



THE COMPANY SECRETARY'S CHECKLIST FOR VIRTUAL/HYBRID SHAREHOLDER MEETINGS

Planning your next annual meeting has never included this much uncertainty. Currently, the UK is experiencing a lockdown that may extend to and beyond your meeting date and questions and risks continue to rise as the pandemic evolves. The Corporate Insolvency & Governance Act (CIGA) introduced flexibility in 2020, but it is unclear if it will be extended past the end of March. The Financial Reporting Council (FRC) and investor bodies are seeking additional means of shareholder engagement, particularly by virtual means and the GC100 has drafted new code of best practice. Pre-existing regulations are more limiting, leaving many to wonder if they should be revisited. On top of that, there are health and safety issues associated with in-person gatherings.

Given the state of the pandemic, planning for the possibility of incorporating virtual capabilities into your in-person meeting or even switching format quickly is the best way to control risk to disruption at your annual meeting this year. And while you know a hybrid approach is legal if company articles permit it, making changes to your typical meeting routine can seem daunting.

The Rise of Virtual and Hybrid Shareholder Meetings

There has been a meteoric rise of virtual and hybrid shareholder meetings across the world, triggered by the COVID-19 global health crisis. To reflect on lessons learned and create new recommendations, various organisations have published guidance, including organisations such as the FRC and the GC100 in the UK and the Rutgers Center for Corporate Law and Governance in the US. Taken together, these recommendations serve as useful consideration factors as you plan a hybrid or virtual shareholder meeting.

A Virtual/Hybrid Shareholder Meeting Checklist Built for Company Secretaries

This checklist combines Computershare's decades of shareholder meeting experience across the globe, and 2,000 virtual meetings in 2020 alone, with new recommendations. It helps Company Secretaries and other governance professionals prepare for a 2021 shareholder meeting that includes a virtual component or is fully virtual.

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Virtual/Hybrid Shareholder Meeting Checklist

Virtual/Hybrid Shareholder Meeting Guiding Principles:

- > Embrace the opportunity for broad investor participation as part of your wider shareholder engagement strategies
- > Promote equitable and equal treatment of investor participants at your shareholder meeting
- > Provide opportunities for meaningful engagement between investors and your board
- > Communicate the many benefits of your virtual or hybrid meeting
- > Utilise technology to foster meaningful open dialogue with your shareholders

DISCLOSURE

Clear instructions on how shareholders can attend and participate

- Provide shareholders with complete, detailed instructions on how they can attend the meeting, lodge a proxy appointment prior to the meeting and vote at the meeting itself.
- A dedicated area of the company website should be set up and frequently updated so that shareholders can access the latest information regarding the status of the meeting and any other shareholder meetings
- Write these instructions clearly in “plain English” with the individual retail shareholder in mind.
- Place the instructions prominently in an easily-located place within your notice of meeting.
- Clearly distinguish and explain the different procedures for registered shareholders, third party proxies and corporate representatives, if applicable.
- Highlight whether, and why, a shareholder must obtain and/or provide additional information (e.g. separate reference number & PIN, corporate representative letter) in advance of the meeting and how to do so.
- Indicate whether attendance is limited to shareholders or open to shareholders and guests.

Instructions for how shareholders can submit questions

Companies will have rules of conduct for in-person meetings and virtual or hybrid meetings should be no different.

- Provide instructions on how and when shareholders will be able to ask questions at the meeting.
- Make it clear that a shareholder must attend as a verified shareholder (i.e. not as a guest) to be eligible to ask questions (and vote) unless you decide to allow guests to ask questions.
- Explain any requirements or limitations on asking questions at the meeting (e.g., time allotted for the Q&A session, time allotted per question, number of questions allowed for each shareholder, self-identification) and how the company may use discretion when selecting questions to answer and paraphrase questions for clarity.
- If you plan to respond to any questions after the meeting that you were unable to answer at the meeting, explain how.
- If you plan to accept questions in advance of the meeting, provide instructions on how shareholders can submit questions in advance.

Reasons for using a virtual-only format

- Explain why your company has chosen to hold a virtual meeting instead of an in-person meeting in your notice of meeting.

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PREPARATION

Company training and rehearsals

Ensure adequate training on the virtual platform for any board members, company representatives and contractors who will be actively working on or participating in the meeting.

- Arrange for technical support staff to be present during the meeting in case technical challenges arise.
- Rehearse the entire meeting with the individuals who will be actively working on the meeting.
- Ensure all individuals who will be actively working on the meeting have the required technology in place and set up to communicate with each other during the meeting.

Allowing shareholders to test internet connectivity

- Provide simple instructions for attendees to check online system compatibility requirements to connect to the virtual meeting (e.g. operating system, web browser and internet connection strength) to minimise the risk of connection issues before the meeting.
- Allow attendees to login at least 15 minutes before the scheduled start time to resolve connection issues.

