

Guide on Best Practices for Shareholder Meetings of Listed Companies

(Second Edition)

The information contained in this guide is correct to the best of our knowledge and belief at the time of writing. The contents above are intended to provide a general guide to the subject matter and should not be treated as a substitute for specific professional advice for any particular course of action as the information above may not necessarily suit your specific business and operational requirements. It is to your advantage to seek your legal advice for your specific situation.

FOREWORD TO THE SECOND EDITION

Much has changed in the shareholder meetings landscape and indeed the world, since we published the first edition of this guide in 2019.

COVID-19 necessitated virtual meeting technology and shareholders became familiar with going online to attend shareholder meetings and to ask questions. Most companies have since reverted to physical meetings as the threat from the pandemic abated, as is the preference expressed by many shareholders. Some companies continue to offer an additional online option for those who prefer to participate virtually.

Shareholders are also increasingly more vocal in making their views heard by their companies. In some instances, they have organised themselves to requisition meetings in order to put forth shareholder resolutions to direct a certain course of action. This reflects an evolution into a more active corporate citizenry.

The second edition of this guide has been updated to reflect these developments, among others. The goal remains the same: to foster a salubrious climate for effective communication between board and shareholders.

We hope that companies and shareholders continue to raise the quality of shareholder engagement which will build investor trust and confidence in the marketplace.

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March 2024

FOREWORD TO THE FIRST EDITION

When the Securities Investors Association (Singapore), Singapore Institute of Directors and Singapore Exchange Regulation came together in the preparation of this guide, we did so with the primary purpose of encouraging a positive climate for robust and open discussions between the board and shareholders during shareholder meetings.

Shareholders and management share a symbiotic relationship. Responsible companies should view shareholder meetings as valuable avenues to understanding investor expectations. Likewise, shareholders should exercise their responsibilities by familiarising themselves with relevant reading materials and to respect fellow shareholders by keeping their queries relevant and concise. Above all, this exchange should be conducted in a decorum marked by common courtesy and respect.

This guide complements the suite of investor education material available today. We hope both companies and shareholders will endeavour to raise the quality of interactions at shareholder meetings and contribute towards an engaged marketplace undergirded by open communication and trust.

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Prepared by Securities Investors Association (Singapore) and Singapore Institute of Directors, and supported by Singapore Exchange Regulation, with acknowledgement to Rajah & Tann Singapore LLP for their help in the preparation of the First Edition of the Guide.

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Best Practices for Shareholder Meetings of Listed Companies

1 SUMMARY

1.1 It is best practice for shareholders:

- (a) To prepare for meetings by reading relevant materials like annual reports and recent company announcements, analysing the information and formulating key questions before the meeting.
- (b) To address the chairman of the meeting (“Chairman”) respectfully and ask questions or make comment only on relevant issues pertaining to the business of the company and to the resolution being considered in order that the meeting can proceed in an orderly and expeditious manner.
- (c) To respect other shareholders by keeping comments and questions brief so that other shareholders have the opportunity to speak.
- (d) To conduct themselves with courtesy and moderation.

1.2 It is best practice for the Chairman:

- (a) To be fully knowledgeable of the rules of conduct for meetings so that he can conduct an orderly and expeditious meeting.
- (b) To be fully familiar with the agenda and the business at hand so that he is in a better position to respond to queries and control the meeting.

- (c) To commence the meeting with a short audio-visual presentation of business and financial highlights for the past year and prospects for the future. The company may use this opportunity to present a balanced appraisal of the performance and prospects of the company that will set the stage for a meaningful discussion on the topic.
- (d) To provide adequate opportunity for all shareholders who wish to speak to do so.
- (e) To assure shareholders that their views have been registered and will be taken into consideration even if the Chairman may not personally agree with them.
- (f) To explain the effect and purpose of the resolution before a resolution is put to a vote.
- (g) To take questions not relevant to a resolution after conclusion of the meeting.

1.3 It is best practice for the company:

- (a) To commence early preparations of the meetings, and avoid scheduling their annual general meetings (“AGMs”) around busy periods, typically the 2 weeks immediately preceding the deadline for holding of AGMs.
- (b) To have regard to the size and needs of their shareholder base in considering whether to add virtual capabilities to meetings. For example, if the company has a large shareholder base or if a significant number of its shareholders are based outside Singapore, or where the resolutions proposed relate to non-routine matters, it may be appropriate to include virtual capabilities to the meeting.
- (c) To provide sufficient notice of the matters to be tabled at the meetings.
- (d) To allow shareholders to ask written questions within a reasonable time prior to the meeting, and, where possible, respond to substantial and relevant comments or queries promptly, prior to the closing date and time for the lodgment of proxy forms.

- (e) To engage in an active policy of communication with all shareholders and to look upon the meeting as an excellent opportunity to interact with shareholders.
- (f) To take into consideration the convenience of shareholders when arranging the time and venue for the meeting.
- (g) To maintain minutes of meeting which include, in summary, substantial and relevant comments or queries by shareholders and the responses given.
- (h) To publish minutes of meetings on SGXNET and, if available, its corporate website as soon as practicable, and within one month after the meeting.
- (i) To report to shareholders on actions taken to solicit and understand the views of the shareholders, and to actively engage and promote regular, effective and fair communication with shareholders.
- (j) To have its board of directors ("Board"), management, external auditors and relevant professional advisers attend the meeting, and to be available to answer questions and address shareholder concerns.

