Reply to Question 19:** **Views and comments** Agree to the above proposal. So far the current law seems adequate in clarifying the role of Chairman. Therefore, if there is any need for formulation of functions and duties of the Chairman, it should take the form of non-legislative in nature e.g. best practices in the MAICSA or MCCG. **Reply to Question 20:** **Views and comments** Agreeable to the new proposed 5% threshold as opposed to the existing 10% threshold. However, we are of the view that same threshold should apply for similar matters. The reduction in the threshold would allow shareholders who have substantial interest in the company to requisite the Board to convene a general meeting. This enhances shareholders participation and allows them to express their views or concerns to the management. **Reply to Question 21:** **Views and comments** Yes to both (a) and (b). Single member holding more than 10% of the issued capital should be conferred the right to call for a meeting but such expenses should be borne by the shareholder.
Persatuan Firma-Firma	**Reply to Question 1:** No.

Akauntan Awam Melayu Malaysia	**Associations proposal** 2a(a) *no AGM required for private companies AGM in mandatory to all companies registered under Companies Act. 2a(b) *member can request for AGM In absence of written request from any member, AGM is mandatory. **Reply to Question 2:** Yes. For first three years a member can request for AGM. This can be increased as long as not more than 5% of the issued capital can call for AGM. **Reply to Question 3:** Yes. **Associations proposal** 2.17 *any place as long as in Malaysia Yes. 2.18 *participation through teleconference, email etc Minimum quorum in persons is mandatory and the rest can be through teleconference, internet etc. **Reply to Question 4:** No **Associations proposal** 2.24(a) *14 increased to 21 days Not agreed. Remain at 14 days. 14 days equivalent to 3 weeks. 2.24(b) *retention of existing method Yes. 2.24(c) *modify / specify Yes. **Reply to Question 5:** Yes. **Associations proposal** 2.31 *personally or by post unless shareholders agree through election Yes. **Reply to Question 6:** Yes.

	Associations proposal 3.14(a) *threshold amount of 1000 words or less Yes. 3.14(b) *the company bear the cost if requisition first deposit 4 weeks before meeting Yes. 3.14(c) *requisitionist bear the cost if requisitions lodged less than 4 weeks Yes. **Reply to Question 7:** Yes. **Reply to Question 8:** No. **Reply to Question 9:** Yes but for EGM. For AGM any member can request for AGM. **Associations proposal** 4.7(a) *Unanimity rule same as meeting in AGM Not accepted. 4.7(b) *5% or single member can request for EGM Yes. **Reply to Question 10:** Yes. **Reply to Question 11:** Yes. **Reply to Question 12:** Yes. **Associations proposal** *Written resolution can be done for private company Yes. *Written resolution need not be applied in certain circumstances Yes. *Written resolution exclude for public companies Yes.

	Reply to Question 13: Yes. **Associations proposal** R5.7 *any person can become proxy Yes. **Reply to Question 14:** Yes. **Associations proposal** 5.19 *disclosure of proxies is a matter of best practice not mandatory Yes. **Reply to Question 15:** Yes as long as maintaining minimum quorum in person. **Reply to Question 16:** The AGM is the platform where final and vital decisions are made by shareholders of companies. AGM is an annual affair where the shareholders look forward because they are allowed to ask the directors and also vote on agenda that have been proposed. The shareholders are therefore wherever possible be given due recognition of their investment in the form of voting either by show of hand or poll. The law on voting should be extended so that proxies of private companies can vote by show of hand. The members should be allowed to practice of the democracy of business based on the amount invested. The proposed withdrawal of voting on show of hands in very undemocratic. We want transparencies and therefore fully support that members have the option to vote by show of hand or poll. **Reply to Question 17:** Due recognition be given to shareholders especially to those who have bigger stake in the Company. Companies Act need to maintain the existing law an voting. This is once a year opportunity for shareholders and CLRC should not worry so much on time taken at AGM as long as the investors in the companies are happy on transparencies and due recognition that have been accorded to the accordingly. Voting by show of Hand / Poll

	5.40(a) *voting by show of hand not prohibited and no mandatory Yes. 5.40(b) *for proxy – can vote by show of hands Yes. **Reply to Question 18:** I agree that practice of bundling be governed by best practice. The present framework be modified to accommodate the above proposal. **Reply to Question 19:** Yes. Associations proposal 5.60(a) *no statutory function of chairman required Yes. 5.60(b) *best practice as a guide Yes. **Reply to Question 20:** Yes. **Reply to Question 21:** Yes. Associations proposal 6.18(a) *members with 5% or more can call EGM Yes. *Separate Section:- □ convene meeting Yes. □ notice of meeting Yes. □ clarify membership Yes - Single Yes. - Otherwise Yes.

MAICSA	**Reply to Question 1:** After weighing the rationale, practicality and cost of holding AGMs under the current business environment, we **agree** with the recommendation to no longer require private companies to hold AGMs. **Reply to Question 2:** In line with good corporate governance practice, it is imperative that shareholders are accorded the right to demand that an AGM be held in a particular year. **We recommend** that member(s) holding not less than 5 per cent of the voting shares in the company be allowed to demand that an AGM be held. It was felt that the 5 per cent of member(s) was sufficient to ensure that the member(s) requesting for the AGM has sufficient interest in the company to warrant the calling of an AGM, yet low enough to ensure that minority shareholders were not disadvantaged or unfairly prejudiced. In this connection, the following should be noted: 1. The current Companies Act 1965 ("the Act"), though requiring companies to hold AGMs, does not specify items to be discussed therein save for the following: a. The laying of the audited financial statements (section 169). b. Appointment of auditors (section 172). Other ordinary business normally transacted at an AGM such as the declaration of dividend (if any) and the election of directors in place of those retiring (if any) are provided for by a company's Articles of Association. 2. If the requirement for holding AGMs were removed for private companies, section 169 and section 172 would have to be amended accordingly. Audited financial statements will no longer be required to be laid before the members at an AGM and neither will auditors be appointed at AGMs. This therefore leads to the following questions: a. In a scenario where no AGM is required for private companies, if an AGM was requested for by member(s) holding 5 per cent shareholding in the company (assuming this is set as the minimum threshold), what would be the items for discussion during the AGM? A logical conclusion would be that the amended Act must the state that if an AGM were to be requested for by member(s) the audited financial statements must be laid before the members during this meeting and any other items (if any) to be discussed would have to be those ordinarily discussed during an AGM of a public company. An absence of such clarification would result in the

	AGM becoming just like an Extraordinary General Meeting (EGM) requested by shareholders pursuant to sections 144 and 145 of the Act. a. The next question that arises is on the timeframe for convening the AGMs when requested by the member(s) holding at least 5% of the total shareholding. Based on the assumption that the audited financial statements will have to be laid before the general meeting if so requested, a timeframe should be prescribed for the member(s) to make such a requisition in order to enable the company to ensure that the financial statements are completed and audited in time for the AGM. **We recommend** that a member(s) intending to requisite for an AGM must submit his requisition at least one month before the close of the financial year end for that financial year, and that the AGM must then be convened within six months from the date of the financial year end. Thus would allow the company to sufficiently prepare for an AGM for that year. **Reply to Question 3:** Such relaxation of the rules governing the situation where the general meetings must be held is **welcomed**. There were concerns on the likelihood of abuse by companies if such relaxation was allowed, however, further deliberation led to the conclusion that if a company's intention was to discourage members from attending general meetings, even if the requirement to hold the general meeting remains at the state where the registered office is located, the companies would still be able to choose obscure places within that state to hold its general meeting. In any event, this proposed relaxation would assist companies who seek hold their general meetings to be in line with good corporate governance practices and it will hopefully see an increase in shareholder participation. **Reply to Question 4:** In line with the earlier recommendation that small companies may no longer be required to hold AGMs, we **agree** to the recommendation to increase the notice the notice to 21 days. This will allow member(s) time to prepare for the meeting and also to standardize the requirements of the Companies Act 1965 with that of the Listing Requirements of Bursa Malaysia Securities Berhad. **Reply to Question 5:**

	We **agree** that the Companies Act 1965 be amended to allow for shareholders to agree (subject to the Articles of Association) for notices of meetings to be sent by electronic means of communications. **Reply to Question 6 and 7:** We do **not** agree with the recommendation to bind the company to circulate a member's resolution at an AGM, EXCEPT WHERE the notice of the resolution was deposited by the requisitionist not less than 4 weeks before the meeting at the registered address of the company. It was felt that the timeframe of 6 weeks currently provided in the Act discourages shareholders from utilizing this provision and the recommended timeframe, though reducing the time by two weeks still does not do much to improve this current situation. The rationale is as follows: a. The notice period for the calling of an annual general meeting is determined by the type of resolutions to be passed, that is, 14 days for ordinary resolutions and 21 days for special resolutions. b. As one would normally not know when an AGM will be held until the notice of meeting is received, this provision requires a member to gauge and guess the date of the AGM in order to meet the time requirement for giving the notice of resolution. c. The provision that the company is only bound to circulate the resolution if the notice of resolution was received not less than 4 weeks before the AGM is seen to be very restrictive because if the member estimates the date of the AGM incorrectly, that is, he receives the notice of the general meeting before he manages to submit a notice of resolution to the company, he would have missed the opportunity to have his resolution moved during the AGM completely. With the view of promoting shareholder activism, **we recommend** as follows: a. A company should not be required to give of any resolution or circulate any statement unless a copy of the requisition, signed by the requisitionist, is deposited not less than 14 days before the meeting. It is felt that if a company receives a notice of resolution **not less than 14 days** before the AGM, there is still sufficient time for the company to arrange for the resolution to be circulated. b. If the notice of resolution is received by the company, **before** the notice of the AGM is issued, the postage for circulating the notice of resolution

	will be borne by the company. c. If the notice of resolution is received by the company, after the notice of the AGM is issued, but less than 14 days before the AGM, the cost of circulating the notice will borne by the shareholder. This notice must therefore be accompanied with a sum reasonably sufficient to meet the company's expenses in circulating the resolution. MAICSA is also not in favour of the recommendation to increase the timeframe for circulating a statement during the AGM from the current one-week to four weeks. We recommend that the current timeframe of one-week be maintained. **Reply to Question 8:** We **agree** with the recommendation to allow written resolutions to be passed by a lesser majority than unanimity, **provided always** that the written resolution to all members entitled to receive a company of the same. In this connection, we stress that the requirement for written resolutions to be circulated to all members should be clearly stated in the Act. **Reply to Question 9:** We also **agree** that members with at least 5 per cent of the ordinary shares be allowed to demand in writing that the company convene a general meeting as a safeguard against situations where dissenting shareholders may be deprived of an opportunity to be heard. In this connection, to avoid ambiguity in future, shareholders should be informed of a timeframe within which the demand in writing for a general meeting must be made. **Reply to Question 10:** Yes, we **welcome** this clarification. **Reply to Question 11:** Although we **agree** that the Act should also state clearly the circumstances which section 152A should not be applied, we are concern with the use of the sentence *"dispensing with the need to hold annual general meeting"*. This sentence may be interpreted in two ways: a. Instead of holding an actual AGM, the company circulates a written resolution with the items to be resolved at the AGM, and in doing so replaces, or dispenses, the actual AGM with a *"section-152A-AGM"*. b. The company wishes to pass a resolution to dispense the need of

	holding an AGM. Such a resolution must be passed at an actual meeting and cannot be resolved via section 152A of the Act. Although, we understand that the recommendation is seeking to address item (1) above, as the sentence can be interpreted in one of two ways, **we propose** that this recommendation be reworded to enable its intention to be communicated with greater clarity. **Reply to Question 12:** We do **not** agree with the recommendation for written resolutions to be expressly excluded for public companies as we feel that public companies should be given the flexibility to utilize this provision if required, or if they think that it is viable to do so. **Reply to Question 13:** Yes, we **welcome** this recommendation. **Reply to Question 14:** **No**. We feel that the disclosure of proxy voting details prior to a general meeting be left as a best practice. **Reply to Question 15:** We **agree** with the recommendation to expressly permit direct absentee voting at a general meeting. **However**, we take cognizance that this flexibility must be accompanied by the need to ensure that proper procedures are in place to prevent the abuse. These procedures may be burdensome for companies who would rather not allow direct absentee voting. As such, **we recommend** that the Act expressly permit direct absentee voting at a general meeting **IF** the same has been provided for by the company's Articles of Association. This recommendation seeks to provide flexibility for companies who wish to encourage shareholder participation in the decision-making process of the company, whilst allowing companies, by virtue of the requirement that this flexibility be contained in the Articles of Association, to decide whether or not to utilize this flexibility. **Reply to Question 16:** We are of the view that the current provision for voting by show of hands, unless a poll is demanded, should be **maintained**.

