

Virtual AGM: Dos and Don'ts

AGMs Are Moving Online

Amid COVID-19 and social distancing orders, in-person events are moving online. Many issuers have already switched their AGM to virtual and your company may be considering doing the same. To help you prepare for a virtual AGM, we have put together Dos and Don'ts as well as some Questions to Consider.

Dos

Identify a suitable technology partner

There are a limited number of service providers (i.e. Broadridge, Lumi, etc.) that can conduct a virtual AGM, so contact them as soon as possible to decide which one best meets your needs and secure your preferred date.

Consider doing a perception study in advance of the AGM

A perception study will identify shareholders' key areas of concern. This is particularly important now as these have likely evolved given the current environment. Once you know what the areas of concern are, you can prepare scripts and Q&A briefing documents accordingly.

Encourage shareholders to vote in advance of the AGM

Consider increasing the emphasis in your pre-AGM communications (proxy, news releases, newspaper notices, website, etc.) to encourage shareholders to vote in advance and to send in questions they would like answered at the AGM as early as possible.

Dedicate more resources to the virtual AGM

With changing the format of the AGM to virtual, there is a steep learning curve and usually a tight timeframe. Not only do you need to onboard a new supplier and familiarize your team with their online platform, you need to create new internal processes, make decisions on how to best integrate the technology into your AGM and adjust your communications to shareholders. It will take additional time and resources to work through these decisions.

Develop appropriate procedures

Strike a task team with the key players across your organization who have a role in making key decisions regarding the virtual AGM (IR, Corporate Secretary/Legal, Communications, website team, etc.). Then develop a timeline for all key decisions that must be made and communicated to the virtual AGM supplier. Make sure you engage with the Chair, CEO and other senior management for their input and preferences on key decisions which are unique to the virtual format.

Complete a mock AGM with your management and Board members

It's important to ensure that each company representative involved in the AGM is comfortable with their role. They need to understand how shareholder proposals will be handled, how questions from shareholders will be routed to them, how they can communicate privately with each other and how the overall virtual platform works. Provide technology-related tips to these representatives including how to mute and unmute themselves at the appropriate times.

Testing at least one hour prior to your AGM

On the day of your AGM, test the online platform with all of your company representatives. This will ensure the audio and video, if being used, is functioning as it should be and allow you to troubleshoot any issues that may arise.

Have a back-up plan if technical issues persist

Most online platforms have an alternative call-in number for both company representatives and participants. Make sure that you know this number prior to the event, should you need it.

Keep your shareholders engaged

Shareholders put a great deal of value in face-to-face interactions. Since this is not an option in today's environment, consider using video for your AGM. That way participants, including shareholders, will see management and Directors' body language and expressions as they speak. If this is not an option, a slideshow of images can be used to complement the audio.



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Don'ts

Assume management and Directors are tech savvy

You want your AGM to go seamlessly so spend the time to take management and Directors through the online platform and their own computer set up so that they understand how to participate in the AGM when the time comes.

Assume the virtual technology platform will be user friendly for shareholders

Consider whether you would like shareholders to access the virtual AGM through your website or your supplier's portal. Integrating the supplier's web interface into your website makes the shareholder's experience more user friendly and allows you to include your corporate branding.

Assume shareholders will know what to do...it's all new to them too

Consider including detailed instructions on how to attend the virtual AGM, ask questions and vote on your website and in other AGM-related communications. Shareholders who want to vote online must take certain actions before the AGM. It's important that this is clearly communicated in advance, in order to have a positive shareholder experience at the AGM.

Some Questions to Consider When Planning a Virtual AGM

- Who, from management and the Board, will be able to speak during the virtual AGM beyond the presenters (i.e. Chair, CEO, etc.)?
- Will all speakers be physically distanced in the same room or in separate locations?
- Will your auditors be given the ability to speak?
- How will everyone be connected (land line, cell, internet)?
- What is the contingency plan for connectivity failure for all speakers?
- Who will propose and second motions? How will they be connected to the virtual platform?
- Will shareholders also be able to participate in the AGM by phone?
- Will both guests and shareholders be allowed to ask questions? How will this be managed?
- Will questions be screened? Will duplicate questions be grouped?
- Will the meeting continue until all questions are answered or will it be cut off at a specific time?
- How will inappropriate questions be handled?

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