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The Chartered  
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Institute



# 2021 general meetings and the impact of COVID-19

Guidance Note



February 2021

# 2021 general meetings and the impact of COVID-19

## Acknowledgement

This guidance has been produced by The Chartered Governance Institute with the help of a working group of the City of London Law Society Company Law Committee and Martin Moore QC and the support of the Department for Business, Energy and Industrial Strategy and the Financial Reporting Council (the 'FRC'). It is also supported by the Investment Association, the Investor Forum and the Quoted Companies Alliance.

Our thanks to Nilufer von Bismarck and the team at Slaughter and May for initial drafting.

**Companies should note that checking relevant provisions of their articles of association (the 'articles') and coordinating with registrars and venue providers is key, as is ensuring shareholders are kept regularly updated and are given their right to vote. This guidance note is not intended to be, nor should it be relied upon as being, formal legal advice. Neither Martin Moore QC nor any of the members of the working group or their respective firms or organisations represents or warrants that it is accurate, suitable or complete and none of them shall have any liability arising from, or relating to, the use of this guidance note.**

If you have any feedback on the content of these resources, or additional questions that you'd like to discuss, please contact the ICSA information centre: **020 7612 7035 | [informationcentre@icsa.org.uk](mailto:informationcentre@icsa.org.uk)**

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# 2021 general meetings and the impact of COVID-19

## Contents

<b>Introduction</b>	<b>4</b>
<b>Section 1 – Analysis of legal issues</b>	<b>5</b>
<b>Section 2 – Good practice recommendations</b>	<b>15</b>
<b>Section 3 – Sample wording</b>	<b>22</b>

# 2021 general meetings and the impact of COVID-19

## Introduction

Holding AGMs and general meetings during the pandemic has not been without its challenges. We will still be in a period of flux during the 2021 AGM season and, based on the Prime Minister's statement on 22 February, it appears likely that general meetings will be required to be held on a closed basis until at least 17 May and possibly until at least 21 June.

Our long term policy objective is to persuade the government to introduce legislation to enable companies to hold general meetings flexibly, whether during the pandemic or otherwise. An extension of the Corporate Insolvency and Governance Act 2020 ('CIGA') beyond 30 March 2021 would have afforded a short term solution. However, the government has been clear that, although it continues to seek the opportunity to introduce the required primary legislation (whether for an extension to CIGA or for something more fundamental) this opportunity is limited, particularly in the short term.

The Institute has consequently convened a working group with the City of London Law Society Company Law Committee and Martin Moore QC, with the support of the Department for Business, Energy and Industrial Strategy ('BEIS') and the Financial Reporting Council (the 'FRC'), to develop this guidance note. It is aimed at helping public companies plan for an AGM or other general meeting in 2021, particularly given that the possibility of holding a physical meeting with shareholder attendance is unpredictable and in any event susceptible to change, possibly at the last minute. This guidance note is also supported by the Investment Association, the Investor Forum and the Quoted Companies Alliance.

This guidance note speaks as of the close of business on 22 February 2021 and is divided into three sections.

Section 1 provides an analysis of certain legal issues and represents the views of the working group. It has been reviewed by BEIS and is supported by the FRC.

Section 2 of the guidance note sets out the Institute's good practice recommendations reflecting the expectations of BEIS, the FRC and major investor groups. The central point to be borne in mind is the need to ensure that shareholder engagement should be as effective as it can be given the circumstances. Shareholder engagement is important and can be undertaken in many different ways. While the guidance is aimed at bodies incorporated under companies legislation, it is hoped that section 2 will provide a practical resource for other incorporated bodies such as building societies, mutual and friendly societies, co-operative societies and incorporated charities.

Section 3 provides some sample wording extracts for the AGM circular.

# 2021 general meetings and the impact of COVID-19

## Section 1 – Analysis of legal issues

### 1. How should companies approach general meetings in 2021?

Companies will need to adopt a flexible approach to planning AGMs or other general meetings to be held after 30 March, as the options available depend on the legislation and guidance in place both at the time the meeting notice is despatched and at the time of the meeting itself.

Key considerations, which are expanded on in the rest of this guidance, are as follows.