2 SCOPE

- 2.1 While this Guide on Best Practices for Shareholder Meetings of Listed Companies ("Guide") may have general applicability, it pertains to companies listed on Singapore Exchange Securities Trading Limited ("SGX") which are incorporated in Singapore. In addition to the Companies Act 1967 ("Companies Act") and the listing rules of SGX ("SGX Listing Rules"), the company's constitution may also contain other specific provisions. If the company is not incorporated in Singapore, the specific requirements will also be dependent on the relevant corporation law of the country of incorporation.

- 2.2 In law, shareholders of a company represent the collective will of the company. This collective will is expressed by shareholders in a general meeting of the company. Under the Companies Act, the company is required to hold at least one general meeting, called an annual general meeting, within 4 months after the end of each financial year. Any other general meeting of the company is referred to as an extraordinary general meeting ("EGM") – this is an ad hoc meeting of shareholders typically to pass a special and/or ordinary resolution. The EGM can be called by the company through its Board, or by shareholders through the mechanisms contained in the Companies Act.
- 2.3 Whilst the rights of shareholders are set out under the Companies Act and the company's constitution, they may not set out the details regarding the manner in which meetings should be conducted and the expected decorum of the meeting participants. These include areas such as how they should maintain themselves, how they should be asking questions, what they should do if they wanted to put forth their own resolutions and whether they can demand to amend resolutions that are open for consideration and voting. This Guide seeks to address these and other issues that shareholders and the Board, particularly, the Chairman, should be aware of. The primary aim is to ensure a smoother and more conducive meeting where the divergent interests of the various stakeholders can be addressed, and a common ground found for the objective of enhancing shareholder value.
- 2.4 This Guide also include a number of suggestions that represent best practices in the view of Singapore Exchange Regulation ("SGX RegCo"), Securities Investors Association (Singapore) ("SIAS") and Singapore Institute of Directors ("SID"). This Guide is not meant to be exhaustive and does not represent legal advice.

3 BEFORE THE MEETING

- 3.1 As a precursor to the meeting, certain key matters should be thoroughly dealt with to ensure adequate arrangements are made for shareholders and minimal disruption at the meeting itself. These include early preparations for the meeting, the issuance of an appropriate notice and planning the practical issues surrounding the holding of the meeting.

Planning for the Meeting

- 3.2 The company is encouraged to make early preparations for their meetings and consider whether the proposed selected venue, time, date and day of the meeting are convenient to the shareholders. The SGX Listing Rules require all companies that are primary-listed on SGX to hold their meetings in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of their incorporation.
- 3.3 Shareholders who hold shares in multiple companies may have their ability to attend AGMs curtailed if AGMs are clustered around a particular period. Accordingly, the company should avoid scheduling their AGMs around busy periods, which are typically the 2 weeks immediately preceding the deadline for holding of AGMs.
- 3.4 While physical meetings are the default mode of conducting meetings, the company should also have regard to the size and needs of their shareholder base and how best to facilitate shareholder engagement, in considering whether to add virtual capabilities to the physical meeting (“hybrid meeting”). For example, if the company has a large shareholder base or if a significant number of its shareholders are based outside Singapore, or where the resolutions proposed relate to non-routine matters, it may be appropriate for the company to organise a hybrid meeting. The provision of an additional option to allow shareholders to attend the meeting via virtual meeting technology would also facilitate shareholders’ ability to attend multiple AGMs in quick succession.

Notice

- 3.5 Notice of the meeting must be sent to all shareholders. The notice must clearly specify the date and time of commencement of the meeting as well as the details on the physical place of the meeting. If the meeting will also be held using virtual meeting technology, the notice must specify the arrangements for shareholders to participate in the meeting using virtual meeting technology and how real-time remote electronic voting and real-time electronic communication will be conducted.

- 3.6 In addition, the business to be transacted at the meeting should be set out in the notice. If there is any special business to be considered at the meeting, the notice should be accompanied by a statement regarding the effect of any proposed resolutions in respect of such business, as required by the SGX Listing Rules. If special resolutions are being proposed at the meeting, the notice must include the full text of the resolution.
- 3.7 The notice must also provide instructions to shareholders on how they may:
- (a) access any documents or information relating to the business of the meeting;
 - (b) submit their questions ahead of the meeting (e.g. via email) or raise questions at the meeting, the timeframe for submission of questions in advance and how substantial and relevant questions will be responded to prior to, or at, the meeting; and
 - (c) cast their votes, including any specific instructions to investors that hold their shares through Central Provident Fund (“CPF”) agent banks or Supplementary Retirement Scheme (“SRS”) operators.
- 3.8 The notice should specify that: (a) any shareholder who is not a relevant intermediary (as defined in Section 181 of the Companies Act), entitled to attend, speak and vote at a meeting is entitled to appoint not more than two proxies to attend, speak and vote instead of him; and (b) any shareholder that holds shares through relevant intermediaries should contact the relevant intermediary in order for the necessary arrangements to be made for their participation in the meeting. The notice should also provide that a proxy need not be a shareholder or member of the company, and contain instructions on how the completed proxy form may be submitted to the company, including the timeline by which it must be submitted. The company is encouraged to allow shareholders to submit proxy forms via electronic means (e.g. email), in addition to post.
- 3.9 The proxy form should be designed in a manner that will allow shareholders appointing proxies to indicate how they would like the proxies to vote (whether to vote in favour of or against, or to abstain from voting) in relation to each resolution.

