



21 May 2024

SGX RegCo (Singapore Exchange Regulation)

Submission on the Consultation Paper on Facilitating Shareholder-Requisitioned Meetings

Glass Lewis appreciates the opportunity to comment on the aforementioned Consultation Paper on Facilitating Shareholder Requisitioned Meetings dated 23 April 2024.

Founded in 2003, Glass Lewis is a leading, independent provider of global governance services that provides proxy research and vote management services to more than 1,300 clients throughout the world. While, for the most part, institutional investor clients use Glass Lewis research to help them make proxy voting decisions, they also use Glass Lewis research when engaging with companies before and after shareholder meetings.

Through Glass Lewis' web-based vote management system, Viewpoint, Glass Lewis also provides investor clients with the means to receive, reconcile and vote ballots according to custom voting guidelines and record, audit and disclose their proxy votes.

Glass Lewis is committed to contributing our expertise and perspective to enhance the regulatory framework governing shareholder activism and requisitioned meetings in Singapore. Our global experience in proxy voting and corporate governance advisory services equips us with valuable insights into best practices and industry standards that can benefit the Singapore market.

The response provided below is not meant to be exhaustive but are designed to address what Glass Lewis sees as the main issues and concerns raised in the Consultation Paper. Thank you in advance for your consideration and please do not hesitate to contact us if you would like to discuss any aspect of our submission in more detail.

Respectfully submitted,

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Respondent's Information

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Statement of Interest	<p>Glass Lewis is a leading proxy advisory firm specializing in providing independent research, analysis, and proxy voting recommendations to institutional investors.</p> <p>In this capacity, we advocate for the interests of minority shareholders, shareholder democracy and corporate governance best practices.</p>

Disclosure of Identity

Please check the box if you do not wish to be specifically identified as a respondent:

I/We do not wish to be specifically identified as a respondent.

Consultation Question**Question: Facilitating Shareholder-Requisitioned Meetings**

Do you agree that where an issuer has received a Requisition Notice that meets the procedural thresholds under the Relevant Law and the Constitution, the issuer should be required to (a) provide assistance reasonably necessary to the Requisitionists to facilitate the convening, and conduct, of the Shareholder-Requisitioned Meeting; or (b) apply to court for a ruling where it disputes the validity of the Requisition Notice, in each case as soon as practicable, within 21 days upon deposit of the Requisition Notice?

Please select one option:

- Yes
 No

Please give reasons for your view:

Glass Lewis' View

We view the amendments as offering further protection of shareholder rights, namely the right to requisition a general meeting. As the Consultation Paper identifies, without an issuer's assistance, the challenges to shareholders in successfully requisitioning a shareholder meeting are significant. The amendments clearly place an obligation on issuers to provide reasonable support to requisitioning shareholders which overcome many of these challenges.

In practice, a shareholder is likely only to requisition a meeting at a listed company following disagreement or dissatisfaction with an issuer. As a result, without any clear obligation, an issuer may be reluctant to provide any support to a requisitioning shareholder and instead choose to stand by and watch a requisitioning shareholder fail to pass procedural challenges.

We note the amendments do not provide specificity on the "reasonable efforts" that an issuer must provide to shareholders to facilitate the general meeting. Nonetheless, paragraph 1.7 of the Consultation Paper provides a list of the types of assistance that could be provided. We encourage SGX RegCo to embed this list, or an expanded list, in a guidance note to minimize disagreements between issuers and shareholders as to what "reasonable efforts" entail.

The Singapore requirements for a requisitioner to have a 10% minimum shareholding is on the higher end of the region. Japan and Korea have an equivalent 3% shareholding requirement while Australia and Hong Kong have an equivalent 5% shareholding requirement. China, Indonesia and Malaysia have a similar 10% minimum shareholding requirement. With this as context, we view that a 10% shareholding block provides a clear entitlement to requisition a general meeting, and any such general meeting is at low risk of being frivolous.

The amendments provide an issuer 21 days to commit to offering its assistance, or commence legal challenge as to the validity of the Requisition Notice. In practice this could delay the speed at which a shareholder can practically requisition a general meeting should an issuer stall. In many cases, general meetings require 21 days notice to be given to shareholders. Allowing an issuer to withhold reasonable support in providing that notice for up to 21 days doubles the timeline to a general meeting to 42 days. Should an issuer choose to lodge legal challenge as to the Requisition Notice's validity, the timeline to a general meeting could be substantially



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longer. We encourage SGX RegCo to consider the timeline implications of the amendments as worded and consider mitigating guidance.

In summary, while we consider to remain concerned about the ability of issuers to frustrate the execution of shareholder rights in calling a general meeting, we consider the proposed amendments to be a positive step to protect shareholder rights and encourage shareholder participation in company affairs.