- Without the enabling provisions offered by CIGA, closed meetings will only be possible after 30 March 2021 if legislation and guidelines at the time preclude gatherings of more than a very limited number.
- It will be necessary to react to the situation at the time and so if, for example, relevant government health and safety measures restrict public gatherings in a particular way, AGMs and other general meetings will need to reflect those restrictions.<sup>1</sup> Venue capacities are also likely to be significantly reduced, due to social distancing rules, and this needs to be factored into the planning for the meeting.
- Absent specific legislation in force at the time of the meeting (for example, national lockdown restrictions) it is not open to companies to preclude shareholder attendance either entirely or by seeking to impose a limit on the number permitted to attend. However, a company can strongly recommend that shareholders not attend due to the unpredictable circumstances (see Question 12).
- Companies can legally organise hybrid meetings (i.e. meetings which permit both physical and virtual attendance) even if their articles do not expressly enable this, provided that there is nothing in the articles which prevents their so doing.

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<sup>1</sup> For further guidance on holding closed meetings, please refer to 'AGMs and impact of COVID-19 Supplement' dated 27 March 2020.

# 2021 general meetings and the impact of COVID-19

Due to these uncertainties, in all instances companies should consider offering shareholders as much electronic engagement as possible, before and after the meeting, as well as during the meeting either as a virtual hybrid participant or an observer (see Question 6 and item 2 of section 2). This will give shareholders confidence that they can engage with the business of the meeting without physical attendance.

## 2. Can companies hold closed meetings after 30 March 2021?

Without the enabling provisions offered by CIGA, companies will not be permitted generally to hold closed meetings after 30 March 2021. However, if legislation at the time precludes unnecessary travel and gatherings of more than a very limited number, companies will be able to restrict attendance to a small number of attendees comprising the required quorum and anyone else whose attendance is necessary for the conduct of the meeting (effectively a 'closed' meeting) (see Question 13).

## 3. Do companies have to hold physical AGMs and general meetings?

Yes, save where the articles expressly provide for wholly virtual meetings. However, companies should note that there remains some legal uncertainty as to whether a wholly virtual meeting constitutes a valid meeting and appropriate advice should be sought. Additionally, investors, in normal circumstances, prefer companies to provide for a physical place of meeting. The nature of the physical meeting will depend on the restrictions on travel and gatherings imposed by the government at the time of the meeting.

**Companies should plan for holding an AGM or other general meeting based on the restrictions on gatherings at the time the notice is sent out and at the place of the meeting, but should also consider contingency plans as the situation may change ahead of the meeting taking place.** This could result in the following.

- Planning for limited capacity, (for example, in a lockdown scenario this would be limited to minimum attendance required to form a quorum and conduct the business of the meeting) but making a contingency plan for a change to a bigger venue capable of accommodating a larger shareholder attendance if restrictions are relaxed before the meeting.

# 2021 general meetings and the impact of COVID-19

- Planning for a larger meeting based on expected attendance levels (subject to health and safety restrictions), but making a contingency plan for a switch to a smaller or closed meeting should tighter restrictions be imposed before the meeting.

In either case, companies should offer as much electronic engagement with shareholders as is possible and proportionate in the circumstances whether before, during or after the meeting to give shareholders confidence that they can participate effectively without the need for physical attendance.

If possible, in light of likely attendance, it will be helpful for companies to choose venues which are under their own control, such as their own offices or premises, in case other venues, such as hotels or conference centres, are restricted from opening at the time of the meeting. Companies should also consider selecting a venue that may be suitable for both limited and more general attendance. Where this is possible, companies would not need to engage with adjournment, postponement or other venue change provisions in their articles should the situation change after the despatch of the notice of meeting.

#### **4. If the situation changes prior to the meeting, how can companies change the format or venue of the meeting as set out in the meeting notice?**

If a company is not changing the venue but instead merely the format of the meeting, it is not generally necessary to engage formal provisions in the articles. A public announcement via an RIS should suffice. However, where companies are changing the venue, they will need to consider provisions in their articles related to: (i) adjournment, postponement and changing the place or time of a meeting; and (ii) how such changes should be communicated to shareholders.

# 2021 general meetings and the impact of COVID-19

## **5. Should the possibility of a change to the meeting format be addressed in the documentation accompanying the meeting notice?**

Yes. Companies can decide on the most appropriate approach, depending on the situation at the time the notice is sent out and their articles. It is likely to be helpful to warn shareholders in accompanying documentation that the arrangements may need to be changed. The formal notice of meeting should not include any contingencies – i.e. it should specify a single venue, date and time of meeting.

Companies should also consider how to publicise any such changes, for example, on their website or by making a public announcement via an RIS to confirm the venue, format of meeting and approach to admission. In these instances, it should be made clear in the documentation accompanying the notice of meeting that shareholders should monitor the company's website and any relevant announcements for such updates.