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VIRTUAL MEETING PLATFORM

Decide whether to use video or audio-only

- Weigh the costs and benefits of using video versus audio-only technology for the virtual element of your meeting with the aspiration to use video in some capacity. In 2021, many investors will expect video.

Voting

- Provide a prominently visible and simple mechanism on the main meeting page for shareholders to vote their shares, and change their votes if desired, during the time the poll is open.
- Confirm that your virtual meeting partner is able to maintain the integrity of, and the scrutineer is able to certify, the votes cast at the meeting.

Questions

- Provide a prominently visible and simple mechanism on the main meeting page for shareholders to submit questions to the company throughout the meeting.
- Ensure that your shareholders have the right to speak and be heard.
- Unless the platform automatically identifies shareholders asking questions, clearly instruct shareholders that when submitting questions, they must identify themselves and provide contact information in case the company needs to address their question after the meeting.
- Where a question is asked live by a shareholder, through a telephone line or Voice over Internet Protocol during the meeting, the chair of the meeting should ensure, so far as reasonably practicable, that the question is audible or visible to all other shareholders attending the meeting. Shareholders attending the meeting should also be able to hear or see questions which are submitted electronically via a dedicated meeting application or which have been sent in advance by email.
- Request that your virtual meeting partner make all questions visible to the company verbatim and in real-time.

Posted content

- Post complete and downloadable copies of the notice of meeting, rules of conduct, and all meeting materials in a prominent location on the main meeting page.

Assistance for attendees

- Provide information in advance of the meeting (e.g., in the notice of meeting) for how shareholders can contact the company or the virtual meeting provider with questions about attending the meeting.
- Provide a visible mechanism on each page of the virtual meeting platform for attendees to contact a live operator for assistance via phone, online chat function or other form of real-time communication.
- Provide closed captioning or signing for the hearing impaired given the Disability Discrimination Act.

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MEETING PROCEEDINGS

Q&A session

- Allocate ample time on the agenda for Q&A based on the number of questions submitted in advance and reasonably anticipated to be received during the meeting.
- Explain how much time will be dedicated to the Q&A session and how the company will handle questions it may not be able to get to before time expires.
- Explain in what order the company will be reciting and answering the questions submitted.
- Note whether the company will take multiple questions from a single shareholder, and if so, in what order.
- Identify each questioner before reciting their question.
- Recite, to the best of the company's ability, each question verbatim as submitted by the shareholder, rewording or paraphrasing the shareholder's submission only when necessary to make it comprehensible.
- If answering once for multiple questions on the same topic, indicate that other shareholders submitted the same or a substantially similar question.
- Have members of the executive team and board committee chairs, in addition to the board chair (or lead director) and CEO, in attendance with the ability to audibly answer questions during the Q&A session as appropriate.
- Address all, or substantially all, questions received in advance of the meeting (if the company elects to solicit questions in advance).

AFTER THE MEETING

- Consider publishing any Q&A that you may not have time to covering during the meeting on your website or elsewhere.

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ADDITIONAL OPTIONAL, EMERGING PRACTICES TO CONSIDER

Posting all virtual/hybrid meeting instructions and related content, including what can be found in the notice of meeting, on the company's website.

- › Posting all questions received both before and during the meeting, and corresponding answers, on the company's website within a reasonable period of time after the meeting.
- › Posting a transcript of the full meeting (including Q&A session) on the company's website within a reasonable period of time after the meeting
- › Providing a live video feed of members of management and the board.
- › Extending the time of the meeting to answer questions submitted.
- › Provide captioning or signing for the hearing impaired given the Disability Discrimination Act.
- › Providing real-time translations into multiple languages.
- › Giving shareholders the ability to see all appropriate questions submitted in advance of the meeting and in real time and track prioritisation of the questions in the queue throughout the meeting.
- › Giving shareholders the ability to indicate their level of interest in particular questions shown in the queue.
- › Consider providing a dedicated contact area/email to allow shareholder to enquire about the status of the meeting.
- › Issue an electronic reminder, where possible, of the deadlines for submitting a proxy appointment and voting instruction.

The items outlined in this checklist are in line with new industry recommendations for 2021 virtual shareholder meetings, released in the report "[Corporate Governance AGMs: An Opportunity for Change](#)" which was published by the Financial Reporting Council in October 2020, the paper "[Shareholder Meetings - Time for Change](#)," which was published by the GC100 and the "[Report of The 2020 Multi-Stakeholder Working Group on Practices For Virtual Shareholder Meetings](#)," which was published by the Rutgers Center for Corporate Law and Governance.

To learn more please contact your Client Manager, or visit computershare.co.uk/VirtualHybridMeetings.