- 3.10 The company should ensure that the notice is sent out in sufficient time before the specified date of the meeting. The Companies Act requires notice of at least 14 days for ordinary resolutions, and notice of at least 21 days for special resolutions. The company's constitution may specify a longer notice period. As a matter of best practice and to ensure fairness to its shareholders, the company is strongly encouraged to provide notice beyond the notice period prescribed by law, for example a notice period of at least 21 days for all resolutions.
- 3.11 A company's constitution usually provides that the company may give a notice to any shareholder either personally or by sending it by post. Subject to the Companies Act and the SGX Listing Rules, companies may send notices of meeting via electronic communications.

Written Questions

- 3.12 The company must give shareholders the opportunity to ask written questions within a reasonable time prior to the meeting. To accord shareholders with sufficient time to consider the matters to be tabled at the meeting and formulate their questions, the company should give shareholders at least seven calendar days following publication of the notice to submit their written questions. The company should seek to respond to written questions (or any follow-up) within a reasonable timeframe, notwithstanding that they may have been submitted after the cut-off time.
- 3.13 The company may respond to written questions prior to the meeting via SGXNET and, if available, its website, or at the meeting. The company is strongly encouraged to respond to substantial and relevant comments or queries promptly, and at least 48 hours prior to the closing date and time for the lodgment of proxy forms, to facilitate shareholders' votes.

Shareholder Proposals

- 3.14 On occasion, shareholders may wish to utilise the meeting as a platform to draw certain matters to the attention of the Board and fellow shareholders. They may do so by proposing resolutions to be moved at the meeting or requisitioning a meeting.

- 3.15 Where the requisite procedural thresholds, including those in the Companies Act, have been met, the democratic process should, as a matter of principle, be allowed to proceed. The Board should, as far as possible, facilitate the process and provide assistance necessary to shareholders to ensure that the resolution proposed is moved at the meeting, or the requisitioned meeting is conducted, in an expeditious manner.

Practical Arrangements for the Meeting

- 3.16 Most companies will provide that proxy forms should be sent in 72 hours prior to the commencement of the meeting. In the case of a shareholder whose shares are entered in the Depository Register, the company may reject the proxy form of the shareholder, being the appointor, if it is not shown to have shares entered against his name in the Depository Register 72 hours before the time appointed for holding the meeting. Proxy forms received in good order and time should be properly collated in preparation for the meeting.
- 3.17 If a shareholder submits a proxy form and subsequently attends, and votes at, the meeting, the appointment of proxy should be revoked. The company must ensure that it has sufficient systems or processes in place at the meeting to identify and revoke the appointment of proxy at the point when the shareholder attends the meeting.
- 3.18 Additionally, the following key points should be considered:
- (a) whether security arrangements are necessary, for example, where the company intends to carry out searches to remove dangerous objects;
 - (b) whether the layout and capacity of the meeting room is appropriate;
 - (c) whether the consent of shareholders have been obtained to collect, use and/or disclose their personal data for the purpose of the meeting. Ideally, the power to do this should already be provided for in the company's constitution;
 - (d) whether there is effective and appropriate use of technology (e.g. voting devices), including virtual meeting technology (please see below for further details);

- (e) whether overflow rooms should be provided for in the event of a larger than expected turnout;
- (f) whether appropriate visual aids (e.g. powerpoint presentations) have been prepared to enable a better understanding of the company's performance and other matters by shareholders; and
- (g) whether the seating positions of the Board, the Chairman and other professional advisers likely to be called to answer questions have been properly organised.

3.19 As the meeting is a good opportunity for directors and management to interact with shareholders, the Board and management should be present and interact with shareholders before and after the meeting. This is an appropriate courtesy as they are viewed as the hosts and the opportunity for interaction is always appreciated by shareholders.

3.20 Where the company is conducting a hybrid meeting, it should ensure that the functionalities of the selected virtual meeting technology are adequate. In particular, the selected virtual meeting technology should:

- (a) contain robust processes to verify the identity of persons attending and voting at the meeting to maintain the integrity of the meeting – this includes requiring shareholders (or their appointed proxies) to pre-register for the meeting, and providing verified persons with unique user credentials to access the meeting;
- (b) enable shareholders to ask questions “live” – this may be through a chat function which allows shareholders to type and submit their questions during the meeting; and
- (c) incorporate processes to manage situations associated with proxy appointments and revocations, including the revocation of an appointed proxy's vote should the shareholder attend and vote, either in person or via the virtual meeting technology.