Please see section 3 for suggested drafting.

## **6. Can companies hold a hybrid AGM or general meeting?**

Yes, a hybrid meeting can be held if a company's articles do not: (i) require that being present at an AGM or other general meeting means physical presence at a single location; or (ii) prohibit electronic participation. This is the case even if a company's articles do not specifically address hybrid meetings. Companies should check their articles to ensure that they do not contain provisions which preclude the holding of a hybrid meeting.

This guidance note does not suggest that companies must hold a hybrid meeting if their articles are permissive. In each case, companies must consider, with respect to their individual circumstances, whether it is appropriate to do so, bearing in mind the importance of ensuring effective engagement with shareholders.



# 2021 general meetings and the impact of COVID-19

Absent restrictions on gatherings at the time of the meeting, holding a hybrid meeting will, in itself, not preclude the ability of shareholders to attend in person at a physical location and therefore the other measures discussed in this guidance note with respect to the physical element of the meeting should also be considered. If a hybrid meeting is proposed, companies could communicate that the physical part of the meeting is intended to accommodate only a bare quorum and any others necessary for the conduct of the meeting and encourage shareholders to attend virtually, regardless of whether public gatherings are permitted at the time of the meeting.

Please see section 3 for suggested drafting.

## **7. What are the requirements for a valid hybrid general meeting?**

Participants at a hybrid meeting must have the ability (whether attending the physical place of meeting or attending by electronic means) to participate in the meeting on an equivalent basis. All those participating (whether physically or electronically) must be able to vote in real time at the meeting, hear the proceedings of the meeting, speak and be heard at the meeting. Companies should also consider provisions in their articles, if any, with respect to how this is expressed in further detail.

In each case, shareholders should be treated fairly across the physical and electronic formats. The good practice recommendations in section 2 should be considered.

Physical and virtual participants should be given an equal opportunity to access the meeting – for example, the Chair of the meeting should not start the business of the meeting until they consider that all the elements under the control of the company (for example, access to a physical venue and provision of the necessary electronic platforms) have been made available to both virtual and physical attendees.

If the above cannot be achieved, a hybrid meeting should not be held as this could impugn the validity of the meeting. Companies in this situation may still use an electronic platform to allow shareholders to follow proceedings and ask questions in real time (see item 2 of the good practice recommendations in section 2).

# 2021 general meetings and the impact of COVID-19

## **8. How should questions and answers be conducted at a hybrid general meeting?**

Participants attending at a physical place of meeting can ask questions as usual when permitted to do so by the chair of the meeting.

Companies should consider the functionality of the system being used to conduct a hybrid meeting to ensure full participation by all the members attending (whether physically or electronically). In certain cases, the technology on offer may only permit virtual participants to ask questions through a chat function. This does not equate with the ability to 'speak' and 'be heard' at a meeting and therefore absent specific provisions in the articles which allow participation by communication in a different way (including as to how persons participating electronically 'speak'), those attending electronically are not participants in the meeting. As such, in order for the meeting to constitute a valid hybrid meeting, audio functionality for those attending electronically must be incorporated into the meeting arrangements. If the articles enable communication in a different way, appropriate advice should be sought to ensure that the meeting arrangements will satisfy all relevant legal requirements for a hybrid meeting. In addition, it will be important for all members present (whether physically or electronically) to be apprised of questions being asked and answers being given when questions are taken and addressed by the chair of the meeting.

This issue is addressed further in the good practice recommendations in section 2.

## **9. If a company's articles specify that other places of meeting should be set out in the meeting notice, what should be done with respect to virtual participation?**

An AGM or other general meeting only has a single place of meeting – that is, the principal venue as specified in the notice of meeting. Participants may attend the meeting from different locations (for example, a satellite venue or multiple individual locations with respect to virtual participants). However, these are not places at which the meeting is held, they are places from which shareholders may attend the meeting (provided that sufficient connection is established to the principal venue and other participants). If a company's articles specify that the details of any other 'places' must be set out in the meeting notice, the description of the relevant hybrid arrangements in the notes accompanying the meeting notice should be sufficient to meet those requirements.

# 2021 general meetings and the impact of COVID-19

## **10. If hybrid meetings are permitted even without specific provisions in the articles, why should companies seek to introduce tailored provisions?**

We would still recommend that companies include specific hybrid provisions in their articles. This is to ensure that all the relevant procedural mechanics (for example, those mentioned in the good practice recommendations in section 2 as well as voting, adjournment, security and technological failures) are addressed with certainty.