	This administratively simplifies the voting procedure at general meetings. Meanwhile, if a shareholder feels that an item put to vote is important enough to ensure that the true view of the shareholders, represented by the shareholding in the company, be reflected, he has the option to demand for a poll. **Reply to Question 17:** Yes, proxies should be allowed to vote by show of hands. They are, after all, appointed by the shareholder to represent and vote in their stead at the general meeting. This notion would be defeated if they are only allowed to vote when a poll is demanded. Allowing proxies to vote by a show of hands would encourage and increase shareholder participation in the decision making process. **Reply to Question 18:** Bundling of resolutions has never been viewed as good corporate governance practice. Shareholders should be allowed to vote on each "individual" item separately rather than be "trapped" to vote for several items in one resolution as a whole. However, given the complexities of the nature and types of resolutions, this prohibition should be governed by best practices where examples of what may constitute "bundling" may be clearly explained. **Reply to Question 19:** Yes, we **agree** that any formulation of the functions and duties of the Chairman of the meeting should be set out in non-legislative documents. **Reply to Question 20:** We **agree** with the recommendation and rationale of the Corporate Law Reform Committee to amend the Act to allow shareholders holding not less than 5 per cent of the voting rights to requisition a meeting. **Reply to Question 21:** We **agree** with the recommendation to amend the Act from "two or more members" to "any member". However, **we further recommend** that the "10 per cent" requirement be reduced to "5 per cent" to being it in line with section 144 of the Act. **Other** **1. Minor's capacity to hold shares in a company** There have long been debates on whether minors are allowed to hold shares in a

	company. Although the Act is silent on this matter, the prohibition for minors to enter into contracts under Section 11 of the Contracts Act 1950, has been interpreted to expend to the holding of shares in a company. The lack of certainty as to the applicability of Section 11 of the Contracts Act 1950 on shares held by minors has caused a split in opinion on this matter. As such, we recommend that the Act be amended to make clear the minor's capacity or incapacity or hold shares in a company. **2. Convertible shares** Convertible shares, such as Convertible Preference Shares, are common in today's market place. However, the Act currently does not provide for conversion. Rather, this is provided for by a company's Articles of Association. The absence of the provision for convertible shares means that a prescribed form has not been provided to notify the Registrar of Companies of a share conversion exercise. The problem arising from this becomes apparent when Annual Returns are lodged. The number or classes of shares will be different from what has been earlier reported through other prescribed forms, leading to a query from the Registrar of Companies. **We recommend** that the Act amended to provide for conversion of shares, in line with the current business environment.
Wong Beh & Toh	**Reply to Question 1:** Private companies may be allowed not to hold Annual General Meetings ("AGM") subject to adequate protection of minority shareholders. **Reply to Question 2:** Yes. There should be a minimum threshold to avoid frivolous demands. But the threshold should be calculated relative to those shareholders who are not involved in the management or control of the company. **Reply to Question 3:** Yes. This is to facilitate modern circumstances. **Reply to Question 4:** There should be a distinction between listed companies and companies with larger shareholdings (Number to be specified) and smaller companies. For listed companies and companies with larger shareholding, a notice period of 21 days is in our view appropriate. However for other companies, a notice period of 21

	days would b unduly long and would result in unnecessary inconveniences. We think that for other companies, the current period of 14 days should be adequate. **Reply to Question 5:** Yes as not all shareholders will have access to electronic means of communication. However, for listed companies the companies should be required to put in place a system by which shareholders may require communications to be given to them electronically. There should also be provisions to protect the company in case of communications sent by such means not being properly affected. **Reply to Question 6:** A distinction needs to be made between a listed company where considerable logistic issues are involved and a company which can quite easily include the resolution into the notice at relatively short notice. We think that 4 weeks is appropriate for listed companies. But for other companies, the company should be obliged to include the resolution into the notice if the notice of resolution is given no less than 7 days before the minimum period of notice required by law for the meeting. **Reply to Question 7:** Yes, subject to the requisitionist meeting the threshold requirement and the document for circulation consist of not more than 1000 words. **Reply to Question 8:** There is a different between a meeting where all members are given notice of the meeting and a written resolution under which some members may be unaware of the proposed resolution and may not have the opportunity of arguing the case. We do not agree to a lesser majority than unanimity. However if the option of majority is adopted, then there should be a procedure of notification to all shareholders in question and if any of them should object within a stipulated period then the unanimity rule should not apply. **Reply to Question 9:** Yes. **Reply to Question 10:** We see no harm in such clarification.

	Reply to Question 11: We think that the written resolution procedure should be excluded from where Annual General Meeting ("AGM") are required to be held. However the written resolution procedure should be available where special notice is required unless objections are given from shareholders in question within a stipulated period. **Reply to Question 12:** The written resolution procedure would in practice have little effect on companies with large shareholdings. It would make little difference if there was and expressed exclusion in the case of listed public companies. However, for unlisted public companies the exclusion should only apply to companies with more than a stipulated number of shareholders. **Reply to Question 13:** Yes, as the limitation may cause many practical problems. **Reply to Question 14:** It should be prescribed if demanded by a certain majority of shareholders by notice given to the companies in advance of a meeting. This is to enable greater transparency in general meetings of a contentious nature. **Reply to Question 15:** Yes, but on a facilitative and not mandatory basis except for listed public companies where it should be mandatory. **Reply to Question 16:** It should not be mandatory for all business at an AGM to be taken by poll. If there are to be safeguards, it should relate more to the circumstances when a poll can be demanded. A poll at all AGMs could unduly costly and onerous. **Reply to Question 17:** Yes. Voting by show of hands should be expressly allowed for proxies. In practice, many articles of association already allow this. However, at common law the proxy would only have1 vote on a show of hands even if he were to represent more than one member. Company law should be amended to allow the proxy to have the same number of votes as the number of members he represents.

	Reply to Question 18: It is in practice not always easy to control "bundling". While bundling might be adopted for strategic reasons, there might also be legitimate reasons as to why certain resolutions are bundled together. A company might not wish to implement a particular proposal if another proposal is not passed. We think that bundling should accordingly be permitted. The only exception should be circumstances where bundling is clearly unnecessary for e.g., in relation to appointment of directors under the current law. **Reply to Question 19:** There is already a fair degree of case law on the general functions and duties of the chairman of the meeting. Any statutory formulation might result in the chairman's role being unduly regulated as there might be facts or circumstances arising in relation to the meeting which might not have been taken into account in any statutory for formulation. We agree that at most best practices on the role of a chairman be adopted on a non-legislative basis. **Reply to Question 20:** 5 per cent is too low a threshold to be utilised on a general basis. It should only be available in certain prescribed circumstances for e.g., in relation to question 9. Otherwise, frivolous requisitions could be encouraged. **Reply to Question 21:** Yes.
Tahan Insurance	**Reply to Question 1:** Yes, reduce procedural cost burden. **Reply to Question 2:** Yes, need to protect the interest of minority shareholder in private companies since some members might not involved management. No threshold, there should be minimal or no threshold limitation imposed on the number or members who can request for an AGM. **Reply to Question 3:** Yes, primary venue is Malaysia to improve shareholder participation by removing geographical constraints.

	Reply to Question 4: Yes, proposed extended time will enable nominee to obtain and submit proxy votes (Public listed companies) and promote shareholders' participation. **Reply to Question 5:** Yes, to provide flexibility for companies and at the same time ensure that right of shareholders to receive notice of an AGM is adequately protected but relevant safeguard is in place such as personal identification numbers. **Reply to Question 6:** Yes, ample time for the management to bring the matter to the attention of other shareholders and seek their support before they decide proxies and to promote shareholders' participation. **Reply to Question 7:** Yes, cost requirement at the expense of requisitionist prevents shareholders from exercising their right to put forward proposed resolutions. **Reply to Question 8:** Yes, written resolutions are convenient for companies with a small number of members to make decisions without the need to convene a general meeting. Usually done in practice, practical and expeditious. **Reply to Question 9:** Yes, as a safeguard against situations where dissenting shareholders are deprived of an opportunity to be heard. **Reply to Question 10:** Yes, most private companies are owner managed and have less formal internal governance structure. **Reply to Question 11:** Yes, clear line distinguishing whether a written resolution can be replace a AGM. **Reply to Question 12:** Yes, as a safeguard against situations where shareholders are deprived of an

	opportunity to be heard. **Reply to Question 13:** Yes, encourage shareholders to vote; hence improve shareholders' participation. **Reply to Question 14:** No, be addressed as Set of Best Practices. Any disclosure may also be misleading and raise privacy issues. Increase administrative cost. Permit shareholders to ascertain how individuals have directed their proxies to vote. **Reply to Question 15:** Yes, encourage shareholders' participation in voting, cheaper and efficient and greater role in the company's affairs for Foreign Institutional Investors. **Reply to Question 16:** Yes, represents the number of shares held by each voting shareholder / proxy. **Reply to Question 17:** Yes, ensure full transparency of voting and effective enfranchisement of all shareholders, including those who have lodged proxies. **Reply to Question 18:** Yes, provide recourse in the event of an abuse by bundling. **Reply to Question 19:** Yes, the way the chair conducts the meeting is subjective making it unsuitable for legislation. **Reply to Question 20:** Yes, present minimum EGM threshold of 10% does not achieve the necessary balance between the interest of the minority and majority shareholders. **Reply to Question 21:** Yes, the right of shareholders to put forward their resolutions.
Shearn Delamore & Co.	**Reply to Question 1:** We agree that whilst in an owner / management-control company, a formal annual

	general meeting serves little purpose, there are still private companies which have numerous shareholders (eg family-owned businesses / companies) not all of whom may be actively involved in the management of the company. In the circumstances, although we take the view that private companies may dispense with the requirement of holding AGMs, the law must also allow for the right of members of a company to demand for an AGM. We assume that in the context of the recommendation that AGMs are dispensed with in private companies, the usual or customary matters transacted at AGMs would be dealt with by way of written resolutions of members. The matters ordinarily transacted at AGMs cannot be dispensed with entirely as a member should have the right for these matters to be decided at a meeting called by him / her. **Reply to Question 2:** We are of the view that individual members should be accorded the right to demand for an AGM to be held. The minimum threshold should be **"member or members holding not less than 5%"** of the issued and paid-up share capital of the company. We propose that any one member should have the right to call for an AGM provided that he / she / it holds not less than 5% or more on the rationale that a 5% shareholding is recognized as a substantial shareholding under the Companies Act 1965. **Reply to Question 3:** The desire to keep up with the advances of technology must also be balanced with the considerations of whether this method is required in the context or realities of Malaysian companies generally. Whilst we are not against holding of general meetings at unlimited number of locations provided that real time, two-way communication is made available, there mat not be any compelling reason(s) or necessity to have real-time meetings. There is a difference between our corporate environment and say for example quoted companies in London or New York. Real-time meetings would allow for participation from more than one location, due to the diversity of investors of companies on the London or New York stock exchanges. In the Malaysian context, we are of the view that there should be a main meeting room and the location of the main meeting room should still be in the state of the company's registered address, as this would prevent directors from making general meetings less accessible to its members. We assume that the real-time meeting is supplemental to the physical meeting of the shareholders and the latter is not to be eliminated entirely.