3.21 In addition, the company should dedicate adequate manpower resources with the necessary technical knowledge and capacity to provide technical support during the meeting. The company is encouraged to have regard to the standards stated in the [Standard for Vendors of Virtual/Hybrid General Meeting Systems](#). In the event that there is any technological disruption, malfunction or outage, Section 392 of the Companies Act provides that the meeting will not be invalidated unless the court considers that the irregularity has caused or may cause substantial injustice that cannot be remedied by any order of the court and by order declares the meeting to be invalid.

4 RIGHTS OF SHAREHOLDERS

4.1 A shareholder has a number of fundamental rights that are spelt out by the Companies Act as well as by common law. The rights that a shareholder has in relation to meetings are set out here:

- (a) right to have the company's constitution observed;
- (b) right to attend and participate at meetings;
- (c) right to obtain relevant information that are to be discussed at a meeting in a timely fashion;
- (d) right to speak and vote at meetings;
- (e) right to elect the Board, external auditors and to modify the constitution as the need arises, in accordance with the Companies Act;
- (f) right to convene or requisition a meeting, or requisition a resolution to be discussed and if possible to be carried at meetings, subject only to compliance with the relevant requirements under the company's constitution and the Companies Act;
- (g) right to appoint up to two proxies to attend, speak and vote on his behalf;

- (h) right to demand for a poll on any question or matter other than, if the company's constitution so provides, the election of the Chairman or the adjournment of the meeting;
- (i) right to inspect the minute books of the company's meetings without charge, or alternatively, entitlement to be furnished, within 14 days after he has made a request in writing to the company, with a copy of any meeting minutes of the company at a charge not exceeding S\$1 per page; and
- (j) right to inspect the Register of Members at no charge, or alternatively, entitlement to be furnished, within 21 days on which the request is received by the company, a copy of the Register of Members at a charge not exceeding S\$1 per page.

5 RULES OF ETIQUETTE APPLICABLE TO SHAREHOLDERS

Attendance at Meetings and Proxies

- 5.1 A registered shareholder is entitled to attend and speak and vote at the company's meeting. Shareholders are encouraged to vote at meetings in person or by proxy. Should a shareholder wish for the company to provide an additional option for shareholders to attend the meeting via virtual meeting technology (i.e. conduct a hybrid meeting), the shareholder should provide the feedback directly to the company to assist the company in assessing the demand for such access.
- 5.2 If a shareholder (who is not a relevant intermediary) is unable to be personally present but wants to be represented at the meeting, a shareholder should properly appoint not more than two proxies to act on his behalf. Normally, the proxy form has to be submitted to the company or its share registrar 72 hours before the commencement of the meeting.
- 5.3 Unless the constitution otherwise provides, where a shareholder appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.

- 5.4 In a situation where the shareholder has appointed a proxy but also attends the meeting, the shareholder has the choice to exercise his rights as shareholder which prevail over the proxy or allow the proxy to continue exercising his rights. Unless a proxy is appointed irrevocably and for valuable consideration, the appointment of the proxy can be revoked. Revocation can be made by the unilateral voluntary act of the appointor, at any time prior to the commencement of the meeting. The most effective way for an appointing shareholder to revoke a proxy is to attend a meeting and vote on his own behalf. This implicitly revokes the proxy, regardless of whether written notice of revocation is required under a company's constitution. If a shareholder attends a meeting and votes personally, any vote tendered by the proxy must be rejected. In addition, if a shareholder chooses to attend a meeting whereby he has also appointed a proxy, the company has the right to refuse to admit such proxy to the meeting.
- 5.5 Only persons whose names appear on the Depository Register 72 hours before the meeting are entitled to attend, speak and vote. A shareholder who has only recently purchased shares, but whose name does not appear on the Depository Register has no legal right to be present at the meeting, but may be admitted as an observer without the right to vote at the indulgence of the Chairman. As the Chairman can refuse entry to such a person, it is best to ensure that shares purchased have been registered with the Depository Register so that an individual gains the right to attend, speak and vote at a meeting.

Preparing for the Meeting

- 5.6 Shareholders should take the following preparatory steps before attending a meeting. This will ensure that their questions, views and comments are considered appropriately by the Chairman and other shareholders as well:
- (a) shareholders should familiarise themselves with the agenda and the order of business and read relevant materials like the annual reports, sustainability reports, circulars to shareholders and recent company announcements. This will enable informed questions to be formulated and asked prior to, or at the appropriate time during, the meeting. If a shareholder is not able to fully understand the preliminary materials, he should consider getting professional assistance to explain the same to him;

- (b) questions should be prepared by shareholders before the meeting to enable shareholders to think through their questions. Shareholders may submit their written questions to the company ahead of the meeting, and should do so promptly within the cut-off time specified by the company, so that the company has sufficient time to prepare responses to the questions. Shareholders may, of course, have questions about the matters raised at the meeting itself; and
- (c) shareholders should arrive early for the meeting to enable the proceedings to begin on time. The meeting can begin as soon as a quorum is formed and the time for the meeting has begun. The Chairman is not obliged to wait for all shareholders to be present before commencing the meeting.