## **11. What should companies recommend shareholders do in relation to participating in AGMs or other general meetings?**

This will ultimately depend on the situation at the time of despatch of the notice of meeting. If the meeting is to be held in a location subject to tight restrictions on gatherings (such as the 'limit of six'), or a national lockdown applies, companies should be unequivocal in precluding shareholders from attending physically by specifying that shareholders are not allowed to attend at the physical place of the meeting unless the restrictions have been relaxed by the time of the meeting.

In the absence of tight restrictions on gatherings or a national lockdown, given the uncertainty surrounding public gatherings and the broader public health considerations, companies should strongly recommend that shareholders do not attend the physical place of meeting. Holding a hybrid meeting in this situation will enable greater shareholder participation, as will other arrangements for electronic engagement if a hybrid meeting is not possible or is not considered to be the appropriate format for the meeting (see the good practice recommendations in section 2).

Companies should, in all cases, encourage shareholders to appoint the chair of the meeting, rather than any other named individual, as their proxy as this will ensure that their votes can be counted if shareholders (or their proxies) are not able to attend.

# 2021 general meetings and the impact of COVID-19

## **12. How can companies help to ensure the AGM or general meeting remains COVID-19 secure?**

The right of shareholders to attend and vote at the meeting in person at a physical location must be balanced with the protection of the health and safety of all attendees. Subject to legal requirements, companies should make every effort to admit shareholders who attend the physical place of meeting on the day, but should also ensure that the venue remains COVID-19 secure and the relevant risk assessments can be performed. In a restricted gatherings or lockdown scenario, shareholders will have been told not to attend physically, but the safety of those physically attending to constitute a quorum and conduct the business of the meeting should also be ensured. As would be the case in normal times, companies must be prepared to accommodate at a physical venue the maximum number of shareholders permitted by legislation or risk the need to adjourn the meeting if all those wishing to attend cannot be accommodated.

In circumstances where shareholders may attend the physical meeting location more generally, companies should ask shareholders to pre-register their intention to attend. This will enable the company to pose specific health questions and also to gauge the likely level of attendance. However, although companies may strongly encourage pre-registration, shareholders may still turn up on the day without having indicated their intention and, absent any legitimate grounds for doing so, cannot be precluded from attending the meeting.

The chair of a general meeting has broad common law powers to preserve order at the meeting and ensure the safety of the attendees and, if a shareholder is unable to meet reasonable health and safety requirements or if the meeting is already at capacity (based on relevant rules governing public gatherings at the time) when the shareholder arrives, the chair of the meeting may refuse admittance using these powers. These powers do not apply in advance of the meeting.

# 2021 general meetings and the impact of COVID-19

## **13. How will a quorate general meeting be held, if shareholders are not able to attend?**

The quorum for a general meeting is typically set out in the articles and is generally two members present in person or by proxy. This is also the default position if the articles do not specify the quorum requirements.<sup>2</sup>

The quorum might be achieved by, for example, an executive director and the company secretary being present at the meeting, provided that each is a member, a corporate representative or appointed as a proxy. The fact that their presence is necessary in order for a quorum to be formed means that their presence is 'reasonably necessary for work purposes' under local restrictions or a national lockdown, especially given they are both employees and the company needs to deal with the business of the meeting. Shareholder attendance beyond this bare quorum would not be considered 'reasonably necessary for work purposes'.

As noted in Question 11, companies should encourage shareholders to appoint the chair of the meeting as their proxy to ensure that their votes will still be counted even if they, or anyone else they might otherwise have appointed as their proxy, are not permitted to attend the meeting.

A company's articles will generally prescribe that if the chair of the company is not present at the meeting then any other director present shall be the chair of the meeting or that the shareholders present and entitled to vote can elect the chair of the meeting.

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<sup>2</sup> S318(2) Companies Act 2006

# 2021 general meetings and the impact of COVID-19

## **14. What if the quorum requirement is more than two?**

The articles of some companies require more than two shareholders to be present for a meeting to be quorate. However, these members may typically be present either in person or represented by proxy. In this case, it will generally be possible to satisfy the quorum with just two natural persons being present in person as described in Question 13 in order to constitute a 'meeting', but with one of them (for example, the person who chairs the general meeting) also being appointed as proxy for other members in order to fulfil the quorum requirement.

If, unusually, the articles provide that a quorum requires the physical presence of more than two persons, then additional members or proxies may be required to attend in person. This is likely to be limited to a very small number of companies and the number of people required to be present in any one place is likely to be very small (in single figures) and should be kept to the minimum necessary to enable the meeting to proceed.

