

SGX RegCo Requires Large Issuers to Take Lead to Reduce AGM Crunch, Reserve AGM Slots in Advance

On 26 March 2024, Singapore Exchange Regulation (**SGX RegCo**) issued a new Regulator's Column imposing new arrangements which require large issuers to ensure that their upcoming Annual General Meetings (**AGMs**) do not conflict with the AGM of another large issuer, by reserving AGM slots with SGX RegCo in advance. The SGX RegCo Regulator's Column can be found [here](#).

Reducing the AGM Crunch

AGMs tend to be clustered in the second half of April each year, largely because most issuers have their financial year-end in December and therefore have to hold their AGMs by the following April. The peak period typically falls in the second half of April, i.e., the two weeks immediately preceding the end April deadline for the holding of AGMs.

The [Code of Corporate Governance](#) makes clear that shareholders should be given the opportunity to participate effectively in, and vote at, general meetings. Shareholders' ability to attend AGMs may be curtailed if AGMs are clustered within the same period. The accompanying [Practice Guidance](#) to the Code of Corporate Governance also provides that companies should use their best endeavours to avoid scheduling general meetings during peak periods.

The AGM crunch is [not a new problem](#) at all. Back in 2016, the Singapore Exchange collaborated with the Chartered Secretaries Institute of Singapore (**CSIS**) to launch an online calendar for listed companies to indicate their tentative AGM dates. This initiative was in response to feedback that many AGMs were clustered around the last two weeks of April, and the objective was to encourage issuers to try to spread their AGMs out more evenly throughout the month of April, thereby allowing investors to attend more AGMs. At that time, it was similarly observed that clustering of AGMs is a common phenomenon in most global markets, and arises from the December financial year-end of most companies.

While SGX RegCo recognises that it may not be possible to entirely eliminate AGM clustering given the number of issuers with the same financial year-end (about two in every three issuers have a 31 December financial year-end), arrangements can be put in place to ameliorate the situation. In this regard, SGX RegCo has assessed that clustering of AGMs by issuers with a larger shareholder base and market capitalisation, such as those that are constituents in the Straits Times Index (**large issuers**), would have a greater impact on the ability of shareholders of multiple issuers to attend AGMs.

New: Requirement for Large Issuers to Submit Proposed Date and Time Period of Upcoming AGMs to SGX RegCo

Accordingly, SGX RegCo will require *large issuers* to ensure that their AGMs do not conflict with the AGM of another large issuer. SGX RegCo will facilitate this by maintaining a private calendar of upcoming AGMs of large issuers:

- (a) SGX RegCo will reach out directly to issuers which are identified as "large issuers". Constituent members of the Straits Times Index will be regarded as large issuers.

We understand that SGX RegCo has already approached the identified issuers in respect of upcoming AGMs in calendar years 2024 and 2025. Issuers which have not heard from the SGX RegCo about this, or which wish to confirm if they may be affected, may e-mail their queries to listingcompliance@sgx.com or contact their usual SGX RegCo Listing Compliance managers.

- (b) Large issuers should **submit the proposed date and time period of their upcoming AGMs** to SGX RegCo (via listingcompliance@sgx.com). Issuers are advised to make early preparations for desired timings well in advance, bearing in mind the need to ensure directors' availability for the AGMs as well as to procure meeting venues and service providers.

Slots for calendar year 2025 have already been released and are available for bookings.

Slots for future years will become available for booking at market open on the first working day (Singapore) of the preceding calendar year. For calendar year 2026, bookings will therefore open at 9 a.m. on Thursday, 2 January 2025.

- (c) Reservations will be on a **first-come-first-served** basis. If a slot has already been reserved by another large issuer (earlier notified to SGX RegCo), the later issuer would be required to select another date or time period. In view of this, issuers are encouraged to make early preparations for their AGMs.

SGX RegCo has indicated that the implementation of the above arrangements will be reviewed periodically, and that it may impose more prescriptive requirements should AGM clustering of large issuers persist.

To be clear, the above arrangements do not apply to general meetings other than AGMs.

Updated: Guide on Best Practice for Shareholder Meetings of Listed Companies (New Second Edition)

In addition, the second edition of the Guide on Best Practices for Shareholder Meetings of Listed Companies (**Guide on Best Practices**) (jointly developed by the Securities Investors Association (Singapore) and the Singapore Institute of Directors (**SID**), supported by SGX RegCo) has been published (available [here](#)). Updates have been made to the Guide on Best Practices to reflect latest best practices and to align with the Regulator's Column.

The following updates may be of particular interest:

- (a) **Clustering of AGMs:** It is recommended that companies commence early preparations of shareholder meetings, and avoid scheduling AGMs around busy periods, such as the two weeks immediately preceding the deadline for holding of AGMs.
- (b) **Virtual Meeting Capabilities:** While physical meetings are the default mode of conducting meetings, the company should have regard to the size and needs of its shareholder base and how best to facilitate shareholder engagement, in considering whether to add virtual capabilities to the physical meeting (i.e., hold a 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. In this regard, the Guide on Best Practices encourages shareholders who desire the company to hold a hybrid meeting to provide feedback directly to the company to assist it in assessing demand for such virtual access. Further, for virtual meetings, it is recommended that the company ensure that the functionalities of the selected virtual meeting technology are adequate, and contain robust processes to verify the identities of attendees, enable shareholders to ask questions "live", have processes to manage proxy appointments and revocations, and provide adequate technical support.¹ [*Note: You may also wish to read [our previous update](#), as well as the [Standard for Vendors of Virtual/Hybrid General Meeting Systems](#) published by SGX RegCo, the SID, and the CSIS, on the subject of virtual meeting technology.*]

- (c) **Electronic Deposit of Proxy Forms:** The notice of meeting should 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 deadline by which it must be submitted. The company is also encouraged to allow shareholders to submit proxy forms *via* electronic means (e.g., email), in addition to post. [*Note: For Singapore-incorporated companies, section 181 of the Companies Act 1967 (**Companies Act**) provides that, despite anything to the contrary in the company's constitution, a member may appoint a proxy by depositing with the company an instrument of appointment by electronic means, and that the company must specify such electronic means in its notice of meeting.*]
- (d) **Revocation of Proxies during Meeting:** If a shareholder has submitted a proxy form and subsequently attends, and votes at, the meeting, the appointment of proxy should be revoked, and that 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. The Guide on Best Practices also reflects corresponding recommendations on the instructions to shareholders which should be set out in the notice of meeting with respect to accessing of documents, submission of questions, voting, and proxy appointment (including for investors holding shares through relevant intermediaries). [*Note: These are generally in line with the existing requirements of [Practice Note 7.5 \(Mainboard\)](#) / [Practice Note 7E \(Catalist\)](#) of the Listing Manual.*]
- (e) **Shareholder Requisitions:** On occasion, shareholders may wish to utilise the meeting as a platform to draw certain matters to the attention of the board of directors and fellow shareholders. They may do so by proposing resolutions to be moved at the meeting or requisitioning a meeting. The Guide on Best Practices states that, 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 of directors 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. In addition, the Guide on Best Practices exhorts

¹ Sections 1.3(b) and 3.4 of the Guide on Best Practices.

requisitionists not to put forth any proposal or material that is clearly frivolous, vexatious or defamatory, and to be forthcoming in providing the company and the board of directors with any information reasonably required in connection with the meeting and proposed resolutions. [Note: Please also see the [Regulator's Column dated 27 April 2023](#) which expands on SGX RegCo's expectations on this subject.]

If you would like information or assistance on the above or any other area of law, you may wish to contact the Partner at WongPartnership whom you normally work with or any of the following Partners:



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