	We are also concerned with the logistic difficulties faced by the companies of managing such a meeting and how shareholders' participation in terms of raising questions will be handled in a real time meeting. With regard to individual dial-ins, there may also the problem of verifying the identity of the participants. **Reply to Question 4:** We agree that the minimum notice period for AGMs should be increased to 21 days for public companies. This will also ensure consistency with the Listing Requirements. We do not think that the notice period for private companies needs to be increased especially in views of the recommendation that AGMs may no longer be required for private companies unless demanded by a qualified member(s). **Reply to Question 5:** We agree that shareholders should be given the rights to opt-in for notices to be sent to them by way of electronic means. There will need to be adequate security measures adopted and maintained to ensure that information sent / released cannot be tampered with or corrupted. We also believe that this issue not be considered in isolation as other related areas should also be considered. For example, whether electronic transmission can be extended to accessing of annual accounts and directors' report; and the submission of proxy forms electronically. There may be security concerns and greater risks involved in making available such information by way of electronic means. **Reply to Question 6:** We agree that any notice of any resolution or statement not received by the company 4 weeks before the meeting need not be circulated. Under the current law, only notice of any proposed resolution which may be properly moved should be sent out to members entitled to have notice of any general meeting. Matters which are ultra vires the shareholder's powers / rights should not be moved at any general meeting. The substance of such notice of resolution or statement must also be considered. Any notice of resolution or statement which is defamatory or trivial should also not be sent out for consideration at the general meetings. We wish to further highlight the practical problem of members not necessarily knowing when a general meeting will be called by the directors thus making it difficult to submit / to facilitate submitting their notice of any resolution or statements in time for circulation to the other members. See Question 4 on increasing time period to 21 days for notices to be sent out.

	Reply to Question 7: Whilst the current provisions relating to costs deters the shareholders from sending in such notices of resolution or statements, there is also a need to ensure that directors and management are not inundated with trivial, frivolous or vexatious notices or statements. We are not opposed to the company bearing the cost of sending out such notices provided there are also some measures to discourage frivolous notices or statements sent by shareholders. **Reply to Question 8:** Meetings are held for the important purpose of allowing the shareholders to express their views and to garner support from other members on any resolution proposed. On the other hand, the practical usage of a members' resolution is that no physical meeting would be required on any matter which the shareholders can unanimously agree on. Whilst we appreciate the situation where the use of written resolution may be rendered in effective by the dissenting minority shareholder, a written resolution passed by a lesser majority poses other problems as well (as discussed below). If written resolutions may be passed by a lesser majority and if shareholders with at least 5 per cent are allowed to call for a general meeting, what happens to the written resolution if the required majority has agreed to the written resolution? Is the written resolution deemed passed or can it still be challenged by the minority by way of a physical meeting? Further, we note that the recommendations of the CLRC do not specify the type of majority required for written resolutions to be passed i.e. whether by number of persons present and voting (show of hands) or total number of shares held (as in a poll). In determining a majority, the recommendation thus far has not addressed the issue of shareholders who do not vote and whether such shareholders are deemed voting against the resolutions or merely not counted. We believe that the usefulness of a written resolution lies in it being a matter which must be unanimously agreed upon by all shareholders. **Reply to Question 9:** Please refer to our views state above in Question 8. **Reply to Question 10:** We are of the view that further clarification of section 152A of the Companies Act 1965 is not necessary.

	Reply to Question 11: Written resolutions should be applied to all matters except for a situation where a member has demanded for a general meeting to be held. We believe that even in the case where a particular resolution involves a matter requiring special notice, written representations can be made which must then be circulated to all members together with the proposed resolution. **Reply to Question 12:** Written resolutions should be applicable to all companies, private or public. However we note that for public listed companies, it may not be practical to obtain the signatures of all or the required majority of the members. **Reply to Question 13:** We are of the view that the limitations can be removed as we believe this is hardly implemented and is anomalous for the present day. These are also the impracticalities of ensuring that proxies satisfy the requirement of the limited category. **Reply to Question 14:** As proxy forms are usually sent no later than 48 hours before the general meeting, we believe that any suggestions to publish the proxy voting details prior to the meeting can be unduly onerous on the company. We would suggest as a matter of best practice that the chairman should announce at the start of the meeting the number of proxies received, including number of proxies given to the chairman, as well as the instructions for voting in respect of each proposed resolution. We are of the view that this declaration at the start of the meeting could avoid any undue expenses in calling for a poll and will speed up the meeting process. **Reply to Question 15:** Although allowing for voting in abstentia may encourage more shareholders to vote and therefore 'participate' in the meeting, we do not believe that the current system inhibits shareholders from voting. Members may appoint a proxy and if he / she has difficulties in finding proxies, a member can always appoint the chairman and provide his / her instructions on how to vote. If the member changes his / her mind, he / she has the ability to attend the meeting, in which case, the proxy lapses on the basis of principal and agency relationship. Following from our view above, we do not see any

	real benefits for allowing postal or electronic voting and there is also the problem of verifying the authenticity of the votes. **Reply to Question 16:** We do not agree with the recommendation to abolish voting by show of hands. Voting by show of hands facilitates the conduct of meetings as resolutions that are supported by a clear majority is immediately visible. The process is safeguarded by the ability to call for a poll such as in cases where the votes are unclear. In the UK context, as we understand it, voting by show of hands may be anomalous as proxy has no vote on show of hands. We do not agree that the case for voting by show of hands is weakest for public listed companies in the Malaysian context, as the Listing Requirements require companies to allow a proxy to vote by show of hands. **Reply to Question 17:** We agree that a proxy should be allowed to vote by show of hands. As the Listing Requirements already recognizes this right of proxy to vote, we do not see any rational in not allowing for it. **Reply to Question 18:** We agree that the prohibition of the practice of 'bundling' should be governed by best practices. The substantiality / materiality of the transaction may warrant separate resolutions to be proposed. We are also of the view that such prohibition should not extend to inter-conditional resolutions, which must still be allowed. In some matters, it may be expedient to bundle certain resolutions such as recurrent related party transaction incidental to the business of the company. Therefore we would support the view that the Company should be given the discretion to decide and should be guided by best practices. **Reply to Question 19:** We agree that there should not be a statutory formulation of the functions and duties of the chairman of the meeting. This can be in the form of best practices or corporate governance. **Reply to Question 20:** We wish to digress from this question 21 as we believe that the more important issue is to consider the merits of having both sections 144 and 145 of the Companies Act 1965. We do not see any merit in having both sections. In section 144, the

	requisitionist will request that the directors call for a meeting and if this is not done within 21 days, the requisitionist may call for the meeting. In section 145, 2 or more shareholders may call for a meeting. Although there may be a time factor element in section 145, in that a meeting can be called immediately by shareholders provided the relevant time for notices has been given, it is in effect not as expediatious a method. The shareholders would still need to obtain all the necessary information on the other shareholders in order to send out the notices and this in the context of a listed company may take time. Furthermore, we believe that section 145 cannot also be used by a shareholder to discuss or debate or propose any resolution on any internal management matters within the board's powers or matters which are ultra vires the shareholders' powers. We propose that section 145 be abolished as members can always requisition for a meeting by way of section 144. However, we agree that any one member should be able to requisition a meeting but in order to prevent frivolous requisitions, would propose the threshold to be increased to 10% (other than an annual general meeting). **Reply to Question 21:** Please see comments in Question 20.
IACS	**Reply to Question 1:** IACS agreed with the proposal & recommendations of CLRC as indicated below:- a. Section 152A of the Companies Act 1965 be clarified by stating that for private companies, matters that would ordinarily be resolved at any meetings may be resolved by written resolution. b. The written resolution procedure shall not be applied in certain circumstances i.e., dispensing with the need to hold annual general meetings or resolutions where special notice is required; and c. The written resolution procedure should be expressly excluded for public companies. d. The obligation for circulation of the financial statements and the filing of annual returns should remain. **Reply to Question 2:** IACS agreed that it should be a minimum of 1 member with 1 share, to request for an Annual General Meeting, provided the request is made to the company within 3 months from the financial year end.

	Reply to Question 3: IACS concurred that general meetings can be held at unlimited number of locations, provided that the primary venue, durations & subject should be decided by the board of directors. The rules and guideline for tele-communication must be clearly stated. There should be guidelines in particular where there is interruption to the life link between the two venues. **Reply to Question 4:** IACS concluded that the notice period of an AGM can be increased to 21 days for public companies. **Reply to Question 5:** IACS agreed relating to the aforesaid matter. **Reply to Question 6:** IACS agreed and concurred with the abovementioned statement. **Reply to Question 7:** IACS agreed in respect of the aforesaid matter. **Reply to Question 8:** IACS concluded that for written resolution, it should be 100% rather than majority rule. **Reply to Question 9:** IACS concurred that in respect of public companies, shareholders with at least 5% of ordinary shares be allowed to demand in writing that the company convene a general meeting. **Reply to Question 10:** IACS agreed that this should be for private companies only. **Reply to Question 11:** IACS concluded that it should not be subject to the qualification of the special notice. **Reply to Question 12:** IACS agreed with the above proposal.

	Reply to Question 13: IACS was of the opinion that a person appointed as proxy must understand his role and would be able to discharge his duties as a proxy professionally, ethically and in accordance with the law rather than solely focusing on the qualification and competency of the persons who are eligible to be a proxy. **Reply to Question 14:** IACS was of the opinion that the voting details should only be disclosed during voting at the general meeting. **Reply to Question 15:** IACS agreed with the recommendation for the Companies Act 1965 be amended to enable for voting in absentia. However, this should be facilitative rather than mandatory and there should be rules and guidance for such voting procedures to prevent abuse. **Reply to Question 16:** IACS concluded that voting by a show of hands should not be prohibited by statute and neither should it be mandatory. **Reply to Question 17:** IACS was of the opinion that where proxy voting is concerned, the proxy should be allowed to vote by show of hands. **Reply to Question 18:** IACS concluded that it should be in separate resolutions so that any issues raised by members be determined with greater certainties. **Reply to Question 19:** IACS concurred with the above proposal.
MACS	**Reply to Question 1:** We propose that private companies still need to hold AGMs. **Reply to Question 2:** Not applicable.