# 2021 general meetings and the impact of COVID-19

## Section 2 – Good practice recommendations

In October 2020, the FRC published 'AGMs: an opportunity for change',<sup>3</sup> in which it looked at the ways in which companies had addressed the challenge of holding a valid AGM whilst respecting lockdown and social distancing rules.

As the FRC observed in that paper, 'As the "AGM season" progressed, it became apparent that companies took very different approaches to holding their AGMs. Many held meetings with only one or two members present (usually the company secretary and the chair), while others embraced technology to ensure that shareholders were able to participate effectively.'

One of the most striking elements of the report was the FRC's finding that 'of 202 AGMs held between March and August, 30 did not enable any shareholder engagement through Q&A before or during the AGM. Whilst other companies were able to facilitate AGMs with on the day audiocasts or webcasts and live voting.' Companies should be aware that the FRC and institutional investors will be expecting them to maximise the opportunity for shareholder engagement.

The FRC paper looked at opportunities for the future development of the AGM, which is also the subject of a number of recent papers from a variety of other organisations with a variety of perspectives. The Institute will be returning to that issue in due course, but it is beyond the scope of this guidance note. The FRC paper also included some helpful points of good practice for companies when arranging general meetings and this section of the guidance note endeavours to do the same, building on the experience of the Institute's members in 2020.

We have proceeded on the basic principle that the central point to be borne in mind is the need to ensure that the business of the meeting is validly conducted with shareholder engagement being as effective as it can be given the circumstances. Shareholder engagement is important and can be undertaken in many different ways.

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<sup>3</sup> <https://www.frc.org.uk/getattachment/48c4ee08-b7be-4b7c-8f19-bcaf3d44e441/Corporate-Governance-AGM.pdf>

# 2021 general meetings and the impact of COVID-19

## 1. One size does not fit all

The legal analysis in section 1 of this guidance note deals with the principal legal issues to be considered and the requirements to be met when arranging a hybrid meeting, particularly in Questions 7 and 8, where we explain that, for a meeting to be hybrid, participants must have the ability to participate in the meeting on the same basis as others attending by whatever means, including being able to hear the proceedings of the meeting and being able to speak and be heard.

Good practice will, as always, go beyond the legal requirement.

Closed meetings, with no opportunity for virtual shareholder engagement whether before or at the meeting, are poor practice and both the FRC and institutional investor bodies have indicated that, whilst in the early days of lockdown in 2020 this approach was tolerated, there can be no excuse for this approach in the 2021 AGM season.

Assuming restrictions on public gatherings continue to be in place, there are a spectrum of meeting arrangements that fall between a closed meeting and a hybrid meeting and it is appropriate for a company to consider where on this spectrum it is proportionate for their arrangements to fall given the company's specific circumstances and the interests of its shareholders and stakeholders. This decision should be made with respect to:

- (i) prevailing legislation and/or guidance;
- (ii) their individual circumstances;
- (iii) the wishes of their shareholders;
- (iv) any relevant stakeholder expectations;
- (v) the level of engagement with shareholders generally in 2020;
- (vi) the availability and reliability of the technology available; and
- (vii) how their meetings are generally run and attended outside the pandemic.

A variety of options are likely to be possible (subject to companies consulting their articles). Good practice is for the company to choose an approach that is as far on that spectrum towards the hybrid model as is proportionate and reasonable in its circumstances.



## 2021 general meetings and the impact of COVID-19

- Companies wishing to ensure maximum participation should consider a hybrid meeting, subject to their articles not prohibiting this (see Question 6 of section 1). In a restricted local or national lockdown scenario and absent an extension of CIGA, this will be the only avenue whereby shareholders generally may formally attend the meeting, albeit virtually. Shareholders may have indicated the wish to participate in the meeting – for example, so that issues and items interrogated at the meeting itself can inform their vote. However, additional technological expense may be incurred to facilitate live voting and to meet the requirements outlined in Question 7 of section 1. There may be a point at which these costs, set against anticipated shareholder take-up, cease to be a good use of company funds. This point will be different for companies of different size and resources and it is good practice for companies to balance the proportionality of these costs against the interests of those shareholders who might be expected to use this functionality.
- Companies not intending to hold a hybrid meeting (whether because they are unable to or where it is not considered appropriate to do so) could consider other options to enable shareholder engagement through electronic means, during, before and/or after the meeting (see also item 2). For example, companies are not obliged to provide virtual attendance and attendant live voting, even if legally able to do so, although this will mean that the meeting is not a hybrid and only those shareholders in physical attendance will be present at the meeting. Subject to their articles, companies can stipulate the manner in which members must vote in order for their vote to be counted and if the arrangement is that all votes must be submitted by proxy, then no facilities for live voting need be put in place.

