UNLOCKING AGMs: FROM VOTES TO VOICE IN ASIA-PACIFIC

Malaysia 2026

Main Messages from Part I

- Annual general meetings (AGMs) remain the one universal, legally mandated, and documented forum for shareholder voice.
- Shareholder engagement should not be confined to AGMs; it is a year-round responsibility of issuers.
- Strong governance, anchored by an effective AGM, supports long-term value creation, market efficiency and competitiveness, and ultimately, economic growth.
- AGM practice across the region falls short of recognised standards, including G20/OECD Principles of Corporate Governance[1] and CFA Institute corporate governance guidance.[2]
- Meaningful progress requires coordinated action by issuers, investors, intermediaries, and regulators who are all part of the same ecosystem.
- Part I of this report is available on the CFA Institute Research and Policy Center website: https://rpc.cfainstitute.org/research/reports/2026/unlocking-agms-asia-pacific.

Key Findings for Malaysia

- Dissent is concentrated and rising: The share of capital-structure resolutions being contested climbed from 15.0% in CY2024 to 22.6% in CY2025, and the share of share-issuance mandates being contested rose from 30.1% to 39.4%, even as overall levels remain modest at 8.3%.
- Capital mandates and equity-based plans are the flashpoints: Share-issuance mandates (34.7%) and equity-based plans (44.4%) draw by far the highest opposition. Director elections (5.4%), pay (2.3%), and related-party transactions (2.0%) pass quietly.
- Minority protection is misaligned: Malaysia applies disinterested-shareholder safeguards to related-party transactions (RPTs) and to long-tenured directors, where dissent is muted, but not to the capital and equity mandates where it concentrates.

Priority Actions

- Regulators (stock exchange): Strengthen disclosure requirements for annual share issuance mandates. Consider extending majority-of-minority approval to capital and equity mandates. Alleviate AGM season clustering problem.
- Issuers: Treat sustained opposition as an engagement signal. Give issuer-specific justification for recurring capital and equity plan mandates.
- Investors: Calibrate stewardship to Malaysia's concentrated-ownership and general-mandate frameworks. Treat repeated shareholder dissent as an escalation indicator. Disclose individual company voting records.
- Proxy advisers: Enhance transparency, explainability, and market-specific calibration of voting recommendations, particularly for issues that attract significant opposition yet routinely pass.

[1] OECD, "G20/OECD Principles of Corporate Governance 2023," www.oecd.org/en/publications/2023/09/g20-oecd-principles-of-corporate-governance-2023_60836fcb.html.

[2] CFA Institute, "The Corporate Governance of Listed Companies: A Manual for Investors" (2018), https://rpc.cfainstitute.org/sites/default/files/-/media/documents/article/position-paper/corporate-governance-of-listed-companies-3rd-edition.pdf.

Malaysia in Context

- **Malaysia's AGM framework is shaped by a two-tier regulatory architecture,** with the Securities Commission Malaysia setting policy direction through the Malaysian Code on Corporate Governance and with Bursa Malaysia enforcing the binding Listing Requirements.
- **Strong regulatory framework but more uneven governance practices on the ground,** ranking fifth overall and second for the quality of corporate governance rules by Asian Corporate Governance Association (ACGA)'s assessment.

Ranked fifth overall by the ACGA, and second on the quality of corporate governance rules,[3] Malaysia is characterised by a strong regulatory framework but more-uneven governance practices on the ground.

AGMs at a Glance

Our analysis covers 157 Bursa Malaysia–listed companies (market capitalization ≥ USD240 million) and 7,726 management-sponsored proposals over CY2020–CY2025. Detailed voting data are limited prior to 2024 and near-complete thereafter. Accordingly, contestation is assessed over 2,303 resolutions in CY2024–CY2025, while volume and composition trends are analyzed across the full period. **Exhibit 1** summarises voting across the full dataset, while **Exhibit 2** shows how contestation is concentrated across proposal categories in the CY2024–CY2025 sample.

- **Share dilution is the primary point:** Equity-based compensation plans (44.4%) and share-issuance mandates (34.7%) attracted the highest levels of opposition, reflecting sustained investor concern over board discretion in potentially dilutive actions.[4] The retention of long-tenured independent directors (31.2%) emerges as a secondary governance concern.
- **Contestation is concentrated and persistent:** Corporate-structure mandates, board resolutions, and equity-linked remuneration resolutions together account for 89.0% of all contested proposals, with consistent themes recurring across years rather than episodic spikes.
- **Constraint on board authority is limited:** Despite repeated opposition in these areas, boards typically secure approval for capital and equity-plan mandates at each AGM, thereby retaining broad discretion over future corporate actions.