	Reply to Question 3: We agree. We propose that physical general meeting be permitted to hold within states in Malaysia whilst general meeting by teleconferences be permitted worldwide. **Reply to Question 4:** We agree that the minimum notice period for the AGM of public companies be increased to 21 days BUT the minimum notice period for the AGM of private companies be maintained at 14 days. **Reply to Question 5:** Yes, we agree. **Reply to Question 6:** Yes, we agree. **Reply to Question 7:** Yes, we agree. **Reply to Question 8:** We propose that written resolution be passed by majority not less than ¾ or 75% of the total voting right. **Reply to Question 9:** Yes, we agree with 5%. **Reply to Question 10:** We agree. **Reply to Question 11:** We agree. **Reply to Question 12:** We agree. **Reply to Question 13:** We propose that the list of Section 149(1) (b) to include professional company

	secretaries and professional accountants. **Reply to Question 14:** We agree with the recommendations of CLRC that the disclosure of proxy voting information should not be prescribed by the Companies Act 1965 and that the issue of disclosure of proxy voting information be addressed as part of a set of best practices. **Reply to Question 15:** The Companies Act 1965 should not expressly permit direct absentee voting at a meeting. However, voting in absentia should be facilitated by rules and guidelines. **Reply to Question 16:** We support the recommendations by the CLRC as stated in item 5.40. **Reply to Question 17:** Voting by hands should be expressly allowed for proxies because proxies are representing the right of the members to vote in the meeting. **Reply to Question 18:** We recommend that the law should specifically prohibit the practice of bundling to prevent abuse. **Reply to Question 19:** We agree that there should not be a statutory formulation of the functions and duties of the Chairman of the meeting. A mere guide to best company secretarial practices should be adopted. **Reply to Question 20:** We recommend that the existing 10% of voting right be maintained. **Reply to Question 21:** We agree.
MIA-MICPA	**Reply to Question 1:** No, the Institutes do not agree that private companies should no longer be required to hold AGMs. However if **all** shareholders agree, matters that would ordinarily be dealt with and resolved at an AGM can be adequately dealt with by means of a members'

	written resolution, then an AGM may be dispensed with. **Reply to Question 2:** No, the Institutes do not agree. Please refer to the Institutes' answer in Question 1. **Reply to Question 3:** Yes, the Institutes agree that a company should be permitted to hold a general meeting at unlimited number of locations provided that real time, two-way communication is available between participants and that the quorum of a meeting can be determined. We are of the opinion that the use of Information and Communications Technology (ICT) should be encouraged in company meetings provided that safeguards are in place to ensure that the proceedings are properly conducted. **Reply to Question 4:** Yes, the Institutes agree that the minimum notice period for the AGM should be increased to 21 days to allow shareholders adequate time to read meeting documents and to encourage shareholder participation in the decision-making process of the company. **Reply to Question 5:** Yes, the Institutes agree. **Reply to Question 6:** Yes, the Institutes agree. **Reply to Question 7:** Yes, the Institutes agree. **Reply to Question 8:** No, the Institutes do not agree that companies may pass a written resolution by a lesser majority than unanimity. We are of the opinion that all the shareholders must agree before a written resolution can be passed. **Reply to Question 9:** Yes, the Institutes agree.

	Reply to Question 10: Yes, the Institutes agree. **Reply to Question 11:** We agree that the written resolution procedure shall not be applied for resolutions where special notice is required. However, the Institutes are of the view that the written resolution procedure may apply in dispensing with the need to hold AGMs on condition that all the shareholders agree. See the Institutes' answer in Question 1. **Reply to Question 12:** Yes, the Institutes agree. **Reply to Question 13:** Yes, the Institutes agree. **Reply to Question 14:** Yes, the Institutes agree as it promotes good governance. However, it should be recommended as best practice only and not be made a mandatory requirement. **Reply to Question 15:** Yes, the Institutes agree as this will enable the genuine and interested members to vote even though they are unable to attend the meeting. **Reply to Question 16:** The Institutes are of the opinion that the current law should remain i.e. voting by a show of hands unless a poll is demanded. We do not agree that voting by show of hands be abolished. **Reply to Question 17:** Yes, the Institutes agree that voting by show of hands be expressly allowed for proxies. This promotes transparency and equal rights as proxies are duly appointed representatives of the shareholders and they should therefore be accorded the same rights as that of a shareholder. **Reply to Question 18:** Yes, the Institutes agree that the practice of bundling should be prohibited and should be governed by best practices. This will prevent any important matters from being

	hidden in the resolutions. **Reply to Question 19:** Yes, the Institutes agree that there should not be a statutory formulation of the functions and duties of Chairman of the meeting, but any such formulation be set out in a non-legislative document, such as the Malaysian Code on Corporate Governance. **Reply to Question 20:** Yes, the Institutes agree. **Reply to Question 21:** The Institutes are of the view that Section 145 should be clarified to state that a single member, holding not less than 5 per cent of the issued capital, should be allowed to call for a meeting of the company. This is in line with provision of Section 144.
ACCA	**Reply to Question 4:** Considering the availability and effectiveness of electronic medium of communication, it is recommended to retain the minimum notice period of 14 days. **Reply to Question 16:** The method of show of hands should be retained as a method for dealing with non-contentious matters expeditiously and inexpensively. As such, voting by show of hands should not be abolished entirely. **Reply to Question 18:** Practice of bundling should be prohibited, as shareholders should have the right to vote on each matter of business or issue in the bundle separately. Inclusion of bundling voting in the regulatory framework may deprive this right to those shareholders who want to vote differently on each issue.
SHOOK LIN & BOK	**Reply to Question 1:** Not always. AGMs provide shareholders direct access to the board and the opportunity to receive information about the Board's past performance and future plans. The only time shareholders can question the Board and obtain answers is at the AGM when the accounts are presented. AGMs are particularly useful for private companies which have diverse shareholders, not all of whom are represented on the

	Board. Perhaps a solution would be to have a cut-off point, i.e., family companies, dormant companies or private companies with an issued and paid up capital below RM50,000 will no longer be required to hold AGMs. **Reply to Question 2:** If private companies are not required to hold an AGM, individual members should be accorded the right to demand that an AGM be held to facilitate participation in corporate-decision making through meetings and to prevent minority shareholders from being disadvantaged. Minimum threshold need to request for an AGM should be based on shareholding because:- a. if threshold is based on number of shareholders, it would be easy for small groups of shareholders holding very small proportion of share capital to put the company through considerable time and expense of holding an AGM; b. frequent meetings may distract management from day-to-day running of the business and may have adverse effects on shareholders and customers confidence in the company; and c. minimal threshold based on shareholding ensures that the cost of convening an AGM is only incurred when it is requisitioned by shareholders who collectively have a material economic interest in the company. **Reply to Question 3:** Yes, to encourage shareholder's participation but could have administrative and logistical problems. **Reply to Question 4:** Yes, to encourage shareholder's participation. **Reply to Question 5:** Yes, however, notices via electronic means should only be permitted if provided for in a company's constitution. Alternatively instead of shareholders approving generally, the Articles of Association could allow for individual shareholders to elect in writing to receive notices by electronic means only. **Reply to Question 6:** No, unless it is too late to circulate the notice e.g. 1 week before the meeting if notices/circulation by electronic mail is not allowed. However, should the requisition

	be lodged less than 4 weeks before the meeting, resolutions will have to be circulated at the requisitionist's expense unless the shareholders otherwise resolve (with the requisitionist abstaining on the vote). **Reply to Question 7:** Yes, as the cost requirement is a significant barrier to shareholders exercising their rights to put forward resolutions, thereby deterring shareholders from expressing their views and discouraging debate within the company. **Reply to Question 8:** No. A resolution passed at a meeting involves discussion, questions and answers and due enquiry; thus a majority vote is deemed to be sufficient. This is not so in the case of a Circular Resolution. Any Explanatory documents accompanying the proposed resolution may not address/resolve all issues. Further, there is a potential for the abuse of minority shareholders' rights. However if a lesser majority is to be permitted, then , in order to protect the rights of minority shareholders, any shareholder(s) representing/representing in the aggregate 5% or more of the company's voting share capital should have the right to requisition for a physical meeting. **Reply to Question 9:** No good reason to reduce the present 10% requirement to prevent Meetings being called for frivolous reasons and unnecessarily frequent meetings. However in the case of a proposed circular resolution requiring less than unanimous approval, a smaller percentage (5% or less) threshold may be warranted. **Reply to Question 10:** Certain private companies only, see answer to Question 1. **Reply to Question 11:** Yes. For the reasons stated in the answer to Question 1. **Reply to Question 12:** Yes, especially if unanimity is required as it is generally not practical. **Reply to Question 13:** Yes, to be further in line with the law in the UK, Australia, Singapore, and Hong Kong.

	Reply to Question 14: No. The reasons being: a. As any disclosure prior to the general meeting may be misleading as proxies lodged ahead of the meeting are merely an expression of intent and may be changed or revised ahead of or during the meeting; and b. Pre-meeting general disclosures may lead to proxy battles, with professional call centres lobbying shareholders to vote, or having proxies change their vote. **Reply to Question 15:** The Companies Act 1965 should give directors the choice to provide for direct absentee voting, subject to any restriction in the company's constitution, this discretion would allow companies to introduce electronic voting if and when the board is satisfied that there is adequate technology for vote verification. There could be administrative and logistical problems however. **Reply to Question 16:** Voting by a show of hands should be retained as a method of dealing with non-contentious matters expeditiously and inexpensively. However, a company can choose to exclude voting by show of hands by amending its constitution to permit only voting by poll. **Reply to Question 17:** Yes, see Question 16. If so, each shareholder should be allowed to appoint only one proxy. However, a chair who holds sufficient proxies contrary to the decision on the show of hands must demand a poll. **Reply to Question 18:** a. Companies should propose separate resolutions for substantially separate issues as resolutions that are bundled together may restrict opportunity to debate on a particular component of the proposed resolution; b. It may be advisable to introduce regulations prohibiting the bundling of resolutions relating to substantially separate issues; and c. "Best Practices" may determine the types of resolutions that may fall within the definition of "substantially separate issues".

	Reply to Question 19: Yes, reasons being: a. the varying sizes, characteristics and nature of listed companies' meetings mean that any further legislative requirements would be too prescriptive and will lead to inflexible outcomes; and b. the way the chair conduct the meeting will often depend on the nature and mood of the meeting and the personality of the chair. These are not matters that can be legislated. **Reply to Question 20:** Please see answer to Question 9 above. **Reply to Question 21:** Yes.
Hong Leong Group Malaysia	**Reply to Question 1:** Agree but this provision should also be extended to unlisted public companies. **Reply to Question 2:** Yes, individual members should be accorded the right to demand that an AGM be held. There should be no minimal threshold based on shareholding or no. of shareholders. **<u>Question to CCM:</u>** Does that mean shareholders; approval is not required for ordinary business to be transacted at AGM such as re-appointment of auditors, re-election of directors, approval of directors' fees and final dividend etc **Reply to Question 3:** Should be facilitative rather than mandatory ie leave to company's discretion. To be addressed in the Articles of the company. However, points to consider if this proposal is implemented:- a. when a motion is put to the floor for voting, show of hands would be difficult to count. In addition, if there is a poll demanded, the scrutineers would need to be stationed at the other locations; b. the company would need to spend unnecessary money in booking additional venue, equipments, refreshments as well as stationing staff and share

	registrars in that location to verify the shareholders/proxies; and c. time consuming in convening general meetings at several locations. **<u>Suggestion</u>:** S145A of the CA should be amended to allow the holding of AGMs in any part of Malaysia instead of restricting to only the state where the company's registered office is situated. **Reply to Question 4:** Agree for public listed companies. Disagree for private companies and public companies which are wholly-owned or with small number of members as 14 clear days' notice should be sufficient for private companies since there are already provisions for the minimum notice periods for different types of resolutions. **Reply to Question 5:** Should be facilitative rather than mandatory ie leave to company's discretion. To be addressed in the Articles of the company. **Reply to Question 6:** Yes. **Reply to Question 7:** Yes. **Reply to Question 8:** Agree provided the resolutions are circulated to all members. **Reply to Question 9:** Existing threshold of 10% should stay for public listed companies. For private companies and unlisted public companies, any shareholder is entitled to demand. **Reply to Question 10:** Agree and to extend to unlisted public companies. **Reply to Question 11:** Disagree. If all members unanimously agree to the written resolution procedure, it is

	more efficient in resolving the matters instead of calling for an actual meeting. **Reply to Question 12:** Agree, for public listed companies only. **Reply to Question 13:** Leave it to the company's discretion and to be addressed in the Articles of the company. **Reply to Question 14:** No. No distinction should be drawn between proxy and shareholder voting. **Reply to Question 15:** No. Should be facilitative rather than mandatory ie leave to company's discretion. **Reply to Question 16:** Should not abolish voting by show of hands. If shareholders are not satisfied with voting by show of hands, they have the option to demand for a poll. **Reply to Question 17:** Proxies should be allowed to vote by show of hands since the shareholders have appointed the proxies to represent them in the meetings with specific voting instructions given. **Reply to Question 18:** Yes, by best practices, bundling should be permitted for resolutions which are inter-dependent. **Reply to Question 19:** Agree. **Reply to Question 20:** No, 10% threshold should remain. **Reply to Question 21:** Agree.