It goes without saying that, in an environment in which most shareholders may not be able to attend the meeting physically, even if they wish to do so, the process for proxy voting is even more important than usual, especially if this is the only means by which shareholders can vote. Clear instructions should be given as to the process in plenty of time, and these should be available on the company's website.

Similar considerations apply to the issue of questions (see item 7).

# 2021 general meetings and the impact of COVID-19

## 2. Other forms of participation where attendance by shareholders is not possible

It is important for companies to ensure that shareholders not attending a meeting can still make an informed vote and ask questions. The following options could be considered (especially where attendance in person either at a physical location or virtually is not possible):

- An online Q&A, made available ahead of the meeting – ideally with answers provided in advance of the proxy deadline.
- Webinars and town hall events, ideally before the proxy deadline for the AGM.
- Live streaming the meeting, with a facility for asking questions in real time.
- Holding shareholder engagement events (ideally with physical presence once appropriate).

## 3. Arrangements for electronic voting at a hybrid meeting

Clear instructions as to how to vote should be circulated to shareholders before the meeting, together with access to FAQs. It would be helpful both to include this on the company's website and to re-circulate instructions shortly before the meeting as a reminder (also see item 4 in relation to proxy voting).

If there is more than one mechanism for joining the meeting, with separate rights (for example, as a shareholder or a guest), clear instructions should be given which highlight any distinctions in order to avoid the risk of shareholders not being able to use the facilities to attend the meeting and vote. A hybrid meeting must also allow for virtual attendees to vote live even if they have already submitted a proxy and to change their vote during the meeting should they so wish – shareholders should be informed as to how this process works.

# 2021 general meetings and the impact of COVID-19

## 4. Proxy voting

Given the uncertainties posed by the COVID-19 pandemic, shareholders may not be able to attend the meeting, even if they wish to do so, and therefore clear instructions regarding the appointment of a proxy should be given and these should also be available on the company's website. This is equally important where a hybrid meeting is to be held, as shareholders should still be encouraged to appoint the chair of the meeting as their proxy in order to ensure that their votes will be counted even if they (or another person appointed as proxy) are unable to attend the meeting electronically.

## 5. Shareholder communication

- It is good practice to have a dedicated page or area of the company website dedicated to the meeting on which the latest information can be provided. This may include details of how to join the meeting electronically (either as a virtual attendee if a hybrid meeting or as an observer if not a hybrid meeting) and how to obtain any specific software or access codes.
- Seek information about the meeting arrangements (either from the company or from the registrar).
- Submit questions.
- Access details of the questions asked and answers given after the meeting.

## 6. Attendance of directors

It is good practice for as many of the directors as possible, and in particular the chairs of board committees, to be available during the meeting (although this is not a legal requirement). Given the uncertainty around whether every director will be able to attend the physical venue safely, virtual attendance should be arranged (for example, via a video link, if this can be facilitated) as a matter of good practice for those who do not need to be physically present.

# 2021 general meetings and the impact of COVID-19

## 7. Managing questions

There are various legal requirements which are necessary for virtual participants at a hybrid meeting to ask questions and for them to have the ability to hear the proceedings of the meeting and be able to speak and be heard by the rest of the meeting (see Question 7 of section 1). If a company is not holding a hybrid meeting and, for example, has instead provided for a live stream of the meeting with a facility for asking questions, this process would not be governed by the same rules (as shareholders are only observing, rather than attending the meeting). However, good practice will, as always, go beyond the legal requirements and companies should in either case follow the suggestions below.

- Questions from either a virtual or physical participant or observer should not be prioritised above each other and the chair of the meeting should direct their attention to questions from both sources, with regard to the number of participants or observers attending in each way.
- Questions should be moderated in the same way with respect to physical and virtual participants or shareholders attending as observers via a livestream (for example, if it is not strictly relevant to the business of the meeting or if there is not time to address all the questions during the meeting itself). It is good practice to answer as many questions as possible. If there are more questions than can be reasonably answered during the meeting, they should be responded to individually after the meeting or on the company's website.
- Shareholders may be asked to submit questions in advance of the meeting (either electronically or, where relevant, in writing). However, this should not preclude shareholders from asking questions in real-time. Unreasonable limitations on the number of characters in a question should be avoided.
- Grouping questions on a particular subject is an accepted and efficient practice, especially where a number of very similar questions have been asked. At a physical meeting, shareholders are unlikely to seek to ask a question that has already been answered. However, it should be made clear in advance that similar questions may be grouped and on what basis this will be done. It may also be appropriate to:
  - (i) inform specific shareholders in advance if their questions are to be grouped; and
  - (ii) offer those shareholders the opportunity to follow up either immediately or after the meeting. Some companies last year contacted shareholders who submitted similar questions individually to inform them that the questions would be grouped.

