

SGX INTRODUCES NEW LISTING RULES RELATING TO THE HOLDING OF GENERAL MEETINGS IN SINGAPORE, VOTING BY POLL AND THE DISCLOSURE OF VOTING OUTCOMES

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On 23 August 2013, the Singapore Exchange Securities Trading Limited ("**SGX-ST**") announced the introduction of new listing rules ("**New Rules**") requiring (i) the holding of general meetings in Singapore (to take effect from 1 January 2014), and (ii) poll voting for all resolutions and disclosures of relevant details on voting outcomes (to apply to all general meetings held on and after 1 August 2015). The New Rules, targeted at promoting greater transparency in general meetings and supporting listed companies and trusts by enhancing their shareholder engagement, take into account numerous comments received from the public consultation conducted by SGX-ST in 2011 and were refined after intensive engagement with various stakeholders.

The key changes are:

Holding of General Meetings in Singapore

- This requirement is contained in new Mainboard Listing Rule 730(A)(1) and Catalist Rule 730(A)(1) and Practice Note 7.5. to take effect from 1 January 2014.
- Given the importance of shareholders' engagement and participation in general meetings, all SGX-ST primary listed issuers will be required to hold their general meetings in Singapore. General meetings that are held outside Singapore make it difficult for shareholders and other stakeholders to attend and use this important communication channel with the issuers. Where there are legal constraints on an issuer to hold its general meetings in Singapore, shareholders may still be able to participate in the voting process through the appointment of a proxy. Issuers are however required to provide alternative modes of engagement such as webcast and information meetings so that an avenue is available for public shareholders to have direct interactions with the board and senior management. Practice Note 7.5 further provides detailed directions to issuers relating to the location of a general meeting and proxy voting.

Voting by Poll

- This requirement is contained in the new Mainboard Listing Rule 730A(2) and Catalist Rule 730(A)(2) and will apply to all general meetings held on and after 1 August 2015.
- The practice of voting by show of hands accords each shareholder only one vote regardless of the number of shares held in the issuer. A poll vote can be called by the chairman or at the request of shareholders. Voting by show of hands does not reflect the shareholders' shareholding interests in the issuer and the voting results may be skewed by shareholders owning an insignificant interest in the issuer. The New Rules will require issuers listed on SGX-ST to conduct voting by-poll for all

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general meetings. Voting by poll allows for an equitable and transparent voting process. Shareholders will be better able to demonstrate their concerns in a manner more accurately reflective of their shareholdings.

- Issuers are advised to review their articles of association or constituent documents ("**Constituent Documents**") in preparation for the adoption of poll voting. Where the Constituent Documents consists of any provisions that contravene the New Rules, issuers are required to obtain shareholders' approval for amendment of these Constituent Documents to align the relevant provisions with the requirements under the New Rules.
- SGX-ST encourages issuers to adopt voting by-poll for their general meetings, as soon as practicable, to achieve greater transparency of the voting process and enhance corporate governance standards.

Disclosure of Voting Outcomes

- This requirement is contained in the new Mainboard Listing Rule 704(16) and Catalist Rule 704(15), to apply to all general meetings held on and after 1 August 2015.
- The New Rules require all issuers listed on SGX to disclose details of the voting results. The disclosure of voting results is an important component of the voting process. It enhances the transparency as well as the integrity of votes taken at general meetings. The disclosure of voting results also improves the dissemination and quality of information to all shareholders. The enhanced disclosure requirements are in line with the revised Code of Corporate Governance 2012.

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