Speaking at the Meeting

- 5.7 The meeting is an opportunity for the Board to report on the financial health of the company, to explain various activities that the company has undertaken over the past year, and to provide an insight into the future plans and strategies of the company. Shareholders can take this opportunity to clarify decisions about certain business activities, query the financials, query the performance of directors and senior management, understand the risk management concerns and management of sustainability issues, and if lacking, to probe the gaps and to ascertain the future plans of the company.
- 5.8 To ensure that the meeting is fruitful, shareholders raising queries or making comments should act with decorum and be professional at all times. Being abusive (for example, hurling vulgarities or shouting unnecessarily) or overtly demanding does not assist the company in holding a constructive meeting.
- 5.9 The following are suggestions as to the decorum that shareholders should adopt when seeking to speak at meetings:
 - (a) courtesy and respect should be shown by shareholders to their fellow shareholders, the Board members and to the Chairman;

- (b) a shareholder who intends to speak should first ask for permission to speak. He can do this by putting up his hand when the Chairman calls for comments from the floor;
- (c) a shareholder should not interrupt when another person is speaking, including another shareholder, a Board member, a member of the management or the Chairman himself;
- (d) it is good practice for shareholders to introduce themselves by stating their name before making comments or asking questions. All comments should be directed to the Chairman. It is not proper protocol to direct comments or questions to fellow shareholders at the meeting or directly to any other Board member at the meeting. If a specific question or comment is to be directed to a member of the Board other than the Chairman, then this should be done through the Chairman himself;
- (e) when speaking at the meeting, shareholders should refrain from being antagonistic, belligerent, insulting or aggressive. Shareholders should also avoid tedious repetition and objectionable language, such as offensive remarks or vulgarities;
- (f) questions asked and comments made by shareholders should be relevant to the issue being discussed; for instance, those pertaining to the resolutions, financials or the business of the company. The meeting is not the appropriate forum to air personal grievances, complain about the conduct of other companies, or complain about matters in the capacity of a consumer or client of the company. Shareholders should also confine their comments to issues rather than personalities;
- (g) the order for asking questions or making comments should follow the order in which resolutions are being discussed. For instance, all issues pertaining to the financials of the company or the annual report should be discussed at the time that the Chairman calls for a motion to adopt the directors' statement and the audited financial statements. After the Chairman declares the resolution carried, shareholders should not go back to comment on, or raise queries pertaining to the directors' statement and the audited financial statements;

- (h) the number and length of any comments by and or questions from shareholders should be kept short to enable other shareholders to have a chance to speak without the meeting getting unduly long;
- (i) while a shareholder may express his view and try to persuade the meeting, he should not insist that the Chairman agree with his opinion, as the Chairman may not be in a position to do so; and
- (j) shareholders should not attempt to engage in obstructive questioning in an aggressive or belligerent manner, which may disrupt the flow of the meeting. This may fall within the meaning of disorderly conduct and result in the shareholder being expelled from the meeting.

General Decorum at the Meeting

5.10 Shareholders have an important role to play in ensuring that the meeting proceeds smoothly and without disruption. The following are guidelines on what shareholders can do to assist in this regard:

- (a) shareholders should ensure that their mobile phones and other electronic devices are turned off or are in silent mode during meetings to avoid disrupting the proceedings;
- (b) when others are speaking, including the Chairman and other shareholders, shareholders should avoid carrying on conversations with others to avoid disrupting the meeting;
- (c) if food is provided, it is common courtesy to refrain from rushing for it, leaving the meeting mid-way to consume it, consuming excessive amounts of food or packing away food without the invitation of the company; and

(d) shareholders should not record the proceedings of the meeting with their mobile phones and upload on their own social media. The proceedings in the meeting are for shareholders, and preservation of confidentiality and privacy of the discussions and persons (Board including Chairman and other shareholders) in the meeting should be observed.

5.11 A shareholder who behaves disruptively at a meeting such that the meeting cannot be conducted conductively may be expelled from the meeting. This is a power that the Chairman can exercise. Shareholders should therefore ensure that they do not become boisterous or be unreasonably persistent with questions or comments that they have. Once they have utilised their opportunity to speak and a reasonable response has been provided, they should stop speaking. If a shareholder continues, and the Chairman eventually warns the shareholder to tone down his behaviour and to take his seat or be removed from the room, the shareholder should comply. A failure to do so may result in him being expelled from the room so that the meeting can continue on smoothly.

Proposing Shareholder Resolutions

Distinguishing between Ordinary and Special Resolutions

5.12 There are two types of resolutions that can be proposed – ordinary resolutions and special resolutions. An ordinary resolution can be carried by a simple majority whilst a special resolution can be carried by a 75% majority. Examples of matters that can be proposed by an ordinary resolution include appointment and removal of directors and external auditors, adopting the directors' statements and the audited financial statements, and approving the quantum of dividends to be paid. Examples of matters that can be proposed only by a special resolution include amendments to the constitution, change of company name, capital reduction, voluntary winding up, and substantial disposition of company's assets.

5.13 For ordinary resolutions, at least 14 days' notice must be given. For special resolutions, at least 21 days' notice must be given.

