



Annual General Meeting

Meetings, in principle, are imperative in the development of effectiveness and productivity in a business entity or organization. But running a meeting does not only revolve around sharing meeting agenda and brainstorming new ideas. All employed adults must have attended a meeting or at least a briefing in the past but have you ever wondered the importance of attending a meeting when we can effortlessly use social media without having a face to face interaction?

Meetings come in all shapes and sizes. There exists a formal meeting, statutory meeting, annual general meeting, board meeting, extraordinary general meeting, and informal meeting. Today, we are focusing on Annual General Meeting or commonly known as AGM. It is a gathering which is a mandatory yearly meeting of stockholders or shareholders, members of company, firm, and organizations.

Thus, what is the purpose of having one? Firstly, it is to comply with legislative requirement. According to Section 340 (1) of Companies Act 2016, every public company shall hold an annual general meeting in every calendar year in addition to any other meetings held during that period. Subsection (2) mentions that annual general meeting shall be held— (a) within six months of the company's financial year end; and (b) not more than fifteen months after the last preceding annual general meeting.

Besides that, AGM is important for the company to present the financial accounts to its members. The secretary of a company will present the financial report for all the members to review fiscal information for the past year and may inquire the directions the business will pursue in the future. It is also can be a report of the members' activities throughout the year and will also lead for the planning of future activities.

During an AGM, there will also be an election for the Board of Directors or the committee. In the election, the votes could determine the rotation and change of positions happens in orderly manner. Sometimes, in an AGM, there will also be a motion to consider and to vote for a change of rules and recommendations. Therefore, the members, or the shareholders of a company or an organization have the right to vote in such elections. If it is required, an AGM could decide on appointing a new auditor, shareholder, or a new member for the next year and so. The shareholders shall also at the AGM declare and confirm the dividends as proposed by the Board.

Finally, an AGM is a platform for the members to voice out their questions and concerns regarding anything under the sun pertaining to the organisations directly towards the Directors and provide some feedback to the committee for any improvement and

upgrade in the near future. By attending AGM, members will be kept up to date on the latest activities, information, and the progress of the company or organization. In short, AGM can ensure transparency, provide updates, and give members an opportunity to vote on a range of matters.

Annual General Meeting is an vital event for every organisation and an essential requirement for incorporated organisations. It gives its members, public and the committee an overall overview of the organisation's current directions and financial status and confirms its purpose. Although it is a formal meeting, it can also be a good opportunity to communicate with members, clients, partners, and other interested parties. A well-run Annual General Meeting will create a positive meeting environment and a positive outcome from the AGM.

WRITTEN BY:



Muhammad Izzahar bin Abdul Rasheed
muizzahar94@gmail.com