



SGX Proposes Rule Changes on General Meetings to Increase Shareholder Engagement and Enhance Corporate Governance Practice

Singapore Exchange ("SGX") is consulting the public on amendments to the listing rules to enhance shareholder engagement, encourage participation at general meetings and increase disclosure of voting outcomes. SGX is of the view that communication and engagement of shareholders by listed companies are important components of good governance. The proposed rule revisions are as follows:-

(i) Hold General Meetings in Singapore

General meetings are important avenues for shareholders to interact with the board and management of listed companies. Shareholders have the right to ask questions and gain a better understanding of the developments and plans of the companies. For SGX primary-listed companies with a majority of their shareholder base in Singapore, holding general meetings locally is one of the best ways to facilitate engagement with shareholders.

The Exchange notes that some foreign-incorporated issuers may be legally restricted from holding general meetings outside those jurisdictions. In such cases, the company should hold a meeting (not a statutory meeting) in Singapore at an appropriate time for shareholders to meet and hear directly from the Board and management on company matters. These meetings also facilitate questions and comments from shareholders to their Boards.

The Exchange proposes for all primary-listed companies to hold their general meetings in Singapore unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation. This proposal is meant to encourage shareholders' participation and enhance their empowerment.

(ii) Vote by Poll at all General Meetings

Voting by poll is one of the ways for shareholders, who are owners of the company, to exercise their interests and rights. Shareholders can be empowered to protect their own interest through their right to vote at general meetings. Voting by show of hand may be simpler to administer and in most cases, may not make a difference to the outcome. However, voting by poll more precisely allocates the rights to each vote according to the size of shareholding.

The Exchange proposes for all listed companies to adopt voting by poll and will provide sufficient time for administrative and logistics preparation in anticipation of the proposed rule amendments. Already, several companies in Singapore have adopted voting by polls at their general meetings.

(iii) Disclose Details of the Outcome of General Meetings

Many major decisions are made during general meetings. Shareholders should be informed on decisions made and the outcomes of their voting. The Exchange proposes a new rule for issuers to make prompt disclosure of the results of the polls, including details such as the number of votes for and against each resolution, as well as the number of proxy votes cast.

The proposed rule changes serve to enhance accountability and transparency of our listed companies. These amendments will apply to both Mainboard and Catalist companies.

The current proposal is part of the ongoing initiatives by SGX to strengthen governance among listed companies. SGX launched a series of programmes and initiatives, such as the online investors' guide to reading annual reports and preparing for AGMs to educate investors. There was also a popular series of webclips on reading IPO prospectus.

The consultation paper will be available on the SGX website www.sgx.com from today until 17 June 2011. Market participants and members of the public are encouraged to provide feedback via email and either by post/courier or fax:

Email: lm@sgx.com

Fax: (65) 6535 7919

Post/ Courier: Singapore Exchange

2 Shenton Way, SGX Centre 1

#19-00, Singapore 068804

Attention: Ms. Chia Caihan/ Ms Valerie Hoon

Issuer Regulation