



Hypothetical Notes on Minority Shareholder Participation in Annual General Meetings

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Abstract

This paper explores the implications of minority shareholder participation in Annual General Meetings (AGMs) in the corporate governance. It hypothetically surmises about the challenges faced by minority shareholders, including issues of representation, information asymmetry, voting power dilution, and exclusionary practices. Various mechanisms for enhancing their participation, such as proxy voting, shareholder activism, shareholder associations, and legal remedies were also contemplated upon. The role of technology in facilitating AGMs via digital platforms for remote participation, electronic voting systems, and the potential of blockchain for transparency were also reflected upon. The paper concludes by considering a raft of recommendations for reform, advocating for strengthened legal protections, increased shareholder engagement, enhanced transparency, and a balance between minority and majority interests.

Keywords: *Minority Shareholders, Annual General Meetings (AGMs), Participation, Inclusivity, Regulatory Framework.*

Introduction

In corporate governance, the role of minority shareholders in Nigeria is a pivotal but often overlooked matter. This is all the more surprising in that researchers have lamented “the expropriation of minority shareholders’ interests from a less-studied environment characterized by a weak institutional framework” (Salau and Ahmad, 2016, p. 1). Earlier, Okpara (2010) had reported widespread “abuse of minority shareholders’ rights” (p. 1). This seems to be a recurrent issue worldwide as Wai (2018) noted that minority shareholders are routinely denied active participation in AGMs. Is this so because they are a minority with minority rights? This paper examines minority shareholder participation in Annual General Meetings (AGMs), focusing on their importance in the broader issue of fairness and economic inclusion in corporate governance.

AGMs, as the name suggests, are annual gatherings of a company’s shareholders, where key decisions are made, financial reports are presented, and the board of directors is elected (Ariffin *et al.*, 2020). These meetings are a cornerstone of corporate governance, providing a forum for shareholders to exercise their rights, voice their concerns, and participate in the decision-making process (Micheler, 2021). AGMs serve as an avenue where shareholders can assess a company’s performance, hold its leadership accountable, and shape its future direction (Ariffin *et al.*, 2023). The significance of minority shareholder participation in AGMs cannot be overstated. While majority shareholders often wield more significant voting power due to their larger stakes, the presence and engagement of minority shareholders serve as a crucial counterbalance (Baldacchino *et al.*, 2016). They bring diversity of thought, alternative perspectives, and checks and balances to the decision-making process, fostering a more inclusive and accountable corporate environment. However, there is an

unbroken history of abuse and denial of minority members’ right in both public and private companies (Shaah *et al.*, 2023). This widely documented fact notwithstanding, the issue seems to be poorly researched and understood.

This paper examines the legal framework surrounding minority shareholders, the challenges they encounter, and the mechanisms available to enhance their participation in AGMs. It underscores the importance of their active involvement in shaping the affairs of companies, driving transparency, and fostering responsible stewardship of corporate resources. The overall aim is to unveil the tangible impact that minority shareholder participation can have on the governance and sustainability of modern companies.

Minority Shareholder

The right for shareholders to actively engage in a company’s decision-making processes is a fundamental aspect of corporate governance, underpinning the principles of shareholder democracy and accountability (Ojukwu-Ogba and Osode, 2021). This right empowers shareholders to influence key decisions affecting the company’s direction and operations, including the election of board members, approval of major transactions, and dividend distribution. It aligns with the shareholder primacy theory (Friedman, 2007). Also, the membership aspect of this right emphasizes that shareholders, by owning shares in the company, become active participants in its governance. Bebchuk (2005) articulated this perspective well in his discussion of shareholder power. He highlights how ownership grants shareholders both financial stakes and the prerogative to participate in corporate affairs. This duality of rights and responsibilities not only underscores the central role that shareholders play in shaping the company’s trajectory but also supports the arguments for strengthening shareholder protections

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(Roe, 1987). However, a particular group of shareholders seldom enjoy these rights and privileges. They are the minority shareholders.