EPF	**1.1 Holdings of General Meetings** We support the CLRC proposal subject to the following; a. Any members may request the convening of an AGM in a particular year without limitation on the number of members or shareholding threshold of the member / members. b. For private companies having more than 20 members, AGM must be held. c. There must be an independent body to ensure that the Board holds the AGM if so requested by a member. The courts are too expensive and time consuming, hence we propose the Companies Commission as the appropriate body for this task. **1.2 Notice of General Meetings** We support the proposal but we think that the notice period should be increased to 21 days for all meetings irrespective whether its as AGM or EGM, ordinary / special resolution. **1.3 Modes of Service** We support the CLRC proposal subject to the following:- The Companies Act 1965 should state that notices of meeting should be given personally or sent by post to shareholders registered address and may also give notices by electronic means to those shareholder / shareholders who opt / agree to it. **1.4 Voting in Absentia** Voting in absentia should not be allowed.
CPA Australia	**2.1.1 Holding of General Meetings** We are concerned that without a General Meeting there is no accountability of the Directors and no avenue for the presentation of the audited accounts and also the appointment of auditors. There must be proper mechanism to allow minority shareholders to call for a General Meeting. **2.1.2 Location of AGM** Acceptable to us. **2.1.3 Notice of General Meetings – Notice period** Acceptable to us.

	2.1.4 Modes of Service This change is acceptable by our members with the proviso that the "electronic means" should be clearly defined and all shareholders must be agreeable to it. **2.1.5 Circulation of Shareholders' Proposed Resolutions and Statements** Acceptable to us. **2.1.6 The Use of Written Resolutions** a. Unanimity rule – Acceptable by us b. The use of written resolutions to replace AGM's. This is fine provided there are adequate safeguards to protect the minority shareholders. There should be a mechanism to ensure the minority shareholders are duly notified of the resolution initiated. **2.1.7 Appointment of Proxies** We agree with the change not withstanding that the respective company articles can state otherwise. **2.1.8 Disclosure of Proxy Voting Information** This is acceptable in principal with assurance that proper mechanism in place. **2.1.9 Voting in Absentia and Electronic Voting** **This is acceptable, however ensure that safeguards are in place to prevent abuses from occurring.** **2.1.10 Voting by Show of Hands or Poll** Acceptable by us. **2.1.11 Bundling of Proposed Resolutions** Acceptable provided that there is some form of legislation; check & balance to ensure that substantially different resolutions should not be bundled together. **2.1.12 Role of The Meeting Chair** Acceptable by us. **2.1.13 Extraordinary General Meeting** Acceptable by us.

Company Secretary, Telekom Malaysia Berhad	**Reply to Question 1:** Yes. **Reply to Question 2:** Yes and minimum threshold should be the same as that required for requisitioning a general meeting. **Reply to Question 3:** Yes. **Reply to Question 4:** No, 14 days notice period ought to be maintained for AGMs. **Reply to Question 5:** Yes. **Reply to Question 6:** Yes. **Reply to Question 7:** Yes. **Reply to Question 8:** Yes. **Reply to Question 9:** Yes. **Reply to Question 10:** Yes. **Reply to Question 11:** Yes. **Reply to Question 12:** Yes.

	Reply to Question 13: Yes, there should be no restrictions on any person to be appointed as proxy. **Reply to Question 14:** No. **Reply to Question 15:** Yes and this must be facilitative rather than mandatory with rules and guidelines to prevent abuse. **Reply to Question 16:** Yes this would be the ideal situation. However, it would only be practical if electronic voting by poll can be implemented. **Reply to Question 17:** Inconsistencies between Section 149(1) (a) of the Companies Act 1965 and paragraph 7.20 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities LR) in relation to voting on show of hands by proxies should be addressed. According to Section 149(1) (a) proxies shall not be entitled to vote except on a poll. Section 149(1) (a) provides that a member shall be entitled to appoint more than two proxies. Whereas paragraph 7.20 of Bursa Securities LR allows a proxy to vote on a show of hands and paragraph 7.22 allows an authorized nominee [defined under the Securities Industry (Central Depositories) Act 1991] to appoint at least one proxy in respect of each securities account it holds. Listed Issuers in Malaysia are required to adopt paragraphs 7.20 and 7.22 in their Articles of Association. Paragraph 7.22 effectively allows for appointment of multiple proxies. In practice, shareholders could appoint multiple proxies to attend general meetings to vote by show of hands to form the majority votes. In light of the above provisions, where voting by show of hands by proxies could be exposed to abuse, voting by show of hands should not be expressly allowed for proxies. **Reply to Question 18:** If it is best practice to prohibit “bundling” of proposed resolutions, it should not be allowed in our regulatory framework for purpose of consistency, particularly now that

	we have an opportunity to review the Companies Act. **Reply to Question 19:** Yes. **Reply to Question 20:** Yes. **Reply to Question 21:** Yes. However, it would be clearer if the phrase is worded to, "not less than 10 percent" rather than "more than 10 percent" so that a member holding exactly 10 percent of the issued capital would still qualify to call for a meeting of the company.
MAAM	**Reply to Question 13:** MAAM agrees with the proposal to remove the categorical limitations on the types of persons who can be appointed as proxy as well as the limitations on the proxy to speak and vote whether on poll or otherwise. **Reply to Question 16:** The law should retain voting by show of hands as a method of dealing with non-contentious matters expeditiously and inexpensively. **Reply to Question 17:** In the event that the current law on voting by show of hand is maintained voting by show of hands should be expressly allowed for proxies and all categories of shareholders because there might not be sufficient time to effectively demand a poll (say if less than 30 days). The discussion in 5.36 for the exclusion of the right of proxies to vote on a show of hands based on the need to facilitate the process of expeditious conduct of meetings, particularly meetings of companies with a large number of shareholders appear to be weak. On the contrary, fund managers as proxy holders would reduce the number of shareholders and thereby expedite the conduct of the meeting.

BNM	**Reply to Question 1:** We agree with the recommendation of CLRC that private companies should no longer be required to hold AGMs[1] if high majority of shareholders do not have any objection. In addition, we agree that a significant number of shareholders may request that the company convenes as AGM in any particular year. However, for public companies, we are of the view that provision in the Companies Act for the mandatory AGM should be maintained. This is one of the avenues where shareholder activism would be encouraged. **Reply to Question 2:** We agree that if private companies are not required to hold an AGM individual members should be accorded the right to demand that an AGM be held in a particular year provided that these shareholders constitute at least 5 per cent of shareholders. The present minimum general meeting threshold of 10 per cent under section 144 of the Companies Act 1965 is too onerous to achieve the necessary balance between the interest of the minority and majority shareholders. The rationale for a minimum threshold of at least 5 percent is provided under Question (9) below. **Reply to Question 3:** We agree that a company should be permitted to hold a general meeting at unlimited number of locations. However, we suggest that the primary venue of a general meeting should be held at a central location, which can be reached with reasonable expenses by members[2]. There is a concern that if a general meeting is held in faraway places within Malaysia, it would not be fair to members who have to pay for accommodation and transportation. We agree with CLRC's recommendation that section 145A of the Companies Act

[1] UK Company Law Review and Australia recommends that private companies opt not to have AGMs unless the shareholders elect to do so.

[2] In UK and Hong Kong, companies are permitted to hold their AGMs at more than 1 location to permit effective communication between venues, with two way real time communication between the participants, and as an addition, the Hong Kong Standing Committee on Company Law reform (SCCLR) proposes that to permit effective communication between venues, both visual and audio real time connections should be permitted by legislation **(UK Company Law Review Steering Group Modern Company Law for a Competitive Economy: URN 00/1335 (Nov 2000)** Chapter 5: *Corporate Governance: Shares & Shareholders*, Para 5.21.

[3] The Offshore Companies Act 1990 ('OCA') provides that subject to limitations in the memorandum and Articles of Association, directors of an offshore company may convene

	1965 to be amended accordingly in order to incorporate a provision in the Act to facilitate the usage of information and communication technology (ICT)[3] that would allow shareholders who are unable to be present in person a reasonable opportunity to participate in the AGM held simultaneously at two or more locations. We agree with CLRC's recommendations that, to safeguard against concerns such as downtime and breakdown in communication, operational application of these technology should be subject to best practices issued by the Companies Commission of Malaysia (CCM). **Reply to Question 4:** We agree that the minimum notice period for the AGM should be increased to 21 days. We agree with the recommendations by the Finance Committee on Corporate Governance[4] that the Companies Act 1965 and the listing Requirements of Bursa Malaysia Securities Berhad be amended to extend the notice period of the AGMs from 14 days to 21 days. The rationale would be that the proposed extended time is to enable nominees to obtain and submit proxy votes and assist in greater participation at such meetings.

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meetings of the members in any part of the world. A member would be deemed to be present at a meeting if he participates via telephone or other electronic means where he can be heard and his voice recognized by all members participating in the meeting. **Section 249S of the Australian Corporations Act 2001** allows company meeting to be hold via any ICT.

[4] Malaysia, Report on Corporate Governance, (February 1999), Chapter 6 at paras 2.1.7 to 2.1.11

[5] MSC-MDEC Presentation to BNM officers in April 2006

[6] In UK, the ***Company Law Review Steering Group Modern Company Law for a Competitive Economy – Final Report 2001***, para 7.11 provides that, "New legislation should permit members of the company to vote electronically and that the Standard Committee should develop non statutory rules or guidance for voting procedures

[7] UK Company Law Review Steering Committee, Modern Company Law for a Competitive Economy – Final Report (2000) para 7.12

[8] UK Company Law Review and Australia recommends that private companies opt not to have AGMs unless the shareholders elect to do so.

[9] (1991) 3 CLJ 1873

[10] *Lim Hean Pin v. Thean Seng Co Sdn. Bhd & Ors* (1992) 2 MLJ 10

[11] In UK, the **Company Law Review Steering Group Modern Company Law for a Competitive Economy – Final Report 2001**, para 7.11 provides that, "New legislation should permit members of the company to vote electronically and that the Standard Committee should develop non statutory rules or guidance for voting procedures".