Sectoral Patterns

Exhibit 3 details the patterns across sectors.

Capital-raising sectors are structurally distinct. Real estate and technology allocate approximately 30% of their proposal mix to corporate-structure resolutions, principally authorizations to issue, modify, or reduce capital, compared with 16%–20% in financials, energy, and utilities.

Remuneration weighting reflects organizational structure. Utilities (29%) and industrials (27%) record the highest proportion of remuneration-related proposals, consistent with larger board sizes and more-frequent resolutions on fees and benefits.

RPTs are concentrated in specific sectors. Communication services stands out, with RPTs accounting for 26.7% of all resolutions, substantially higher than technology (11.4%) and the low-single-digit shares observed in industrials, energy, and health care. Contestation is near zero, however, because interested directors, major shareholders, and persons connected to them must abstain from voting, and recurrent RPTs are vetted through annually renewed shareholder mandates reviewed by the audit committee.[5]

Sectoral variation reflects capital intensity. In CY2024–CY2025 (where voting data are available), higher contestation in energy (18.6%), utilities (15.5%), and health care (15.1%) is driven by the sectors' reliance on capital-raising and structural resolutions, while financials stand out with low contestation (2.1%) despite high proposal volumes, reflecting more controlled and clearly articulated capital-raising practices that attract limited shareholder opposition.

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[3]ACGA Research, "CG Watch 2023: Spectrum of Standards (Asean Chapter)" (12 June 2024), www.acga-asia.org/cgwatch-detail.php?id=493.

[4]Securities Commission Malaysia, "Malaysian Code on Corporate Governance" (28 April 2021), www.sc.com.my/api/documentms/download.ashx?id=239e5ea1-a258-4db8-a9e2-41c215bdb776.

[5]Bursa Malaysia Securities Berhad, *Main Market Listing Requirements*, www.bursamalaysia.com/regulation/listing_requirements/main_market/listing_requirements.

Exhibit 1. AGM Voting Overview, CY2020–CY2025

Year	Companies	Management Proposals	Shareholder Proposals	Resolutions Voted	Contested (Management)	% Contested	Average Opposition
CY2020	138	1,312	0	37	n/a	n/a	n/a
CY2021	135	1,294	0	30	n/a	n/a	n/a
CY2022	140	1,329	0	25	n/a	n/a	n/a
CY2023	143	1,294	7	100	6	6.0%	3.0%
CY2024	141	1,246	0	1,169	79	6.8%	2.0%
CY2025	140	1,243	1	1,134	111	9.8%	2.7%

Source: Data from Diligent Market Intelligence. CFA Institute subscribes to its voting data module.

Exhibit 2. Contestation Is Concentrated in Capital and Equity- Compensation Resolutions, CY2024–CY2025

Proposal Category	Resolutions	Contested	Rate	Average Opposition
Corporate Structure	532	100	18.8%	4.6%
Board of Directors	897	48	5.4%	2.1%
Remuneration	522	21	4.0%	1.2%
Committees & Reporting	315	9	2.9%	0.8%
All Categories	2,303	190	8.3%	2.0%

Source: Data from Diligent Market Intelligence. CFA Institute subscribes to its voting data module.

Exhibit 3. Resolution Mix by Sector, CY2024–CY2025

Sector	Board	Remuneration	Corporate Structure	Committees	RPTs
Communication Services	41%	16%	32%	10%	26.7%
Technology	36%	19%	30%	15%	11.4%
Real Estate	34%	21%	30%	14%	8.6%
Consumer Defensive	40%	21%	23%	15%	8.7%
Consumer Cyclical	42%	22%	21%	15%	8.5%
Basic Materials	38%	19%	25%	17%	7.0%
Utilities	39%	29%	20%	9%	6.5%
Financial Services	44%	24%	16%	16%	5.6%
Health Care	44%	20%	21%	14%	4.5%
Energy	46%	20%	17%	16%	4.1%
Industrials	39%	27%	19%	15%	3.2%

Source: Data from Diligent Market Intelligence. CFA Institute subscribes to its voting data module.