The concept of minority shareholders can be approached from two interrelated perspectives: shareholding and control. From the shareholding perspective, minority shareholders are identified purely based on the quantity of their equity in comparison to the largest shareholder (Ketsela, 2012). This perspective sees minority shareholders as those who hold a smaller portion of the company's ownership capital. However, this perspective has limitations in contextualising the unique challenges and experiences encountered by minority shareholders, particularly in the realm of governance and decision-making (Micheler, 2021). The second perspective, the control viewpoint, defines minority shareholders with a focus on their capacity to influence and participate in the company's governance, acknowledging that being a minority shareholder isn't solely about ownership size but extends to the ability to effect substantial change and influence corporate decisions. In other words, a minority member is a shareholder who lacks the ability to influence the company's operations through voting, whether voting alone or in collaboration with others (Kaya, 2020). This perspective underscores the vital importance of recognising and safeguarding the rights of minority shareholders, particularly their role in governance (Joffe *et al.*, 2011). Arguing in favour of the control-based definition is essential, as it acknowledges the complexities of corporate dynamics and the need for mechanisms that empower and protect minority shareholders in the decision-making processes of the company, contributing to more robust corporate governance and the overall success of enterprises.

In view of the foregoing, this paper surmised that minority shareholders are those hundreds and even thousands of individuals or entities holding a widely fragmented and minority stake in a company and thus could not control the decision-making process at an AGM (Ojukwu-Ogba and Osode, 2021). While their individual holdings may be small in comparison to majority shareholders, the collective influence of minority shareholders is substantial, as they collectively represent a significant portion of a company's ownership (Mang-Nduka, 2022). This potential power notwithstanding, minority shareholders hardly attend and vote in AGMs.

For minority shareholders, the right to participate in a company's decision-making processes, particularly through platforms like AGMs, can be a double-edged sword. On the one hand, it's a fundamental aspect of corporate governance and a representation of their ownership stake. However, it is often riddled with challenges that can undermine the effective exercise of their rights. As a minority shareholder, one frequently grapples with limited influence, given the dominance of majority shareholders or institutional investors. The case of free rider problem underlines the hurdles minority shareholders face when trying to influence decisions (Harris and (Harris and Raviv, 1988). Also, communication gaps, as discussed by Hartzell and Starks (2003), can impede their access to information and opportunities to engage with the company. These challenges can make AGMs feel like a mere formality, where true participation and influence are elusive for minority shareholders. Despite the legal framework aimed at safeguarding their interests, there is a pressing need for further enhancements to ensure that minority shareholders have a meaningful voice in corporate governance.

The Legal Framework

A solid legal framework forms the bedrock upon which minority shareholder participation in AGMs is built (Boyle, 2003; Kong, 2019). Minority shareholders are endowed with a set of statutory rights that serve as their shield and sword in AGMs. These rights are often enshrined in company laws and regulations, providing a foundation for their participation. In Nigeria, Section 107 of CAMA 2020 provides that "Every member shall, notwithstanding any provision in the articles, have a right to attend any general meeting of the company and to speak and vote on any resolution before the meeting." Common statutory rights include the right to attend AGMs, access to information such as company records and financial statements, voting rights on important resolutions, and legal remedies in case of unfair treatment or breaches of their rights (Okpara, 2010; Salau and Ahmad, 2016). However, due to the long-standing and deleterious influence of the rule in *Foss v. Harbottle* (1843),¹ minority shareholders' chance to pursue satisfaction for any apparent wrong done by the majority shareholders in the name of the company was roundly frustrated. Of recent in Nigeria however, Sections 343-346 of CAMA² grant minority shareholders the right to initiate legal proceedings in a court, either in their own name or on behalf of other shareholders or the company, to seek protection from unlawful and oppressive actions directed towards them, provided the courts grant them such rights (Mang-Nduka, 2022).

In addition to statutory provisions for the protection of the rights of minority members of companies, corporate governance regulations serve as bulwark to statutory rights, offering a framework for ethical and transparent conduct within corporations. These regulations include the Nigerian Code of Corporate Governance, by the Financial Reporting Council of Nigeria (FRCN), guides both public and private sectors (Ojogbo and Nwano, 2019). The Securities and Exchange Commission (SEC) offers a code for publicly listed companies, focusing on transparency (Oyerogba *et al.*, 2017). The Central Bank of Nigeria (CBN) sets governance principles for financial institutions (Udeh *et al.*, 2023). The National Insurance Commission (NAICOM) outlines governance standards for the insurance sector (Lawuyi, 2023). The Nigerian Stock Exchange (NSE) employs a governance rating system for listed companies (Nwanji *et al.*, 2021), and the Chartered Institute of Stockbrokers (CIS) enforces ethical and governance standards for stockbrokers (Oduwale, 2015), collectively promoting good governance and upholding shareholder rights.