Normal Procedure for Tabled Resolutions

- 5.14 Normally, a resolution is first proposed and then seconded, although the latter is sometimes not necessary. The resolution may be proposed by the Chairman or another shareholder attending the meeting in person, by proxy or by corporate representative.
- 5.15 After the resolution has been proposed and seconded (if necessary), the Chairman should ask whether there are any questions and comments.
- 5.16 After shareholders have had sufficient opportunity to clarify or comment on the proposed resolution, the Chairman then calls for a vote. While the proposer should vote in favour of the resolution, the seconder is not similarly obliged.

New Resolutions

- 5.17 Under Section 183 of the Companies Act, the following are entitled to propose resolutions to be moved at meetings of the company:
- (a) any number of shareholders representing at least 5% of the total voting rights; or
 - (b) not less than 100 shareholders holding shares in the company on which there has been paid up an average sum, per shareholder, of not less than S\$500.
- 5.18 When the company receives a resolution from the requisite number of shareholders, and the procedural requirements as spelt out in the Companies Act have been complied with, it should give shareholders notice of the resolution together with a statement with respect to the matter in the proposed resolution. The requisitionists must provide a copy of the signed requisition to the company at its registered office, together with a sum reasonably sufficient to meet the company's expenses, not less than 6 weeks before the meeting.
- 5.19 Shareholders cannot propose the passing of a fresh resolution for which no requisition as stated in the preceding paragraph has been provided.

Requisitioning a Meeting

- 5.20 Shareholders have a right to requisition a meeting under the Companies Act. In particular, shareholders may do so via two mechanisms contained in the Companies Act:
- (a) under Section 176 of the Companies Act, any number of shareholders representing at least 10% of the total number of paid-up shares; or
 - (b) under Section 177 of the Companies Act, at least two shareholders representing at least 10% of the total number of issued shares.
- 5.21 A key difference between the mechanisms provided in Sections 176 and 177 of the Companies Act is that, in the former, the obligation falls on the Board to convene the meeting whereas, in the latter, shareholders requisitioning the meeting are required to take steps to convene the meeting, including the giving of proper notice to all shareholders.
- 5.22 Shareholders that wish to requisition a meeting should carefully consider the requirements in the Companies Act and the company's constitution, and elect the most appropriate mechanism. In all cases, shareholders should not put forth any proposal or material that is clearly frivolous, vexatious or defamatory, and be forthcoming in providing the company and the Board with any information they may reasonably require in connection with the meeting and resolutions proposed to be tabled at the meeting.

Voting and Poll

- 5.23 The SGX Listing Rules provide that all resolutions must be voted on by poll.
- 5.24 Proxy voting ensures that all eligible shareholders of a company have an opportunity to vote on matters for decision proposed to at a meeting. Proxy voting works by enabling shareholders, who are entitled to vote but are not able to attend the meeting in person, to appoint the Chairman or another individual as their proxy to vote on their behalf. Proxies can either be instructed on how to vote on particular resolutions, or be left to decide how to cast the votes themselves (the shareholder appointing a proxy indicates which of these routes to take). It is usual for shareholders to appoint the Chairman as their proxy, because his presence

at the meeting is guaranteed, but a shareholder may appoint any other individual who is eligible to vote as his proxy at his discretion. If a shareholder's proxy does not attend the meeting, the shareholder's votes will not be cast.

- 5.25 Notifying the company of a proxy nomination is not equivalent to casting a vote. The votes are cast at the meeting and if a shareholder does attend the meeting, their proxy nomination can be rescinded in order for the shareholder to vote in person. The total number of votes cast on a resolution will be the number of votes cast by shareholders at the meeting on their own behalf added to those cast by proxies appointed by other shareholders. For shareholders who hold shares under the CPF Investment Scheme ("CPF Investors") and/or the SRS ("SRS Investors") (as may be applicable), proxy forms are not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
- 5.26 CPF Investors and SRS Investors (as may be applicable) may attend and cast their votes at the meeting in person. CPF Investors and SRS Investors who are unable to attend the meeting but would like to vote, may inform their CPF and/or SRS approved nominees to appoint the Chairman to act as their proxy, in which case, the CPF Investors and SRS Investors shall be precluded from attending the meeting.
- 5.27 When a vote has been closed, the shareholder cannot call for the issue to be discussed again.

Adjournment of the Meeting

- 5.28 The Chairman may adjourn the meeting, subject to the company's constitution:
- (a) for an appropriate duration if requested to do so by the shareholders at the meeting and a resolution to that effect has been carried out;
 - (b) with the consent of the shareholders of the meeting; and
 - (c) if, in his opinion, it is not practicable to obtain the consent of the meeting, but it appears necessary to him to adjourn to facilitate the business of the meeting.

- 5.29 A company's constitution will often specify the circumstances under which the Chairman may adjourn the meeting and the length of notice required for the adjourned meeting. The requirements of any such provisions should be strictly adhered to.
- 5.30 If consent of the shareholders is required, a vote on an adjournment is decided by the simple majority.

6 RULES OF ETIQUETTE APPLICABLE TO CHAIRMAN

- 6.1 The Chairman's general role is to preserve order and ensure that the business of the meeting is conducted in a proper and efficient manner. The Chairman is to ensure that there is no disruption to the meeting. The Chairman is also to ensure that the proceedings are properly conducted according to law and according to the company's constitution. He should act impartially in the discharge of these duties.

