

Capital Markets

## SGX RegCo's Expectations on Issuers to Ensure Effective Shareholders' Engagement at General Meetings

### Executive Summary

On 23 May 2022, the Singapore Exchange Regulation ("**SGX RegCo**") issued a Regulator's Column setting out its expectations relating to the conduct of general meetings ("**GMs**") of issuers listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") to ensure that issuers engage shareholders effectively at the GMs ("**May 2022 Regulator's Column**").<sup>1</sup> SGX RegCo also updated the "[FAQs on The Holding of General Meetings](#)" (23 May 2022) ("**FAQs**") to clarify its expectations set out in the earlier "[Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation](#)". The FAQs apply to all SGX-ST listed issuers ("**Listed Issuers**"), including business trusts (BTs) and real estate investment trusts (REITs).

Amid the COVID-19 pandemic in the past two years, many Listed Issuers have conducted their GMs virtually following legislation that was enacted to enable and facilitate that.<sup>2</sup> With Singapore relaxing its safe measurement measures, Listed Issuers may resume conducting their GMs physically. SGX RegCo states that Listed Issuers continue to have the option to hold GMs virtually or in a hybrid format. Regardless of the format GMs are conducted in, Listed Issuers must, among others, ensure that shareholders are provided with the necessary information to make informed decisions, be able to fully participate and exercise their voting rights at GMs.

This Update highlights certain key takeaways from SGX RegCo's May 2022 Regulator's Column and the updated FAQs on what SGX RegCo expects of Listed Issuers to ensure effective shareholder engagement at GMs conducted physically, virtually or in hybrid format. Listed Issuers holding their annual general meetings for financial years **ending 30 June 2022 or after** must conform with these expectations. Listed Issuers holding any other GMs **on or after 1 October 2022** to seek shareholder approval for corporate transactions must also take into account these expectations. Listed Issuers are advised to carefully review SGX RegCo's expectations and put in place the necessary arrangements.

<sup>1</sup> Regulator's Column on "[Live engagement and voting expected at all AGMs for FYs ending 30 June 2022 or after](#)" (23 May 2022)

<sup>2</sup> The [COVID-19 \(Temporary Measures\) Act](#) read together with the relevant subsidiary legislation allow business entities to conduct meetings by electronic means amid the COVID-19 pandemic. The legislation and subsidiary legislation remain in force until revoked or amended by the Ministry of Law.

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### Key SGX RegCo's Expectations/Requirements for Physical, Virtual and Hybrid Formats of GMs

SGX RegCo expects Listed Issuers to ensure that shareholders are provided with their full rights to participate at a GM. This is regardless of the format the GM is conducted – physical, virtual or hybrid. Such rights include the right of the shareholder to: (i) attend the GMs; (ii) raise questions and provide his/her views; and (iii) appoint proxies or to vote at GMs. We highlight in brief below certain salient items concerning SGX RegCo's expectations and/or requirements concerning the conduct of GMs.

#### Physical-only GMs

SGX RegCo clarified in the FAQs that where a Listed Issuer organises a GM with physical attendance which provides shareholders with the right to participate fully at the GM, it is not necessary for the Listed Issuer to provide the shareholders with the option to participate in the GM virtually/via electronic means.

#### Virtual-only GMs

Where Listed Issuers conduct GMs entirely virtually, they must use real-time (i) electronic voting *and* (ii) electronic communication at their GMs. For real-time remote electronic voting, Listed Issuers must put in place necessary safeguards to validate the votes submitted by shareholders. These safeguards include:

- ensuring that the electronic voting system is able to: (a) accurately count all votes cast at the GM; and (b) provide records from which the operation of the electronic voting system may be audited and for verification of the accuracy of the recording and counting of votes;
- verification by the Listed Issuer of each vote that is cast by shareholders or members (or their proxies) entitled to vote; and
- during/at the GM, the chairman of the GM must declare, by electronic means, the result of any matter put to a vote at said GM.

#### Virtual-only or Hybrid GMs

Listed Issuers continue to have the option to hold a GM entirely virtually or in a hybrid form (i.e. physically and virtually). They must ensure that they comply with SGX RegCo's expectations and/or requirements if they do so. If the Listed Issuer conducts the GM virtually, they should not impose any charges on the shareholders.

#### Requirements for GMs (all formats)

- *Publication of notice and documents relating to GM*
  - The Listed Issuer should publish the notice of the GM together with all documents relating to the business of the GM on SGXNET and, if available, the Listed Issuer's corporate website.