The aforementioned codes cover the right for minority shareholders to attend meetings (Ojogbo and Nwano, 2019), exercise voting rights (Aduma and Ibekwe, 2017), receive timely notice of meetings (Okpara, 2011), appoint proxies for representation (Bolodeoku, 2023), access relevant information (Emeasoba, 2022), engage with the company, potentially secure board representation, and obtain protection from unfair treatment or oppression (Ojogbo, 2016). Also, minority shareholders may be involved in approving significant transactions and receiving a fair share of dividends (Kong, 2019). These measures collectively ensure that minority shareholders actively participate in corporate decision-making and enjoy transparency, equity, and accountability in the governance of their investments. In other words, the extant regulatory frameworks are meant to promote fairness, transparency, and equitable treatment of all shareholders, disclosure requirements mandating comprehensive financial and policy disclosure, and the appointment of independent directors to ensure impartial oversight.

¹ (1843) 2 Hare 461, 67 ER 189

² *Companies and Allied Matters Act 2020* (CAMA 2020), No. 3, CAP C20, LFN.

Finally, the interpretation and enforcement of minority shareholder rights are also heavily influenced by case law precedents. Court decisions and legal judgments shape the practical application of these rights, with key areas including proxy contests, which set precedents for the conduct and fairness of such processes, clarification of fiduciary duties owed by company directors to all shareholders, and rulings on when minority shareholders can seek remedies for oppression, unfair prejudice, or disregard of their interests (Boyle, 2003). For instance, irregularities in AGMs has given rise to remedies in cases. In *Musshwhite v. Musshwhite* (1962),³ the plaintiff, a registered shareholder, was intentionally excluded from the AGM; the Court declared the meeting invalid. In *Pender v. Lushington* (1877),⁴ the Court granted an injunction to a shareholder whose votes were uncounted, affirming the plaintiff's membership status his right to have his vote recorded, and to sue. In *Macmillan v. Le Roi Mining Company* (1906),⁵ a breach of polling format led to directors being restrained from acting on the decision. The case of *Edwards v. Halliwell* (1950)⁶ established a trade union member's right to declare an alteration of membership fee tables as invalid, which violated the union's voting rules. In *Kaye v. Oxford House (Wimbledon) Management Company Limited* (2019),⁷ it was ruled that the chair lacked residual power to withhold resolutions from the meeting, allowing shareholders to consider them even after the meeting is closed.

In view of the foregoing discourse, appreciating this complex legal framework is essential for minority shareholders seeking to assert their rights and participate effectively in AGMs. It worth noting that despite these statutory, regulatory and case law support for minority rights in corporate governance, one scholar still contends that they are inefficient safeguards of minority member rights, especially when viewed against the excessive privileges of the majority shareholders (Cory, 2001). It is therefore germane to look into some of the challenges bedeviling minority shareholders.

Challenges Faced by Minority Shareholders

Despite the legal framework in place to protect their interests, minority shareholders encounter a range of challenges that can hinder their effective participation in AGMs (Abdul-Hamid *et al.*, 2019). These challenges not only impact their ability to exercise their rights but also influence the overall function of corporate governance. One of the foremost challenges for minority shareholders is the often limited representation they have on the board of directors. Majority shareholders, particularly institutional investors or founding members, may hold a majority of board seats, making it difficult for minority shareholders to have their voices heard (Cory, 2001). This lack of representation can result in decisions that do not adequately consider the interests of minority shareholders, potentially leading to a divergence between the company's direction and their preferences.

Another significant challenge faced by minority shareholders is the issue of information asymmetry (Cormier *et al.*, 2010). As Chi and Wang (2010) noted, access to information is paramount for making well-informed decisions and participating effectively in corporate governance, especially during events like AGMs. However, minority shareholders often find themselves at a disadvantage due to the limited availability of critical information. This disadvantage encompasses their lack of access to insider

knowledge and detailed financial reports, which are essential for evaluating the company's performance and making informed decisions. This informational inequality can significantly hinder their capacity to challenge or question management decisions and policies, ultimately rendering them in a precarious and less empowered position within the company (Chi and Wang, 2010).

Related to information asymmetry between minority and majority members is voting power dilution (Black, 1990). Voting power stands as a cornerstone right of shareholders, enabling them to participate actively in corporate governance and AGMs. However, this right may be significantly undermined for minority shareholders, especially in the context of large corporations. Complex voting structures, exemplified by dual-class share systems (Kvetenadze, 2022), can accentuate the problem of dilution (Mwangi and Ogollah, 2022). Such structures can concentrate substantial voting power in the hands of a select few, typically majority shareholders or management, while diminishing the influence of minority votes. This dilution effect leaves minority shareholders with limited capacity to impact AGM outcomes, even when they collectively own a significant portion of the company. This not only contradicts the fundamental principles of shareholder democracy (Goetzmann, 2022; Nili and Shaner, 2022), but also places minority shareholders at a disadvantage, depriving them of their rightful say in corporate decisions.