Preparing for the Meeting

- 6.2 A Chairman should familiarise himself with the agenda items and the procedural rules. The Chairman should study the subjects to be discussed and all background papers so that he will be in a position to lead the meeting to a conclusion on each item. He should also ensure that a list of 'FAQs' is put together and possible answers are prepared. This will ensure that the Chairman is able to succinctly respond to any query that is asked of him and the Board.

Starting the Meeting

Attendance at Meetings

- 6.3 The Chairman has a duty to ensure that only authorised persons are present at the meeting. In this regard, persons entitled to attend, speak and vote at the meeting are, generally, the company's directors, shareholders, the properly appointed proxies of such shareholders and the appointed representative of corporate shareholders. For listed companies, only persons whose names appear on the Depository Register 72 hours before the meeting are entitled to attend, speak and vote.

6.4 In addition, external auditors and such other persons who are so authorised in the company's constitution will be entitled to attend the meeting. Indeed, the Chairman should take a positive step to ensure that all key officers and relevant professional advisers are present to assist in responding to specific queries that may be raised during the meeting discussions.

6.5 Finally, the Chairman has discretion to invite other parties such as the press to attend the meeting.

Quorum

6.6 The Chairman has a duty to ensure that a quorum is present before commencing the meeting. This is governed by the constitution, and is usually two shareholders present in person and entitled to vote when the meeting proceeds to business.

Commencement of Meeting

6.7 The Chairman should not delay starting the meeting once the quorum has been formed and the time of the meeting has been crossed. It is good practice to start meetings on time out of courtesy to the audience already present. In addition, if the meetings are not started on time, shareholders will assume that late starts are normal and adopt the practice of deliberately arriving late.

6.8 This is subject to the qualification that the general duty of the Chairman requires him to act impartially to enable a meeting to proceed in an orderly manner. In such an instance, the Chairman can exercise his discretion to delay the starting of the meeting for a reasonable period, which should not be more than 10 minutes or so, to allow more shareholders to be present, if this is thought to be necessary.

6.9 Late shareholders should not revisit issues and resolutions that have been discussed earlier. The Chairman should advise such shareholder that he cannot revisit issues and resolutions that have been earlier discussed and for which the motions have been concluded.

Order of Business

- 6.10 The first order of business is normally to receive and adopt the directors' statement and the audited financial statements. The Chairman, Chief Executive Officer and/or Chief Financial Officer are encouraged to make a short audio-visual presentation, as is often done at analyst briefings, of business and financial highlights for the past year and prospects for the future. This will help to refresh the memory of shareholders who have read the annual report and to focus on the main developments and trends. The company can use this opportunity to present a balanced appraisal of the performance and prospects of the company that will set the stage for a meaningful discussion on this topic. In addition to the presentation, the Chairman should respond to substantial and relevant questions sent in before the meeting by various stakeholders, such as shareholders, media, analysts, advocacy groups (e.g. environmental bodies) or investor bodies.

During the Meeting

Preservation of Order

- 6.11 The Chairman has a duty to ensure that the meeting flows smoothly and that there are no undue disruptions, whether from an irate shareholder or otherwise:
- (a) the Chairman should stop any side discussions by sub-groups in corners of the meeting while a speaker officially has the floor. If contributions by these sub-groups seem relevant to the debate, the Chairman could invite them to address the meeting at an appropriate time;
 - (b) alternatively, the Chairman could suggest that the debate be adjourned so that the persons concerned can confer with each other outside the room with a view to their considered conclusions being reported to the meeting in due course;
 - (c) if a shareholder is being obstructive or disorderly as to interfere with the proper conduct of the meeting, the Chairman can proceed in the following manner:

- (i) ask the shareholder to refrain from such action and to ask any question that he may have;
 - (ii) offer the shareholder a separate discussion and a chance to air his grievances outside the meeting; or
 - (iii) consider adjourning the meeting for a short period to try and establish a basis for continuing the meeting in good order. If an adjournment is sought, it is desirable that any adjournment has the consent of the meeting. If this is impossible because of unruly behaviour, the Chairman may adjourn the meeting himself. In each case, the period of adjournment should be stated, and in accordance with the requirements in the company's constitution; and
- (d) if the shareholder continues to act in a disorderly manner, he should be asked to leave the meeting voluntarily. If he refuses, he may be expelled using reasonable force.

Proper Conduct of the Meeting

6.12 One of the key duties of the Chairman is to ensure that the meeting is conducted in a fair and orderly manner, as follows:

- (a) no person should unreasonably be denied an opportunity to be heard by the Chairman. While the Chairman may wish to limit the speaking time for a person so that others have a chance to speak, or to ensure that the meeting does not become unreasonably long, the Chairman should exercise his discretion based on the circumstances of the meeting. For example, if not many questions are being raised by shareholders, the Chairman should exercise his discretion not to limit the speaking time of a shareholder who may wish to raise a number of questions;
- (b) the Chairman will give rulings on points of order or other questions of procedure and do so with patience and courtesy, giving explanations where appropriate;
- (c) shareholders should be called to speak one at a time and in an appropriate sequence by the Chairman;