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- On the information that must be included in the notices of GMs, please refer to Question 2 of the [FAQs](#).
- Documents relating to the business of the GM include proxy forms, annual reports, shareholders' circulars as well as other relevant corporate information.
- *Opportunity for shareholders to ask questions*
  - After the notice of the GM is published, Listed Issuers must (i) provide shareholders with at least seven calendar days to submit their questions, and (ii) inform shareholders of any cut-off time within which questions must be submitted and when their questions would be responded to.
  - Listed Issuers must not be selective in the questions they answer.
  - Responses must be published on SGXNET and, if available, the Listed Issuer's corporate website.
  - After the cut-off time for submission of questions, the Listed Issuer may address any subsequent clarifications sought or follow-up questions at the GM.
- *Appointing Chairman as proxy*
  - Listed Issuers may provide shareholders with the option to appoint the chairman of the GM as their proxy. However, SGX RegCo cautioned that this cannot be mandatory.
- *Submission of proxy form*
  - Listed Issuers must allow shareholders to submit proxy forms via email enclosing signed PDF copies of the proxy form or through post of the instrument of proxy.
  - In addition, Listed Issuers may (*but not in place of email and post*) allow shareholders to submit proxy forms through other electronic means, such as third-party electronic platforms.
  - Details on how to submit the proxy form, as well as the timeline for submission of instruments of proxies, must be set out in the notice of the GM.
  - For Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors: Listed Issuers must inform CPF and SRS investors that if they wish to vote, they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven working days before the GM. For GMs that allow real-time remote electronic voting through an electronic voting system to take place at the GM, CPF Agent Banks or SRS Operators may appoint CPF or SRS investors as proxies to vote through such electronic voting system.
- *Virtual information session ("**VIS**") for certain corporate actions*
  - If shareholders are able to fully participate at a GM, SGX RegCo states that it is not necessary to hold a VIS for certain corporate actions.<sup>3</sup>

<sup>3</sup> Please refer to [Appendix A of "What SGX RegCo expects on the conduct of general meetings amid the ongoing COVID-19 situation"](#) (16 December 2021). These corporate actions include the issue of shares or convertible securities which require shareholders' approval in a general meeting, capital reduction or distribution, interested person transactions (IPTs) requiring shareholders' approval, major transactions under Chapter 10 of the SGX-ST Mainboard Rules or Catalist Rules, very substantial acquisitions or reverse takeovers, whitewash resolutions, schemes of arrangement, delisting, or proposed diversification of business, etc.

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- In relation to the above, where Listed Issuers conduct such GMs entirely virtually, they must use real-time (i) electronic voting; *and* (ii) electronic communication at their GMs. Please refer to the section above on Virtual-only GMs.
- *Publication of minutes*
  - Within one month after the GM, the Listed Issuer must publish minutes of the GM on SGXNET and, if available, the Listed Issuer's corporate website.
  - The minutes must record substantial and relevant comments or queries from shareholders relating to the agenda of the GM, as well as responses from the Board of Directors and management.

If you have any queries, please feel free to contact our team members below who would be happy to assist.

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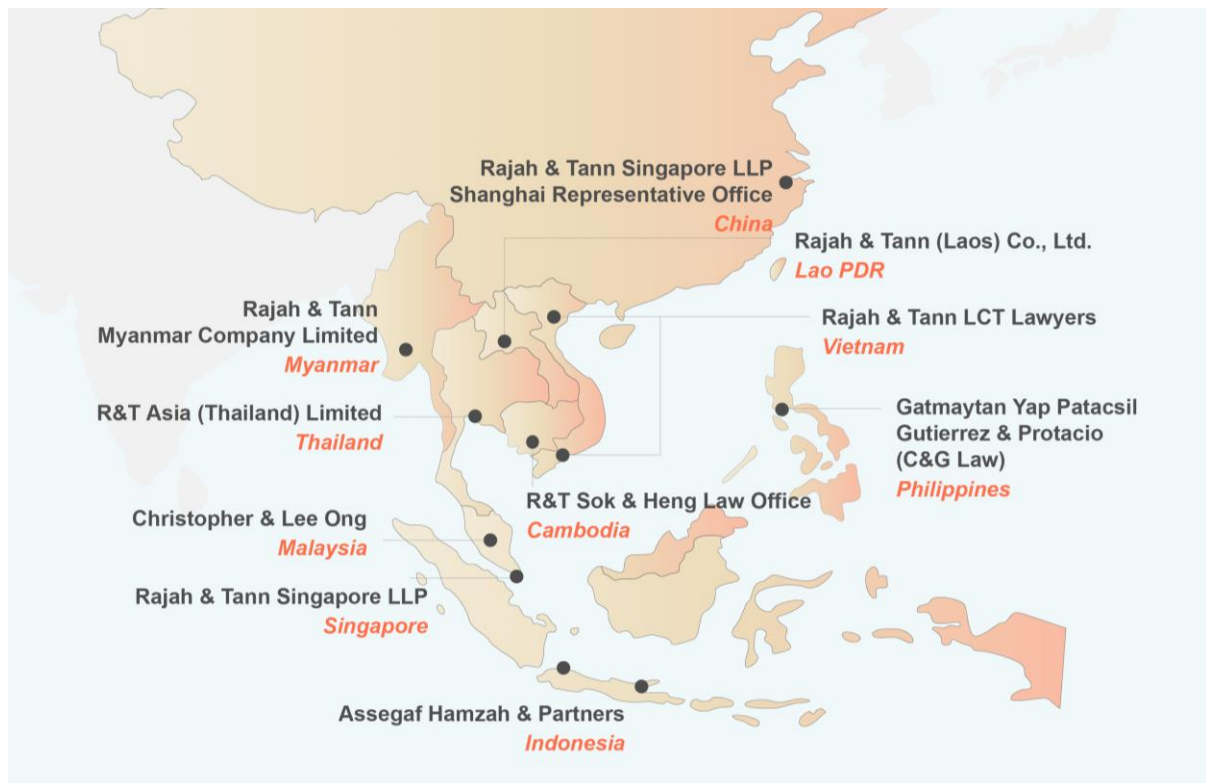
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