Exclusionary practices, as noted by Haan (2023), can compound the challenges faced by minority shareholders, exacerbating their marginalization within corporate governance structures. These practices include a range of tactics and mechanisms that restrict the involvement of minority shareholders in crucial decision-making processes. For instance, companies may introduce procedural hurdles that create barriers for minority shareholders attempting to nominate directors or put forth resolutions (Gilson and Gordon, 2013). Such hurdles may involve stringent criteria or nomination timelines that are difficult for minority shareholders to meet. In parallel, companies may employ strategies to limit discussion or debate during AGMs (Black and Coffee, 1994). These tactics can take the form of time restrictions, tight control over the meeting agenda, or selective enforcement of rules. In effect, these practices not only discourage active participation but can also foster a culture of disenfranchisement among minority shareholders, thereby thwarting their ability to engage fully in the corporate governance process and contribute to the safeguarding of their interests (Haan, 2023).

As we explore the potential solutions to minority member participation in AGMs in the subsequent sections of the paper, it is essential to keep these challenges in mind. Recognising the hurdles faced by minority shareholders is a critical step in addressing them and enhancing their meaningful participation in AGMs. Acknowledging these obstacles may facilitate working towards a more inclusive and equitable corporate governance milieu in Nigeria where the voices of minority shareholders are valued and respected.

Mechanisms for Enhancing Minority Shareholder Participation

Various mechanisms have emerged to empower them and enhance their participation in corporate governance activities, in general, and AGMs, in particular. These mechanisms provide

³ (1962) 2 Ch 964.

⁴ (1877) 6 Ch D 70 at 81.

⁵ (1906) 1 Ch 331.

⁶ (1950) 2 All ER 1064.

⁷ (2019) EWHC 2181 (Ch), (2020) BCC 117.

minority shareholders with tools and avenues to make their voices heard, exercise their rights, and effect change within the corporate landscape. The first mechanism is proxy voting, which represents a fundamental mechanism for facilitating minority shareholder participation in corporate governance, and its significance is widely acknowledged in both academic literature and practical corporate settings (Nde, 2021). Proxy voting allows shareholders, including minority shareholders, to exercise their voting rights even when they cannot attend AGMs in person (*For the Juniors*, 1896). Shareholders can appoint a proxy, often chosen from among their representatives or through proxy advisory firms, to cast their votes on their behalf. However, the proxy voting process is known to have been manipulated by majority shareholders and managers (Bernard *et al.*, 2023); the proxy voting that upholds shareholder democracy is the coercion-resistant proxy voting (Kulyk *et al.*, 2017). It ensures that the views and preferences of minority shareholders are considered, preventing their voices from being drowned out by dominant shareholders or management (Wang, 2022). Proxy advisors, as highlighted by Li (2016), play an essential role in this process by providing expert guidance to minority shareholders in evaluating company proposals and in the selection of proxies who are aligned with shareholders' interests. Their expertise and recommendations can enhance the effectiveness of proxy voting, ultimately bolstering minority shareholders' ability to influence corporate decisions.

Shareholder activism stands as a compelling avenue for minority shareholders to wield influence in corporate governance. Shareholder activism covers a range of strategies and tactics, with one prominent avenue being the submission of shareholder proposals during AGMs (Chiu, 2010). These proposals, often addressing critical governance, environmental, or social issues, enable activist shareholders to bring their concerns to the attention of the board and fellow shareholders (Beebeejaun and Bissessur, 2023). Also, activist minority shareholders may employ public campaigns, media outreach, and direct communication with other shareholders to garner support for their initiatives, amplifying their influence and pressure on boards and management (Rajan and Othman, 2023). In cases where peaceful resolutions are unattainable, activists may resort to legal action, seeking remedies in the courts when necessary (Sharma and Tiwari, 2022). These approaches underscore the efficacy of shareholder activism in compelling corporate leadership to address minority shareholder concerns. Activist shareholders serve as a critical check and balance, ensuring that the interests of all shareholders, especially minorities, are considered and that corporate practices align with the values and expectations of a diverse range of investors (Rajan and Othman, 2023).