Executive and Director Compensation

Contestation is concentrated in equity-linked remuneration. Although remuneration constitutes approximately 23.0% of AGM resolutions, only 4.0% attracted significant opposition in CY2024–CY2025. This low aggregate figure conceals a pronounced divergence: Equity-based plans are contested at a materially higher rate (35.7%), while cash-based director fees and benefits, which comprise the majority of resolutions, face minimal opposition (generally below 2%). **Exhibit 4** details these findings.

Minority Protection and the Limits of the Majority-of-Minority Tools

Malaysia is distinctive within Asia-Pacific for incorporating majority-of-minority (MoM) safeguards, but their scope is limited. Under Bursa Listing Requirements (Chapter 10), RPTs are decided by disinterested shareholders, while the retention of independent directors beyond nine years requires a two-tier vote separating large and minority holders.

A second, analogous mechanism applies to board tenure: The retention of an independent director beyond nine years requires a two-tier vote, in which large shareholders (those holding at least 33% of voting shares) and the remaining holders are counted separately, and the resolution carries only if both tiers approve.[6]

No equivalent protections apply, however, to the resolutions that attract the greatest shareholder dissent: capital issuance, capital changes, and equity-plan mandates, which are passed by simple majority, including controlling shareholder votes. **This creates a structural misalignment between the deployment of minority protections and the areas where opposition is most concentrated**.

Exhibit 5 summarises the distribution of contested resolutions by opposition band and MoM protection status.

Misalignment between protections and contestation: Minority-protection mechanisms are concentrated in RPTs and long-tenured director retention, yet these account for only a small fraction of contested outcomes (8 of 127 resolutions, with 10%–20% opposition, and none of the three defeats). By contrast, 92% of contested resolutions and all defeats relate to capital, equity, and routine board matters decided by simple majority, where controlling shareholders exercise full voting power.

Case for targeted extension: Extending disinterested shareholder approval to capital-issuance and equity mandates would better align safeguards with areas of greatest shareholder friction. Given that these resolutions directly dilute minority interests and consistently attract the highest opposition, such an approach would reflect existing policy logic while addressing the principal locus of contestation.

The Role of Proxy Advisers

Declining adviser opposition: Glass Lewis reduced Against recommendations from 22.2% in CY2020 to 10.6% in CY2025, while Institutional Shareholder Services Inc. (ISS), consistently lower at 4%–8%, exhibited a similar decline. This reduction indicates closer alignment between issuers and proxy adviser expectations, even as shareholder dissent remains concentrated in capital-related items. Adviser recommendations also converged to 92% agreement, with differences largely confined to marginal cases. **Exhibit 6** summarises trends in proxy adviser recommendations.

Conclusion

Malaysia's AGM framework is well established, with listed issuers required to convene meetings within six months of year-end, substantive resolutions decided by poll, and provision for virtual and hybrid formats. Successive regulator-led reforms, from the GLC Transformation Programme (2004–2015)[7] to the Public Listed Companies Transformation Programme (2022)[8] and the MY Value Up initiative (2026),[9] have progressively strengthened procedural standards.

[6]Malaysian Code on Corporate Governance (2021); Bursa Malaysia, "Amendments to the Main Market Listing Requirements in Relation to Director Appointment, Independence, and Miscellaneous Changes" (19 January 2022), www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5ce3b50239fba2627b2864be/61e7eabf39fba2341b69446f/files/MainCircular_EnhancedDirectorMisc_19Jan2022.pdf?1642590066.

[7]Putrajaya Committee on GLC High Performance (PCG), "GLC Transformation Programme" (2023), www.pcg.gov.my/about_us_overview/.

[8]Bursa Malaysia, "Public Listed Companies Transformation (PLCT) Programme" (March 2022), www.bursamalaysia.com/reference/public_listed_companies_transformation/overview.

[9]Bursa Malaysia, "MY Value Up Programme" (April 2026), www.bursamalaysia.com/reference/my-value-up-programme/overview.

Exhibit 4. Pay Contestation Is Confined to Equity-Based Awards, CY2024–CY2025

Remuneration Type	Resolutions	Contested	Rate	Average Opposition
Equity-based plans (options, grants)	28	10	35.7%	9.9%
Bonus	27	4	14.8%	4.4%
Director remuneration (fees)	308	6	1.9%	0.6%
Independent director/Non-executive director benefits	159	1	0.6%	0.3%

Source: Data from Diligent Market Intelligence. CFA Institute subscribes to its voting data module.