- (d) the Chairman should ensure all remarks are addressed to him;
- (e) if the Chairman does not agree with the views of the shareholder, he should still assure the shareholder that his view has been registered and taken into consideration;
- (f) the Chairman should allow debate on resolutions under discussion. The Chairman has a duty to ascertain the views of the meeting on the matters under consideration and to ensure that all shades of opinion are given a fair hearing, as far as practicable. The discussion should be kept within reasonable bounds and may be stopped after the issue has been fully debated or if the discussion is heading nowhere. Where the query relates to a matter specific to that shareholder or not relevant to the agenda, the Chairman may elect to respond to the query after the close of the meeting;
- (g) in attempting to keep the debate within reasonable grounds, the Chairman might:
 - (i) require full debate on one topic at one time and refuse to take questions on that topic at any other times;
 - (ii) limit the right of shareholders to speak, for example, by limiting the time allowed to any speaker; or
 - (iii) end the debate by exercising his inherent right to keep any discussion within reasonable bounds;
- (h) the Chairman should be careful not to stifle discussion or prevent the views of a shareholder from being effectively expressed;
- (i) the Chairman should not interrupt a speaker for reasons unconnected with procedural aspects, for instance, simply because the Chairman happens to know more about the subject matter than the speaker; and

- (j) the Chairman should encourage new, shy or inexperienced shareholders to express their views and discourage any particularly garrulous shareholders from monopolising or unduly dominating any discussion.

Amendment of Resolutions

- 6.13 A proposed amendment to a resolution can only be raised at the meeting and before the resolution is put to a vote. The proper approach is to propose a resolution to amend the resolution being discussed. A seconder should support the proposal, at which time, the Chairman should open discussion as to whether the amendment should be carried. After discussions have concluded, the proposal to amend should be put to a vote, and if carried, the original resolution should be amended as per the proposal and then opened for discussion and eventual voting.
- 6.14 A special resolution cannot be amended except in very limited ways. The Companies Act requires that at least 21 days' notice be given of a special resolution specifying the intention to propose the resolution as such.
- 6.15 The principles applicable to amendments to ordinary resolutions are less strict. For such ordinary resolutions:
 - (a) amendments should be within the scope of the notice of meeting;
 - (b) amendments should not be onerous on the company; and
 - (c) amendments should not have the effect of negating the substantive resolution.
- 6.16 A Chairman can also reject proposed amendments on the grounds of redundancy (seeking to re-open business already settled by the meeting), inconsistency (incompatible with a previous decision of the meeting), on the grounds that the proposed amendment changes the substance of the original resolution or on the more difficult grounds that the proposed amendments are obstructive, vexatious, dilatory or irrelevant.

Voting

- 6.17 Where the Chairman feels that there has been adequate discussion on a matter, it is appropriate for him to bring the discussion to a close. The following provides guidance on what the Chairman should do when it is time to vote on a resolution:
- (a) the Chairman may remind the meeting that certain persons or category of persons are required to abstain from voting. For example, in a meeting to obtain shareholder approval for an interested person transaction, an interested person and his associate (if any) must not vote on the resolution, nor accept appointments as proxies unless specific instructions as to voting are given;
 - (b) the Chairman should read out a summary of the resolution and highlight (where appropriate) that the full text of the resolutions can be found in the notice of meeting, before putting it to the vote to ensure that the meeting knows the precise question being decided and in order to refresh shareholders' memory to the exact wordings;
 - (c) all amendments should also be checked by the Chairman to see that they are relevant to the resolution and are not direct negatives of it; and
 - (d) the Chairman, subject to the provisions of the constitution, may have a casting vote in the event that a motion has equal number of votes for and against it.

Recording of the Meeting

- 6.18 As the company has a statutory obligation to keep minutes of all meetings, the Chairman should ensure that such minutes are indeed kept. The minutes should be signed by the Chairman who conducted the meeting or by the chairman of the next succeeding meeting.
- 6.19 The minutes of the meeting should include substantive and relevant comments or queries by shareholders and the responses by the Chairman, Board, other professional advisers and management relating to the agenda of the meeting. Such minutes would reflect proper respect for shareholders and enhance corporate transparency and accountability.

- 6.20 The company may record the proceedings of a meeting by means of a video or other recording, except where that is expressly prohibited by its constitution or by a direction of the meeting itself. The equipment should be openly in view or an appropriate announcement of the practice should be made. Taping of the proceedings would assist the company secretary in preparing the minutes.
- 6.21 The company should seek the consent of its shareholders to collect, use and/or disclose the individual's personal data at a meeting, and should not go beyond what is reasonable in the given circumstances. Examples of personal data could include names, identification numbers, contact information, photographs and video images of the shareholders. A shareholder should also be given the option to withdraw his consent, subject to reasonable notice being given to the company. Upon the withdrawal of consent, the company must cease collecting, using and/or disclosing the individual's personal data. When collecting individuals' personal data, the company should also inform them of the purposes for which their personal data is being collected, used and/or disclose (e.g. to record the proceedings). The company should ensure that all personal data protections laws and regulations are complied with.
- 6.22 The SGX Listing Rules require that the minutes be published within one month after the meeting on SGXNET and, if available, the issuer's corporate website.

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