[12] Bundling of proposed resolutions means separate issues or resolutions of a company being bundled together. The proposed resolutions that are bundled together restrict the opportunity to debate particular components parts of the proposed resolutions. Bundling could result in the 'hiding' of important details peculiar to contentious proposed resolutions.

[13] In Australia, **section 249D of the Corporation Act 2001** provides that a relatively small number of shareholders can requisition an EGM to raise questions of corporate responsibility in relation to a broad range of issues including labour practices, executive remuneration and environmental standards.

	We note that notwithstanding the longer period of notice, there is flexibility in section 145 of the Companies Act 1965, which allows for a shorter period of notice if shareholders so agree. However, the present provisions in relation to the minimum notice periods for different types of resolutions should be maintained. **Reply to Question 5:** We support this recommendation. In addition, we suggest that some flexibility be incorporated to facilitate further advancement in technology. For example, if all shareholders are connected via Internet, the company may wish to relax the requirement to deliver personally or sending by post. We are of the view that a notification via e-mail and the publication of notice in the relevant website (Bursa Malaysia for listed companies or CCM for unlisted companies) may be deemed sufficient and acceptable by most courts. However, since the Internet penetration rate (percentage of population) is only 40 per cent[5], the courts may require additional information on a case by case basis especially if there is evidence that the company knew or ought to have known that some of the shareholders do not have access to the Internet or are computer illiterate. In order to safeguard against any illegal tampering of ICT notices, or acts of fraud or forgery on such notices, and the possibility of shareholders not receiving their notices via ICT, relevant safeguards such as access by way of personal identification numbers should be accorded to shareholders[6]. Alternatively, CCM should prescribe safeguards by way of incorporating best practices in the Malaysian Code on Corporate Governance or the Best Practices in MAICSA guide to enable companies to adhere to the requirements of using notices. **Reply to Question 6:** We agree that a company is not required to give notice of any resolution or to circulate any statements unless a copy of the requisition signed by the requisitionist Is deposited not less than 4 weeks before the meeting. However, if the time frame is complied with, the company will have to bear the expenses of circulating the shareholders proposal. Any copy of the requisition lodged less than 4 weeks will have to be circulated at the expense of the shareholders' concerned. **Reply to Question 7:** We agree with the recommendation of CLRC that a company is responsible for any costs in sending out the notice of a meeting to its members if the company receives

	the notice in time (if it is deposited not less than 4 weeks before the meeting). However, any copy of the requisition lodged less than 4 weeks will have to be circulated at the expense of the shareholders concerned. **Reply to Question 8:** Written resolutions are a convenient way for companies with a small number of members to make decisions without the need to convene a general meeting. In practice, private companies use written resolutions to make decisions, as it is more practical and expeditious. Due to the requirement of having a unanimous members' approval, any single member can prevent the passing of a resolution. Dispensing with unanimity can be taken as trying to make decisions without the opposing or dissenting views being heard. We agree with the recommendations of UK Steering Committee[7] that all shareholders be entitled to a copy of the written resolution. This would allow dissenting shareholders to give their views and to persuade the other shareholders not to sign the written resolution. The UK Steering Committee also proposes that a written resolution be allowed without unanimity but on a basis of a higher percentage, for example 90 per cent. We would recommend a similar practice for Malaysia. **Reply to Question 9:** We agree with CLRC's recommendation that several shareholders who jointly hold at least 5 per cent of the ordinary shares of the company be allowed to demand in writing that the company convenes a general meeting (See also our response to Question 21). The present minimum general meeting threshold of 10 per cent under section 144 of the Companies Act 1965 is too onerous to achieve the necessary balance between the interest of the minority and majority shareholders and the rationale for CLRC to lower the threshold requirement for calling a general meeting from 10 per cent to 5 per cent is no the following basis: a. The inability of requisitionist to satisfy a 5 per cent shareholding threshold would call into serious question the prospects of their proposed resolution succeeding; b. The requirement ensures that the cost of convening meetings is only incurred when there is legitimate concern by a substantial number of shareholders who have an economic interest in the company. It would be unreasonable for a listed entity and its non-requisitioning shareholders to have to bear these costs unless a reasonable proportion of its shareholders requisitioned the meeting. c. This threshold requirement achieves the necessary balance between the interest of the minority and majority shareholders.

	Reply to Question 10: CLRC believes that section 152A of the Companies Act 1965 cannot be used to dispense with the AGM since section 143 of the same Act specifically requires an AGM to be held once a year. Neither section 152A nor section 143 of the Act contains the equivalent of the Singapore and Hong Kong provisions that allows companies to dispense with the requirement of holding a physical meeting. Accordingly, we agree with CLRCs recommendation that private companies may opt not to have AGMs[8] if high majority of shareholders do not have any objection. **Reply to Question 11:** We agree that the written resolution procedure shall not be applied in certain circumstances where special notices are required. Section 153 of the Companies Act 1965 clearly provides that wherever a special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the company not less than 28 days before convening a general meeting. **Reply to Question 12:** We agree with the recommendation that in the case of private companies, matters that would ordinarily be resolved at any meetings may be resolved by a written resolution as mentioned earlier under paragraph (h) above. However, since public companies are still required to hold an AGM, we agree with the recommendation that written resolution procedures should be expressly excluded in the case of public companies. This of course should not preclude the Board of Directors of public companies from using the written resolution procedure for board matters. The rationale is that CLRC believes that section 152A of the Companies Act 1965 cannot be used to dispense with the AGM since section 143 of the same Act specifically requires an AGM to be held once a year. Hence, these sections should be clarified to reflect this recommendation. **Reply to Question 13:** CLRC is of the view that by removing the categorical limitations on the types of persons who can be appointed as a proxy, it would have the desired effect of encouraging shareholders to vote and improve their participation, subject to proper guidelines being provided in the Articles of Association of the company for such appointments. At present, the Companies Act requires proxies to be professionals such as an advocate or a company auditor.

	This requirement was further reinforced in the case of *Tan Guan Eng @ Tan Guan Sooi v. BH Low Holdings Bhd & Ors*[9], it was held that even if the Articles allows for the appointment of non members as proxies, the appointees must nonetheless belong to the category of person allowed under section 149 (1)(b) of the Companies Act 1965. if the provisions if the Articles run contrary to the standards laid down in section 149 (1)(b), the Articles would be struck down and the appointee would have to be a qualified person within the meaning of the Act[10]. Hence an amendment to section 149 of the Companies Act would be needed for this proposal to be effected. **Reply to Question 14:** We note that currently the Companies Act does not regulate or prescribe who should have access to the lodged proxies information about the overall trend of proxy voting before a meeting. However paragraph 4.79 (v) of the Malaysian Code on Corporate Governance prescribes that companies are to count all proxies lodged with them and to disclose the information prior to the meeting. The rationale is to expedite the meeting by overcoming unnecessary prolonged debate where the outcome is clearly settled by the lodged proxies. We agree with CLRC's recommendation that the best practice would be to require a person independent of the board of directors to be responsible for receiving and collating proxy votes, solely for the purpose of checking and tallying them prior to the meeting and giving the chair a report for use at the meeting. This would eliminate directors, but not the shareholders to have access to information concerning proxy voting by shareholders. The rationale is directors should not have access to this information as the information is not directly related to the function of managing the company, but it concerns with matters within the powers of the shareholders and not the directors. This is to avoid directors to obtain proxy-voting information that is not publicly available or to solicit votes or to influence the outcome of shareholders proposed resolutions by publishing a progressive tally of the direction of proxy voting. **Reply to Question 15:** Yes, this will encourage shareholders' participation in the voting process and corporate decision-making. Postal or electronic voting may be more attractive to certain shareholders rather than proxies. It should also give the directors the choice to provide for direct absentees voting, subject to any restrictions in the companies constitution.

	The discretion would allow companies to introduce electronic voting if and when the board is satisfied that there is adequate technology for the verification of votes, which includes *inter alia* the authentication of shareholders identity[11]. However, this should be facilitative rather than mandatory and there should be rules and guidance for such voting procedures to prevent any abuse. **Reply to Question 16:** We support the recommendation of CLRC that voting by a show of hands should not be prohibited by statue, but neither should it be made mandatory. As highlighted in the document, voting by show of hands has the merit of enabling uncontroversial proposed resolutions to be disposed of quickly. We also acknowledge that the best way to reflect the voting position of the company's shareholders is through the "one share one vote" method. As long as this method is made available to shareholders at their request, the above flexibility should not be abolished. **Reply to Question 17:** Yes, as proxies are representatives of shareholders and should be accorded the same privilege as shareholders. As shareholders are allowed to vote by a show of hands, then the same should be made available to proxies. **Reply to Question 18:** We agree CLRC's recommendation to have separate resolutions for substantially separate issues as a matter of best practice and it should not be allowed within the current regulatory framework. The rationale would be to prevent the practice of resolution bundling[12], which would deprive shareholders of their decision-making powers in particular, their rights to vote on each matter of business separately. **Reply to Question 19:** We agree with CLRC's recommendation that the general functions and duties of the chairman of the meeting should not be included in a legislative document but any such formulation to be set out in a non legislative document, such as the Best Practices in the MAICSA Guide or the Malaysian Code on Corporate Governance in guiding the conduct of the chairman of a meeting. The way the chair conducts the meetings depends on the nature and mood of the meeting and these are not matters that can be legislated. The necessity of having a broad language to formulate the functions and duties of the chairman would make it

	unsuitable for legislation or could create considerable difficulties or uncertainties in its interpretation. **Reply to Question 20:** We support the move to lower the threshold from 10 per cent to 5 per cent in order to create a balance between the interest of minority and majority shareholders. We agree with CLRC's recommendation that its requirement ensures that the cost of convening meetings is only incurred when there is legitimate concern by a substantial number of shareholders who have an economic interest in the company. It would be unreasonable for non-requisitioning shareholders to bear these costs unless a reasonable proportion of its shareholders requisitioned the meeting. **Reply to Question 21:** We agree with CLRC's recommendation that section 145 requires clarification in the way it is drafted to state that a single member, holding more than 10 per cent of the issued capital, should be allowed to call for a meeting of the company provided it is for a legitimate purpose[13]. We agree with CLRC that the current section should be redrafted into two distinct sections addressing the issues on the right to convene meeting and notice of meeting separately. Conclusion We find that the reforms proposed by the CLRC in this Consultative Document are necessary so as to keep abreast with developments in company law. In addition, we suggest that the CLRC would also like to gather feedback from industry associations such as the Association of Banks in Malaysia (ABM), General Insurance Association of Malaysia (PIAM), Life Insurance Association of Malaysia (LIAM), and the Association of Islamic Banking Institutions Malaysia (AIBIM) on the Consultative Document
MIBA	**Reply to Question 1:** Yes, provided that individual members should be accorded the right to demand that an Annual General Meeting (AGM) be held in a particular year. **Reply to Question 2:** Yes. A minimal threshold should be set based on the shareholding. Any substantial security holder (as defined presently in the Companies Act as holder of at least 5 per cent of voting shares) should be given the right to demand AGM in a particular financial year.