# 2021 general meetings and the impact of COVID-19

- Shareholders should be given sufficient time to submit questions, and not be asked to submit them too far in advance. Questions to be discussed at the meeting should be accepted up to the proxy deadline, or even up to the morning of the meeting. However, where it is expected that the meeting will be closed, companies should do what they can to answer questions prior to the proxy deadline, in order for the answer to the question to be available prior to the relevant vote.

## **8. Ensuring that the physical place of meeting is safe**

The following should be considered and, where relevant, reflected in the documents accompanying the notice of meeting.

- Prevent attendance by guests (other than carers accompanying a shareholder).
- Require social distancing and the wearing of face coverings where appropriate.
- Consider introducing mandatory temperature checks as a condition of admission to the venue, or requiring attendees to produce a recent, valid COVID-19 negative test result.
- Ask attendees to confirm that they (or members of their household, support bubble or childcare bubble etc.) have not recently developed symptoms or been exposed to someone who has tested positive or is displaying symptoms.
- Dispense with the practice of directors mingling with shareholders and with the provision of refreshments and other complimentary offerings before and after the meeting.
- Consider having additional personnel at the location of the meeting (even if not in the room where it is held) to ensure its proper conduct and safe operation (such as technicians, if there is to be a webcast, and/or security staff) but this should be kept to a minimum.

# 2021 general meetings and the impact of COVID-19

## Section 3 – Sample wording

### Extracts for Notice of Annual General Meeting – ‘closed’ physical meeting in a restricted local or national lockdown scenario

#### Letter from the Chair

#### COVID-19 and contingencies

Our preference had been to welcome shareholders in person to our 2021 Annual General Meeting, particularly given the constraints we faced in 2020 due to the COVID-19 pandemic. However, at present, **[describe in outline existing rules]**. We are therefore proposing to hold the Annual General Meeting at **[•]** with the minimum attendance required to form a quorum. Shareholders will not be permitted to attend the Annual General Meeting in person but can be represented by the Chair of the meeting acting as their proxy.

Given the constantly evolving nature of the situation, should circumstances change before the time of the Annual General Meeting, we want to ensure that we are able to adapt arrangements and to welcome shareholders to the Annual General Meeting, within safety constraints and in accordance with government guidelines. Should we consider that it has become possible to do so, we will **[describe in outline contingency plans]**. We will notify shareholders of the change by **[describe procedures]** as early as is possible before the date of the meeting. Any updates to the position will be included on our website at **[•]**.

#### Proxies

Given the uncertainty around whether shareholders will be able to attend the Annual General Meeting, we recommend that all shareholders complete and return **[insert reference to relevant proxy arrangements]** appointing me, as the Chair of the meeting, as their proxy. This will ensure that your vote will be counted even if attendance at the meeting is restricted or you are unable to attend in person. **[Details of how to return proxy appointments and timing of return to be included here.]**

# 2021 general meetings and the impact of COVID-19

## Notes to the notice of meeting

1. Given the uncertainty around whether shareholders will be able to attend the Annual General Meeting, we recommend that all shareholders appoint the Chair of the meeting as proxy. This will ensure that your vote will be counted even if attendance at the meeting is restricted or you are unable to attend in person. ***[Insert reference as to where proxy arrangements and instructions can be found.]***
2. The return of a completed proxy form or ***[insert reference to any other relevant proxy arrangements]*** will not prevent a member attending the Annual General Meeting and voting in person if the member wishes to do so, should this be permitted under applicable COVID-19 restrictions.