A third recourse to ensure minority member participation in AGMs is through the agency of shareholder advocacy groups (Koppell, 2011). These groups play a pivotal role in representing the collective interests of minority shareholders, a role that has been examined in both academic research and practical corporate contexts. These associations serve as a united front, aggregating the voices and concerns of individual minority shareholders, and they are instrumental in advocating for the protection of their rights and interests (Prisandani, 2022). Shareholder advocacy groups provide a crucial platform for minority shareholders to share information and strategies, fostering a collaborative

approach to engagement with companies. One of their functions is to engage in constructive dialogue with company management (Chuah *et al.*, 2023). This dialogue often centres around issues related to governance, transparency, and shareholder rights. By leveraging their collective strength, these associations can effectively negotiate with companies to bring about changes that benefit minority shareholders. Their capacity to influence corporate decision-making has been recognised as a significant mechanism for protecting the interests of minority shareholders. Overall, shareholder associations serve as a potent force for minority shareholders, offering a collective platform through which they can engage with companies, advocate for their rights, and work towards achieving improved corporate governance and transparency, ultimately amplifying their voice in the corporate governance milieu (Chuah *et al.*, 2023).

Finally, when all other avenues for protecting minority shareholders' interests and enforcing their rights have been exhausted, legal remedies and litigation may become necessary (Farrar and Boule, 2001). As emphasized by Coffee (2006), litigation serves as a potent tool for minority shareholders when they perceive that their rights have been infringed upon. It can be a last resort, but it holds the potential to be a powerful instrument for achieving justice in corporate governance. One notable aspect of the legal landscape that underscores the significance of legal remedies is the evolution of corporate law, as demonstrated by the CAMA 2020,⁸ which represents a departure from the stance of its predecessor Act.⁹ This statutory paradigm shift is particularly significant in light of the traditional *Foss v. Harbottle* (1843)¹⁰ rule, which often placed substantial constraints on the ability of minority shareholders to bring legal actions. The reformed legal framework now empowers the courts to intervene at the instance of a minority shareholder, primarily through the doctrine of derivative actions.¹¹ This intervention aims to rectify oppressive or unfair conduct, ensuring that minority shareholders are treated equitably in AGMs and corporate decision-making.¹² In conclusion, while litigation may be a last resort, it is a crucial mechanism for minority shareholders to assert their rights, particularly in cases of perceived unfair treatment or infringement of their interests. The legal framework, exemplified by the CAMA 2020, demonstrates a growing recognition of the need to safeguard minority shareholders and to provide them with a means of seeking justice within the corporate governance context.

The Role of Technology

In the ever-evolving landscape of corporate governance, technology plays an increasingly significant role in shaping the dynamics of AGMs and, by extension, the participation of minority shareholders. This section explores the transformative impact of technology on AGMs, highlighting key aspects such as digital platforms for remote participation, electronic voting systems, and the role of blockchain in enhancing transparency (Nili and Shaner, 2022). Firstly, the advent of digital platforms such as Webex and Zoom has revolutionised the way AGMs are conducted, making them more accessible to minority shareholders who may be geographically distant (Ariffin *et al.*, 2023). These platforms enable shareholders to participate in AGMs remotely,

⁸ No. 3, CAP C20, LFN 2004. See: Ubochioma, W. (2022). A Commentary on Shareholder Derivative Litigation under the Companies and Allied Matters Act of Nigeria 2020. *African Journal of International and Comparative Law*, **30**(4), 582-598

⁹ See: Section 299 of the CAMA 1990 No. 32, LFN 2004.

¹⁰ (1843) 2 Hare 461, 67 ER 189. See also: Aduma, O. C. (2019). Revisiting the Statutory Scheme for Derivative Actions under the Nigerian Company Law.

International Journal of Comparative Law and Legal Philosophy (IJOCLEP), **1**(1), 159-165.

¹¹ See: Section 347(2) CAMA 2020 No. 3, CAP C20, LFN 2004.

¹² See: Section 354(2)(a)(1) CAMA 2020 No. 3, CAP C20, LFN 2004.

either through live webcasts or interactive virtual meetings. Minority shareholders can now engage with company management, ask questions, and cast votes without the need for physical presence, thus reducing barriers to participation.