	Reply to Question 3: Yes, provided that companies have effective communication technology, both visual and audio real time communications permitted by legislation in Malaysia. Measures in place should include having a company representative at the various locations to perform such identification or use password-protected access to telecommunications means. **Reply to Question 4:** Yes, agreed with the recommendations for (a), (b) and (c). **Reply to Question 5:** Yes, provided that the shareholders are given option to select the appropriate mode as stated below: a. Notices to be given personally or sent by post; or b. Notices to be posted through electronic means of communications (shareholders must agree to adopt the electronic mode in writing). **Reply to Question 6:** Yes. **Reply to Question 7:** Yes, if the Board agrees to circulate. No, if the Board declines then the requisitionists will bear the costs of circulation. **Reply to Question 8:** Yes, provided a. This is allowed for companies with a relatively small number of members (threshold to be proposed by CLRC) so as to ensure that the proposals involved are properly debated where necessary; b. There are means for ensuring that the proposals involved are notified to all shareholders eligible to vote for or against them; and c. That special resolution could be passed with a 75% majority and an ordinary resolution by a simple majority. **Reply to Question 9:** Yes.

	Reply to Question 10: Yes, provided that the Articles of Association expressly stipulates the scope of "matters that would ordinarily be resolved at any meetings". **Reply to Question 11:** Yes. **Reply to Question 12:** Yes. **Reply to Question 13:** Yes, to allow any person of legal age to be appointed as proxy. **Reply to Question 14:** Yes, provided the disclosure of proxy voting information is regulated as part of a set of best practices. **Reply to Question 15:** Yes, provided there are proper procedures, rules and guidance for absentee voting system are in placed before implementation to prevent abuse and fraud. **Reply to Question 16:** The existing provisions which allow voting by show of hands should not be prohibited as it facilitates efficient conduct of shareholders' meeting. However, the practice of the same shareholders appointing more than 1 proxy, thus maximizing votes by show of hands should be discouraged. In addition, the ability for shareholders / proxies present to demand for a poll should be enhanced. **Reply to Question 17:** Yes, as proxies have been mandated to speak out on the absentee members behalf. Voting by show of hands should be expressly allowed for proxies to facilitate expediency in making decision for non-contentious matters. **Reply to Question 18:** Yes, prohibition of the practice of bundling should be governed by best practices as varying understanding or interpretation of what constitutes "substantially separate

	issues" will make any legislatively imposed condition in this regard difficult to enforce. "Bundling" should be made facilitative in circumstances where the issues are dominantly co-related and point to one objective and provided that the "bundling" does not compromise the rights of the shareholders. **Reply to Question 19:** Yes. The formulation of the functions and duties of the Chairman of the meeting should not be a statutory formulation. **Reply to Question 20:** Yes, a requisition, which should not be unreasonably withheld by the Board. **Reply to Question 21:** Yes.
BPPSM	**Reply to Question 1:** Yes. We agree with the Corporate Law Reform Committee's (CLRC) recommendation. For private companies, shareholders' agreement should be encouraged particularly among minority shareholders to protect their interests if they are not involved in the management of the company. **Reply to Question 2:** Yes. We agree with the CLRC's recommendation. It is important to allow a minimal threshold either based on the level of at least 5 per cent shareholdings or two and/or more shareholders collectively with at least 5 per cent shareholding. **Reply to Question 3:** Yes. We agree with the CLRC's recommendation. Companies should be permitted to hold a general meeting at unlimited number of locations provided that real time, two-way communication is available between participants. The infrastructure for real time and two-way communication must be effective and efficient from the point of view of the company and shareholders. Transparency is absolutely important between the Board and shareholders present at a general meeting at different locations to understand each other on the proceedings of the meeting. The Board has to be composed of a competent Chairman and Directors of the right

	quality to handle critical issues (including difficult questions) raised by shareholders on a real-time two-way communication basis for the general meeting to be conducted smoothly and satisfactorily. Investor education is important in this area. **Reply to Question 4:** Yes. We agree with the CLRC's recommendation. The minimum Notice period for the AGM including EGM should be increased to 21 days. The longer Notice period for the AGM or the EGM is useful for shareholders and for proxy services to be given more time and to work effectively. Hopefully, the longer period should also enable the dates of AGMs among public companies to be spread out rather than to coincide on certain dates. **Reply to Question 5:** Yes. We agree with the CLRC's recommendation. Companies should be allowed, subject to shareholders' approval at general meetings, to issue Notices personally or sent by post to shareholders. Shareholders can be given an option to advise companies accordingly which appropriate means of communications they prefer and suitable to them. **Reply to Question 6:** Yes. We agree with the CLRC's recommendation. Circulation is good to promote greater awareness, engagement and participation among shareholders at the meeting. It is also important for companies to make an announcement of such resolution received and deposited for other shareholders to know and understand the issues involved. It is advisable for companies to make known the contact person for resolution to be raised and the company's Articles should be available on the website at all times. All this information should be made available as the company's shares are traded on the stock market with investors changing hands daily. **Reply to Question 7:** Yes. We agree with the CLRC's recommendation. The company should be responsible for the cost if the proposed resolution is received in time with the Notice to be circulated (with no change to the 1,000 words limit).

	Reply to Question 8: Yes. We agree with the CLRC's recommendation. We should follow Singapore and New Zealand as mentioned under paragraph 4.5 of the Consultative Document on Engagement with Shareholders. It is important to prevent the abuses of power and authority in the management of the company concerning with the key issues of the company's interest and shareholders' interest as a whole. **Reply to Question 9:** Yes. We agree with the CLRC's recommendation. The lower threshold of at least 5 per cent of the shareholding will encourage more shareholders to come forward and get involved with the key issues affecting their interests and the company. **Reply to Question 10:** Yes. We agree with the CLRC's recommendation. This will make directors of private companies more accountable and transparent in their dealings and related party transactions. **Reply to Question 11:** Yes. We agree with the CLRC's recommendation. **Reply to Question 12:** Yes. We agree with the CLRC's recommendation. This is particularly important for public companies to encourage shareholders to attend the general meeting where their presence and engagement is required in the best interest of the company. The AGM is recognized as an unsatisfactory forum for the exchange of views and the making of decisions in public companies especially large conglomerate with both small private shareholders and institutional investors. Written special resolution should not be expressly excluded if agreed to by all members entitled to vote. It is important in public companies where decisions made at general meetings are expressed in resolutions as follows:- • Ordinary resolution – 51% of votes

	• Special resolution – 75% of votes, 21 days notice of intention to propose required • Extraordinary resolution – 75% of votes. If no Notice is required, it should be replaced by special resolution • Written resolution – agreed by all members entitled to vote Refer to Question 16 regarding the Notice of the AGM to include resolutions under the Agenda of the general meeting. **Reply to Question 13:** Yes. We agree with the CLRC's recommendation. This will allow greater participation and engagement not only with shareholders but also proxy holders attending the general meeting. **Reply to Question 14:** Yes. We agree with the CLRC's recommendation. Transparency is important when the Chairman is being appointed as a proxy for shareholders who may vote differently from the Chairman. How the Chairman announces the proxies held by him truly depends on his personal integrity. **Reply to Question 15:** Yes. We agree with the CLRC's recommendation. The legitimate use of votes by all shareholders should be encouraged whether voting in absentia or by electronic means. Any means to voting process should be encouraged if it contributes effectively to shareholders participation and engagement at general meeting and in corporate decision making of public companies. Ensuring the integrity of the voting system is important. **Reply to Question 16:** Yes. We agree with the CLRC's recommendation. Voting by show of hands is often not fair at general meeting with each member having one vote. At the AGM or EGM if the Chairman receives proxy votes from shareholders who are not present and from persons connected with directors and management, a poll should be demanded in accordance with the Articles, in which case a written record

	should be kept and each member has a vote for every share held. To ensure the integrity of the voting process for or against each resolution relating to a contentious issue is a challenge. In circumstances of delisting of a public listed company, voting by show of hands is effective when minority shareholders are present in number to demonstrate their physical presence and to vote in number by show of hands against the delisting e.g. the case of E&O Property Development Berhad where voting by show of hands from minority shareholders in number outvoted the majority shareholders. It is to be noted that AGMs are concerned with the audited financial statements, directors' and auditors' reports, dividends, directors' fees, the election of directors and the appointment and remuneration of auditors. A general meeting of company's members and their decisions can bind the company. Hence, a decision reached by a majority of members either by show of hands or a poll at a company meeting can bind all shareholders. In view of these powers specified under the Companies Act 1965, it is deemed fit and proper for resolutions to be tabled for shareholders' approval under the Notice of the AGM of every public listed company. **Reply to Question 17:** Yes. We agree with the CLRC's recommendation. Proxies should represent shareholders who are not available to attend general meetings. A proxy must be someone who understands his role and performs accordingly to the law in representing shareholders who for some reasons, are not available to attend general meetings. Greater shareholder engagement and participation can be encouraged. Investor confidence can improve with shareholders able to appoint proxies to vote on their behalf when they are absent at general meetings. **Reply to Question 18:** Yes. We agree with the CLRC's recommendation. The best practice in corporate governance should be expanded to describe the generic categories of resolutions that should not be bundled. Public companies should ensure that each item of special business included in the Notice is accompanies by a clear explanation about the effects of a proposed resolution. (See paragraph 4.79(1) of the Malaysian Code on Corporate Governance)

	Reply to Question 19: Yes. We agree with the CLRC's recommendation. Company Secretary should be professionally independent to ensure the best conduct of the Chairman of a meeting. Every company secretarial association should get its members involved to play their role effectively in this area. Preferably, the Chairman should be an independent, non-executive director to chair the meeting. The role of Chairman at the AGM or EGM is usually not so clear cut when he is also the Managing Director and CEO of the public company. **Reply to Question 20:** Yes. We agree with the CLRC's recommendation. This will allow greater shareholder engagement and activism if public companies are not well run. In such a case, the cost of holding general meeting should be at the company's expense – otherwise shareholders requisitioning the meeting to pay for it. **Reply to Question 21:** Yes. We agree with the CLRC's recommendation. This will allow greater shareholder engagement and activism if public companies are not well run. In such a case, the cost of holding general meeting should be at the company's expense – otherwise the single shareholder requisitioning the meeting to pay for it on the grounds that he calls for the meeting and looks whether he could obtain support of other shareholders for the issues to be resolved. KFC Holdings (Malaysia) Bhd, QSR Brands Bhd and T.H.Hin Corporation Berhad (now known as Milux Corporation Berhad) are good examples of such EGMs being held.
ABM	**Reply to Question 1:** We agree that private companies should not be required to hold AGMs. **Reply to Question 2:** We agree that any member may request for an AGM to be convened in a particular year. Such members should have at least have 5% of voting rights. **Reply to Question 3:** Yes as this will facilitate higher attendance.

	However proper procedures are required to be laid down to ensure the integrity of the attendance list and voting at the meetings. **Reply to Question 4:** Yes. **Reply to Question 5:** Yes. This should be implemented on the basis that shareholders are given the choice to receive notices of meeting by facsimile or e-mail as not all shareholders may have access to facsimile or e-mail. **Reply to Question 6:** Yes, we agree. **Reply to Question 7:** Yes, we agree. **Reply to Question 8:** Yes, provided:- i. All shareholders must have acknowledged receipt of the written resolution. ii. CLRC should consider the UK jurisdiction where it is proposed that written resolutions be allowed without unanimity but on a basis of a higher percentage- for example 90 percent. **Reply to Question 9:** Yes. **Reply to Question 10:** Yes. **Reply to Question 11:** Yes. **Reply to Question 12:** We agree that the written resolution procedure should be expressly excluded for public listed companies because there are some public unlisted companies which are wholly owned subsidiaries or with only a few corporate shareholders.