# 2021 general meetings and the impact of COVID-19

## **Extracts for Notice of Annual General Meeting – hybrid meeting (with a ‘closed’ physical place of meeting) in a restricted local or national lockdown scenario**

### **Letter from the Chair**

#### **COVID-19 and contingencies**

Our preference had been to welcome shareholders in person to our 2021 Annual General Meeting, particularly given the constraints we faced in 2020 due to the COVID-19 pandemic. However, at present, **[describe in outline existing rules]**. We are therefore proposing to hold our Annual General Meeting as a combined physical and electronic meeting. Due to the current restrictions, shareholders will not be permitted to attend the physical location for the Annual General Meeting in person but can attend in person using electronic means. Given the constantly evolving nature of the situation, if it subsequently becomes possible to welcome a number of shareholders to the venue, attendance in this way is likely to be restricted in terms of numbers and we would therefore still encourage shareholders not to attend the venue in person and instead to participate in the meeting electronically. Any updates to the position will be included on our website at [•].

#### **Proxies and electronic voting**

We encourage shareholders to complete and return **[insert reference to relevant proxy arrangements]** appointing me, as the Chair of the meeting, as their proxy regardless of whether you plan to attend in person. This will ensure that your vote will be counted even if attendance at the meeting is restricted or you are unable to attend. **[Details of: (i) how to return the proxy appointment and timing of return; and (ii) electronic voting arrangements, to be included here.]**



# 2021 general meetings and the impact of COVID-19

## Notes to the notice of meeting

1. We encourage shareholders to appoint the Chair of the meeting as proxy. This will ensure that your vote will be counted even if attendance at the meeting is restricted or you are unable to attend. ***[Insert reference as to where proxy arrangements and instructions can be found.]***
2. The return of a completed proxy form or ***[insert reference to any other relevant proxy arrangements]*** will not prevent a member attending the Annual General Meeting and voting in person if the member wishes to do so, whether electronically or in person at the physical meeting should this be permitted under applicable COVID-19 restrictions.
3. ***[Details of electronic voting arrangements and how shareholders can access and use the online platform to be included here.]***

# 2021 general meetings and the impact of COVID-19

## **Extracts for Notice of Annual General Meeting – in circumstances where shareholders are to attend**

### **Letter from the Chair**

#### **COVID-19 and contingencies**

We are keen to welcome shareholders in person to our 2021 Annual General Meeting this year, particularly given the constraints we faced in 2020 due to the COVID-19 pandemic. At present, it is possible under guidelines to **[describe in outline existing rules]**. We are therefore proposing to hold the Annual General Meeting at **[•]** and to welcome the maximum number of shareholders we are able within safety constraints and in accordance with government guidelines.

However, given the constantly evolving nature of the situation, we want to ensure that we are able to adapt these arrangements efficiently to respond to changes in circumstances. On this basis, should the situation change such that we consider that it is no longer possible for shareholders to attend the meeting, we will **[describe in outline contingency plans]**. We will notify shareholders of the change by **[describe procedures]**. Should we have to change the arrangements in this way, it is likely that we will not be in a position to accommodate shareholders beyond the minimum required to hold a quorate meeting which will be achieved through the attendance of employee shareholders. Any updates to the position will be included on our website at **[•]**.

#### **Attendance at the meeting**

Shareholders intending to attend the Annual General Meeting, should this be possible, are asked to register their intention as soon as practicable by **[add registration details]**.

#### **Proxies**

Given the uncertainty around whether shareholders will be able to attend the Annual General Meeting, because of tighter restrictions due to a change in the situation with the COVID-19 pandemic, we encourage all shareholders to complete and return **[insert reference to relevant proxy arrangements]** appointing me, as the Chair of the meeting, as their proxy. This will ensure that your vote will be counted if ultimately you (or any other proxy you might otherwise appoint) are not able to attend the meeting. **[Details of how to return proxy appointments and timing of return to be included here.]**

# 2021 general meetings and the impact of COVID-19

## Notes to the notice of meeting

1. Shareholders wishing to attend the meeting, should this be possible, are asked to register their attendance as soon as practicable by **[add details]**. Rules around capacity at the venue and changes in health and safety requirements may mean shareholders cannot ultimately attend the meeting.
2. Given the uncertainty around whether shareholders will be able to attend the Annual General Meeting, whether because the capacity at the venue does not allow for safety reasons related to COVID-19 restrictions or due to a change in the situation with the COVID-19 pandemic, we recommend that all shareholders appoint the Chair of the meeting as proxy. This will ensure that your vote is counted even if attendance at the meeting is restricted or you or any other proxy you might appoint are unable to attend in person. **[Insert reference as to where proxy arrangements and instructions can be found.]**
3. The return of a completed proxy form or **[insert reference to any other relevant proxy arrangements]** will not prevent a member attending the Annual General Meeting and voting in person if the member wishes to do so, should this be permitted under applicable COVID-19 restrictions.

**icsa**

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