Exhibit 5. Shareholder Dissent Concentrates in Resolutions Without MoM Protection, CY2024–CY2025

Opposition Band	Resolutions	RPTs	Director Retention	Resolutions Without MoM Protection	Share of Resolutions Without MoM Protection
10%–20% Against	127	2	6	119	94%
20%–30% Against	45	1	5	39	87%
30%–50% Against	15	1	1	13	87%
Defeated (>50% Against)	3	0	0	3	100%

Source: Data from Diligent Market Intelligence. CFA Institute subscribes to its voting data module.

Notes: Resolutions are sorted by the level of shareholder opposition. Only RPTs and director-retention resolutions carry MoM protection; however, they account for only a small share of contested resolutions. All three defeated resolutions were not subject to MoM protection, indicating that the strongest shareholder opposition occurred in resolution types that do not benefit from enhanced minority shareholder safeguards.

Exhibit 6. Proxy Adviser Recommendations, CY2020–CY2025

Year	Glass Lewis Recs	Glass Lewis Against %	ISS Recs	ISS Against %	ISS-Glass Lewis Agreement
CY2020	1,160	22.2%	503	8.0%	85.0%
CY2021	1,057	18.6%	450	6.0%	86.8%
CY2022	1,161	16.1%	428	7.2%	86.2%
CY2023	1,159	14.9%	424	7.3%	88.4%
CY2024	1,126	16.4%	441	3.6%	85.7%
CY2025	1,119	10.6%	731	4.0%	92.0%

Source: Data from Diligent Market Intelligence. CFA Institute subscribes to its voting data module.

The central governance tension, however, lies in the limited accountability generated by these mechanisms for resolutions that attract the highest opposition. Capital-issuance mandates (34.7%) and equity plans (44.4%) are consistently among the most contested items, yet they are routinely approved, highlighting a disconnect between visible minority shareholder dissent and voting outcomes.

Although recent policy initiatives target similar capital-allocation concerns, their effectiveness will depend on the incentives ultimately embedded within the framework. Minority shareholders can occasionally influence outcomes, but such instances remain concentrated at the margins. Institutional stewardship partly reinforces this dynamic.

In the absence of domestic activist funds, minority engagement is largely mediated through the Minority Shareholders Watch Group,[10] which monitors a substantial share of the market and focuses on pre-AGM engagement and public scrutiny. Its emphasis on dilution risks, arising from placements, rights issues, and share schemes, aligns closely with the capital and equity resolutions that dominate observed contestation patterns.

We provide the following recommendations to strengthen AGMs as a mechanism for corporate accountability and market confidence.

Constrain and justify capital-issuance mandates by requiring stronger disclosure	General mandates authorising the issuance of up to 10% (or up to 20% by special resolution) account for the largest share of shareholder dissent. Boards should therefore justify each request by disclosing the specific purpose, size, and expected time frame of such mandates, rather than routinely seeking them as broad-standing authorities. This more targeted approach would allow shareholders to assess dilution risks on a case-by-case basis.
Consider extending MoM approval	Currently applied to RPTs, to the most contested capital and share-issuance and equity-based mandates, thereby aligning safeguards with the areas of greatest shareholder concern.
Strengthen scrutiny of equity-based plans	Share-option and grant-schemes resolutions show persistent concerns regarding dilution and insider benefit. Disclosure should be enhanced to include plan size, dilution limits, performance conditions, and individual allocations, and the appropriateness of granting equity to independent directors should be reconsidered.
Establish a post-vote response mechanism for material dissent	Although most resolutions in Malaysia are approved with average support levels of approximately 97%, significant and recurring opposition is evident in certain capital and equity-related items, with limited impact on subsequent board behaviour. Issuers receiving sustained material opposition, irrespective of whether resolutions are passed, should be required to provide a public explanation of how they have engaged with dissenting shareholders and the actions taken in response to such concerns.

[10] Minority Shareholders Watch Group was established as a government initiative in 2000 following the 1997–98 Asian financial crisis. It is a nonprofit body licensed under the Capital Markets and Services Act 2007 and funded substantially by the Capital Market Development Fund. As of 2024, it monitored approximately 450 listed companies, representing around 80% of Bursa Malaysia's market capitalization. www.mswg.org.my/about.

Authors of Part I

Mary Leung, CFA
Pankaj Sharma
Urav Soni
Phoebe Chan

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