	Reply to Question 13: Yes. **Reply to Question 14:** No. The disclosure of proxy voting details prior at the general meeting should not be prescribed but should be by way of best practice. **Reply to Question 15:** Yes, provided there being adequate technology for verification of votes which includes the authentication of shareholders' identity. **Reply to Question 16:** We are of the view that voting by show of hands should be maintained as in any case, shareholders have the option to demand for a poll anyway. **Reply to Question 17:** Voting by show of hands should be expressly allowed for proxies so as to allow the proxies to vote on behalf of the absentee shareholder. **Reply to Question 18:** Yes, we agree. The current regulatory framework already provides for resource for minority shareholders in the event of oppression etc. Moreover, bundling is practical for unlisted companies which are wholly owned or have very few corporate shareholders. **Reply to Question 19:** Yes. **Reply to Question 20:** Yes. **Reply to Question 21:** Yes.
Bar Council Malaysia	**Reply to Question 1:** Yes in principle but subject to a right in certain circumstances for individual members to demand that an AGM be held in a particular year. It is however unclear as to how

	the current matters normally dealt with at AGMs would be dealt with in such circumstances. Is it intended that such matters would be approved instead of through an AGM by resolutions in writing? **Reply to Question 2:** Individual members should be accorded such a right. This should be based on the shareholding or aggregate shareholding of the members making the demand. In the case of a public listed company or an unlisted public company with more than 50 shareholders (using the criteria in respect of the number of shareholders permitted for a private company), the threshold should be 5% of the total voting shares of the company. In the case of a private company or an unlisted public company with 50 or less shareholders, the threshold should be 10% as a 5% threshold for private companies and smaller public companies might be too easily achieved. If resolutions in writing or some other approval procedure can be utilised in place of an AGM, any such approval made through such other procedures must be circulated (together with an explanatory statement on the purpose and effect of the resolutions) to all shareholders so as to provide them with notice of the resolution as well as to provide them with an opportunity to decide whether or not to opt to sign the written resolution and be subject to an AGM not having to be convened pursuant to a demand made by shareholders. There must accordingly be provision to that effect and if an AGM would then have to be held, the approval would then depend on the outcome and decision of the AGM. There must be a time limit for demands to be made for an AGM. The period should be neither too long (as this could cause unnecessary inconveniences) nor too short (so as to be detrimental to shareholders). 10 days should be a reasonable period. **Reply to Question 3:** Yes in principle. This would however be only useful if restrictions on the location of general meetings are relaxed or removed. There must also be adequate safeguards including (among others) proper means and procedures to identify the participants and their entitlement to participate. Further, not all companies would be able to implement such provisions as (among others) proper information technology facilities might be required. The provision should not accordingly be framed such that there would be any obligation on the part of a company to adopt particular means for holding meetings other than the traditional means unless the company wishes to do so. Exceptions may be considered in the case of certain listed companies with large and diverse shareholdings to encourage participation.

	Reply to Question 4: A period of 21 days may impose unnecessary inconveniences for companies with small shareholdings. Accordingly, the current period of 14 days should be retained for private companies or unlisted public companies with shareholdings of 50 or less (based on the criteria for the maximum number of shareholders permitted for private companies). **Reply to Question 5:** It must be clear that other forms (for example, facsimile communication) for giving notices which are currently permitted by the general or common law or by some other means for example, in the articles of association of a company may continue to be used and that there should be no restriction to notices being given only personally or by post unless the shareholders agree to adopt electronic means of communication. Shareholders should in any event be deemed to have agreed to adopt electronic means of communication if the articles of association of the company provide for such means. There must of course be provision for adequate safeguards for example, in ascertaining identities and individual shareholders should have to opt in to receive such communications as many shareholders might not have the necessary facilities to receive them. The provisions on electronic communication should also extend to means of communication for example, through the website for example, as proposed or provided for in England. Provision for electronic communication should not also be restricted to notices and should be extended to other documents as well for example, the lodgment of proxies and the giving of documents other than notices to shareholders. The term “electronic” should also be expanded so as to be technologically flexible (so as to take into account technological developments and so as to avoid disputes on the meaning of electronic) and can encompass other means of transmitting or conveying information. Provision should be made to clarify and address the current practice among many public listed companies to send annual reports in CD-ROM format to shareholders. This facility should be on an opt in basis by shareholders as many shareholders might not have the facilities to read the CD-ROMs. **Reply to Question 6:** Section 144 of the Companies Act 1965 (CA) is often utilised in “unfriendly” or “hostile” situations such that minimal or no cooperation can be expected from the board of the company and if anything that measures might be taken to frustrate or to

	prevent or dispute the requisition wherever possible. Accordingly, the rights of a requisitionist and his ability to exercise it must be clear and practical. A 4 week period or indeed any other period presents practical difficulties for the requisitionist as he would not necessarily be aware of the date when a meeting is proposed. As the current notice period ranges from 14 days to 21 days, it is possible for a board that wishes to frustrate the requisitionist to immediately send out a notice of meeting for a meeting to take place at a time which is less than the 4 week period. There is on the other hand the difficulty from the company's perspective of a period which is too short for it to take the requisition into account. A possibility of resolving this would be to require a company to inform shareholders of its intention to convene a meeting (without having to specify the business) during a particular period (not exceeding 10 days) and such notice should be given at least 6 weeks before the commencement of that period. Any resolution proposed to be made would then be deemed to have been given in respect of the meeting held during that period or in respect of any meeting held immediately after that period if the meeting is not eventually held during that period. A failure to provide the 6 week notification requirement should constitute an offence but should not invalidate a meeting held unless the subject matter of that meeting concerned the matters raised in the resolution proposed. It is necessary to consider a broader review of the provisions in both Section 144 as well as 145 of CA with perhaps a view to the merger of both provisions and resolving certain uncertainties or practical issues. For example, a requisitionist might have difficulty obtaining an up-to-date list of shareholders for purposes of convening a meeting should the directors fail to do so. The law is unclear as to the degree to which a notice of meeting sent out by a requisitionist would have to be sent to the current shareholders. There would often in practice be difficulty in obtaining an up-to-date list of shareholders by an application for a copy of the register of members under CA or for an application for a copy of the record of depositors under the Securities Industry (Central Depositories) Act 1991. Those provisions should also take into account the requisition procedures and vice versa. **Reply to Question 7:** Yes, in principle provided that there are adequate procedures to enable the requisitionist to know within a reasonable time before the 4 weeks elapses (in respect of which procedures have been proposed above) and in conjunction with a general review of the provisions of Sections 144 and 145 of CA and related statutory provisions.

	Reply to Question 8: Except for any special arrangements containing adequate safeguards (as proposed above in relation to Question 2) in relation to AGMs the current requirement for a written resolution to be passed by unanimous consent should be retained. If a majority is to be permitted to approve a resolution in writing, it will raise various issues for example, safeguards for shareholders including those raised above in relation to Question 2, how the majority is to be calculated (would it be as if it were on a show of hands or on a poll: if it were to be as if it were on a show of hands it would be inequitable), shareholders would be deprived of the opportunity of a meeting and the opportunity of being heard, it would be conceivable depending on how the majority is to be calculated that resolutions could be passed in respect of a public listed company by way of written resolution (a number of large shareholders could constitute a majority in a written resolution). **Reply to Question 9:** If written resolutions are to be permitted to be passed by a majority, the thresholds should be 5% and 10% and incorporating the safeguards and procedures as proposed above in relation to Question 2. **Reply to Question 10:** There is no objection to the proposal. **Reply to Question 11:** If a written resolution may only be passed by unanimous consent, the need to hold meetings or resolutions where special notice is required may be dispensed with provided that the written resolution was circulated with an explanatory statement on why the resolution was required and its effect. If a written resolution may however be passed by a majority, there must always be an overriding right to demand a meeting and the safeguards and procedures as referred to above in relation to Questions 2 and 8 should be incorporated. **Reply to Question 12:** There should not be any express exclusion. However, if written resolutions are to be permitted to be passed by a majority it should be by both a majority as if on a poll as well as a majority in number of shareholders. **Reply to Question 13:**

	Yes, it is an unnecessary impediment. Further, a company should not be able to impose limitations on who may be a proxy in its articles of association. **Reply to Question 14:** It should be a matter of best practice and not a statutory requirement which would be unduly rigid. **Reply to Question 15:** There is no necessity for this. This would be all the more so if meetings were made more accessible by electronic or other similar means. In any event, it would not be desirable if a shareholder did not bother to attend and voted without having heard the proceedings of the meeting. It would also be an unnecessary expense and inconvenience for documents to have to be sent to shareholders to enable direct absentee voting with adequate safeguards. **Reply to Question 16:** It should not a requirement that all decisions be by way of poll as that would be unnecessarily cumbersome and expensive. There are already provisions which allow a poll to be demanded if shareholders are dissatisfied with a decision on a show of hands. **Reply to Question 17:** Yes, voting by show of hands by proxies should be expressly permitted as that is already consistent with current practice in many companies anyway and with the listing requirements of Bursa Malaysia Securities Berhad. However, a proxy at common law would have only one vote on a show of hands no matter how matter proxies he held. Should the common law position be reviewed particularly if voting by a show of hands by proxy is to be expressly permitted by statute. **Reply to Question 18:** "Bundling" should not in general be prohibited by law. It should at most be governed by best practices. A resolution may in any event still be effectively "bundled" by making it conditional on the passing of another resolution. This may be for legitimate reasons. For example, a particular corporate proposal might be intended to be on the basis that or might only be possible if another corporate proposal also proceeds such that resolutions would effectively have to be made conditional on one another. A resolution made conditional on another would in practice be no different from all the

	issues being bundled together. It is accepted that "bundling" may be carried out for less than good reasons. However, it is difficult to set out practical criteria from a legislative perspective so that best practices would be the most suitable. There are some possible exceptions however but they have to be in situations which are very clear cut and not subject to "bundling" or effective "bundling" for legitimate reasons. These include the election of directors in respect of which laws already govern resolutions for their election. **Reply to Question 19:** There should not be a statutory formulation. There are already common law rules which govern this area. It might not be easy to provide in Best Practices for a comprehensive and practical set of rules governing the duties and functions fot he Chairman as circumstances at meetings vary and very general rules would not address the issue. Accordingly, there should not be best practices either. **Reply to Question 20:** The percentage should remain at 10%. If there should however be any change, there should be a differentiation (as in relation to Question 2) between public companies with more than 50 shareholders and private companies and public companies with 50 or less shareholders with the former being subject to a 5% threshold and the latter companies being subject to a 10% threshold. Requisitions should not be too easy as this might encourage frivolous requisitions. There should in any event be a review of Section 144 of CA in conjunction with Section 145 of CA as proposed in relation to Question 6 **Reply to Question 21:** The comments in relation to Question 21 are the same as in relation to Question 20. **Other matters** There should be no restriction on where general meetings can be held. Even if a meeting were to be held outside of Malaysia, it would still be subject to Malaysian law as minimum requirements as the company is a Malaysian incorporated company. It would be helpful to have more flexible provisions for meetings having regard to Globalisation trends. Further, directors' meetings can be held in any part of the world in any event unless restricted by the articles of association of the company. Is a review of Section 181 or 218(f) of CA intended.

	On a general note, the Consultative Document has concentrated largely on a reform of certain existing statutory provisions. Has the review of statutory reform considered whether new or additional provisions or areas should be addressed for possible reform having regard to both Malaysian developments and circumstances as well as legislative developments and proposals elsewhere in the Commonwealth.