Secondly, electronic voting systems have introduced a significant transformation in the voting processes of AGMs. These systems have brought about notable advancements in terms of efficiency and transparency (Devi and Bansal, 2023). Through secure online portals and interfaces, minority shareholders can now cast their votes electronically, a development that has profound implications for streamlining the voting process (Bolodeku, 2023). One of the paramount advantages of electronic voting systems is the elimination of the complexities and delays that were traditionally associated with paper ballots (Lee and Ha, 2023). This modern approach allows shareholders, including minorities, to participate in the voting process conveniently and swiftly. The real-time nature of electronic systems further contributes to enhancing transparency, as votes can be instantly counted and results reported. This, in turn, provides greater visibility into the decision-making process, a crucial aspect that lends further confidence to shareholders (Abualy, 2020). The ability to witness the vote count and the immediate announcement of results empowers minority shareholders by ensuring that their votes are accurately registered and reported.

Finally, blockchain technology holds the potential to revolutionise transparency and accountability in AGMs (Van der Elst and Lafarre, 2017). By implementing blockchain-based voting systems in AGMs, each shareholder's vote can be securely and transparently recorded on an immutable ledger (Sloboda, 2022). The decentralized nature of blockchain ensures that votes are cryptographically secured and accessible for scrutiny by authorised parties, reducing the risk of fraudulent activities or manipulation in the voting process (Sloboda, 2022). This level of transparency is pivotal in addressing concerns about the accuracy and integrity of vote counting (Tamašauskas and Tamulionytė, 2023). Minority shareholders, in particular, stand to benefit significantly from this technology. Their confidence in the AGM process is bolstered, knowing that their votes are accurately recorded, and that the process is resistant to manipulation (Goldsmith *et al.*, 2022). In conclusion, the integration of technology into AGMs has the potential to create a more transparent, secure, and accountable environment, benefiting not only minority shareholders but all participants in the corporate governance process. This innovative approach offers promising solutions to longstanding challenges associated with voting and accountability.

Conclusion

This paper delves into the intricacies of minority shareholder participation in Annual General Meetings (AGMs) within the corporate governance landscape. It highlights the challenges faced by minority shareholders, including a lack of representation, information asymmetry, voting power dilution, and exclusionary practices. The paper also explores mechanisms for enhancing participation, such as proxy voting, shareholder activism, shareholder associations, and legal remedies. Furthermore, it discusses the transformative role of technology in AGMs, including digital platforms for remote participation, electronic voting systems, and blockchain's potential for transparency. The paper concludes by offering recommendations for reform, emphasising the need to strengthen legal protections, encourage shareholder engagement, promote transparency, and strike a balance between minority and majority interests. Ultimately, the paper underscores the signifi-

cance of minority shareholder participation in AGMs as a crucial aspect of corporate democracy and calls for a more inclusive and accountable corporate governance environment.

Recommendations for Reform

In light of the challenges faced by minority shareholders and the evolving role of technology in AGMs, it is imperative to consider a set of recommendations aimed at fostering a more equitable and inclusive corporate governance environment. These recommendations span a spectrum of measures, from strengthening legal protections to promoting shareholder engagement, transparency, and the delicate balance between minority and majority interests. Firstly, strengthening legal protections is crucial to safeguard the rights and interests of minority shareholders. This can be achieved by enforcing stricter regulations that ensure equitable representation of minority shareholders on company boards, enhancing disclosure requirements to reduce information asymmetry, and clarifying and strengthening legal remedies available to minority shareholders in cases of oppression or unfair treatment.

Secondly, encouraging active shareholder engagement is essential to amplifying the voices of minority shareholders. Recommendations in this regard include encouraging regular communication between companies and shareholders through shareholder forums or advisory panels, facilitating dialogue between majority and minority shareholders to bridge gaps in understanding and interests, and promoting shareholder education to empower minority shareholders to make informed decisions. Thirdly, promoting transparency is paramount in ensuring that AGMs are conducted fairly and openly. Recommendations encompass implementing blockchain-based voting systems to enhance the transparency and security of AGM processes, requiring companies to provide comprehensive and easily accessible information, particularly regarding major transactions and executive compensation, and mandating the disclosure of voting results, including the breakdown of minority and majority shareholder votes.

Lastly, striking a balance between minority and majority interests is essential for effective corporate governance. This can be achieved by encouraging companies to adopt policies that consider the interests of all shareholders, regardless of their ownership stake, promoting diversity on company boards to ensure a variety of perspectives are considered in decision-making, and creating mechanisms for constructive engagement between majority and minority shareholders, such as consultative committees.

Collectively, these recommendations aim to create an environment in which minority shareholders are not only protected but are also active and valued participants in AGMs. By fortifying legal safeguards, encouraging engagement, promoting transparency, and fostering a balance between minority and majority interests, these reforms have the potential to redefine the dynamics of corporate governance, making it more inclusive and reflective of the diverse interests within modern corporations.

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