

Policies and practices for remote participation in AGMs

A background note prepared for the
OECD-Asia Roundtable on Corporate Governance

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This background note aims to inform the discussions at the **2023 OECD-Asia Roundtable on Corporate Governance** on remote participation in annual general meetings (AGMs). Particularly, it serves as a reference to the session discussing policies and practices for remote participation in AGMs. It is mostly based on OECD's recent publication "*OECD Corporate Governance Factbook 2023*" (OECD, 2023^[40]). The note mainly covers the policies and practices from 18 Asian jurisdictions. It also describes overall trends in the 49 jurisdictions surveyed in the Factbook as a reference point.

The note is structured in three sections. Section 1 provides an overview of remote participation in AGMs. Section 2 provides a summary of the regulatory frameworks and existing policies for the remote participation in AGMs in 18 Asian jurisdictions. Finally, section 3 focusses on best practices for these meetings.

1 Remote participation in AGMs

Combined with social distancing measures induced by the Covid-19 pandemic, there has been a surge in the number of companies that held fully virtual or hybrid annual general meetings (AGMs). Developments in digital technologies and regulatory adjustments made during the pandemic contributed to the prevalence of these meeting formats. However, it is important to note that the pandemic-induced regulatory changes were not urged by the aim of improving efficiency but by the necessity of complying with social distancing policies. Overall, the transition during the pandemic made a significant impact on the communication channels between boards and shareholders.

Even before the pandemic, several jurisdictions were already paving the way for remote participation and voting in shareholder meetings. For instance, virtual shareholder meetings have been authorised in South Africa from 2011, in Turkey from 2012 and in Costa Rica from 2018 (World Bank Group, 2021^[1]). The Israel Securities Authority launched a remote voting system in 2015 for the use of listed companies on the Tel-Aviv Stock Exchange. This platform, enabling shareholders to vote via their computers or smartphones, comes with an automated confirmation of ownership. In Brazil a remote voting card system was implemented in 2016 to facilitate engagement of non-resident shareholders. The remote voting card was made mandatory for all public companies since 2018 (Denis and Blume, 2021^[2]).

Despite several exceptions, remote AGMs were not common prior to the pandemic mainly as a result of in-person meeting preferences of companies and investors, and lack of legal/regulatory provisions. First, companies were in favour of holding in-person meetings to foster relationships with their shareholders. In addition, many institutional investors also believed that face-to-face meetings were crucial for genuine interactions between corporate directors and investors (IGCN, 2023^[3]). Therefore, it was normal for shareholders to travel to a designated location to participate in AGMs. In terms of regulatory provisions, the absence of clear guidelines or ambiguity in legislation regarding remote AGMs often discourages companies from holding them. There is often ambiguity in the term “place” of meetings referred to in legislation. For example, while the UK’s and Japanese legislation requires company to designate a place for meetings, whether “place” can mean an electronic or virtual platform is not specified. This ambiguity is often interpreted as a prohibition against remote AGMs (Companies Act, 2006^[4]; Thomson Reuters, 2023^[5]; Companies Act, 2005^[6]).

In the wake of Covid-19 pandemic, these barriers have been removed through legal/regulatory amendments. Additionally, the principle II.3.C of the revised G20/OECD Principles of Corporate Governance (hereafter “G20/OECD Principles”) states that “general shareholder meetings allowing for remote shareholder participation should be permitted by jurisdictions as a means to facilitate and reduce the costs to shareholders of participation and engagement. Such meetings should be conducted in a manner that ensures equal access to information and opportunities for participation of all shareholders”. While remote AGMs have the potential to increase shareholders’ participation in the meeting, they also entail many risks that could lead to decreasing engagement. Additionally, a shift from in-person to virtual meetings could increase the cost for investors and companies. The benefits and challenges of remote AGMs are summarised below.

Benefits

Remote AGMs **increase accessibility and therefore** have the potential to enable greater shareholder participation. Shareholders can attend the meeting via their own digital devices such as smartphones or computers without the need to travel. At the same time, remote participation enables shareholders to take part in multiple AGMs which may be simultaneously held in different countries on the same day. It also reduces the need to assign proxies, potentially leading to more direct engagement of shareholders.

Remote participation in annual shareholders meetings offers **a cost-saving advantage for shareholders** compared to traditional face-to-face meetings. In-person meetings require shareholders to travel to designated venues where AGMs take place. Virtual meetings, however, allow shareholders to join the meeting through their devices. In this respect, remote participation reduces not only the travel cost of shareholders but also greenhouse gas emissions.

Fully virtual AGMs allow **more flexibility both to shareholders and companies**. Without the need for in-person gatherings, companies can hold AGMs even during pandemics or any event limiting mobility. Schedule adjustments or sudden changes to the meeting materials are also easier with virtual formats. As virtual format reduces the need of organising venues and prepare paper materials, logistics associated with the meeting can also be simplified especially for companies with a large individual shareholder base (FRC, 2020^[7]). In addition, companies can collect questions via digital platforms and count votes more easily by exploiting functions installed in platforms.

Challenges

Reduced face-to-face interaction between shareholders and management could lead **to less transparency** in AGMs. Companies may ask shareholders to submit questions and filter them before the meeting as it is not efficient to gather and categorise all questions during the remote meeting. Such question and answer format, however, may result in arbitrary filtering of questions by management. This is one of the primary reasons why institutional investors prefer hybrid formats rather than fully virtual ones. For instance, the Institutional Shareholder Services (ISS), a leading proxy advisory firm, updated their proxy voting guidelines in 2018 and again in 2022, and expressed a preference for hybrid meetings over fully virtual meetings (ISS, 2018^[8]; ISS, 2022^[9]). While ISS acknowledged the necessity to hold virtual meetings during the pandemic in its 2020 policy guidance, it also states that “boards are encouraged to commit to return to in-person or “hybrid” meetings (or to put that matter to shareholders to decide) as soon as practicable” (ISS, 2020^[10]). Another proxy advisor, Glass Lewis is more explicit, in its policy guideline it expresses concerns on how virtual meetings can curb the ability of a company’s shareholder to participate in the meeting and meaningfully communicate with company management and directors (Glass Lewis, 2023^[11]).

The shift to the permanence of virtual shareholder meetings comes with investors’ concerns since remote participation would lead to **filtering questions or less direct communications**. The Asian Corporate Governance Association (ACGA) stated that “an in-person meeting is the preferred format, a hybrid arrangement also being a good option as long as the technology provides shareholders with an equitable experience in terms of being able to speak with the board, raise issues, ask questions (and get a real-time response) and vote” (ACGA, 2023^[12]). Such concerns about remote meetings are also recognised in the sub-Principle II.3.C the of revised G20/OECD Principles, stating “due care is required to ensure that remote meetings do not decrease the possibility for shareholders to engage with and ask questions to boards and management in comparison to physical meetings. Some jurisdictions have issued guidance to facilitate the conduct of remote meetings, including for handling shareholder questions, responses, and their disclosure, to ensure transparent consideration of questions by boards and management, including how questions are

collected, combined, answered and disclosed. Such guidance may also address how to deal with technological disruptions that may impede virtual access to meetings.”

For many companies, hosting remote AGMs on their own might be difficult because they have to ensure the security of shareholders' vote while complying with the **necessary legal requirements**. According to a survey conducted by the World Economic Forum, technological risk including breakdown of digital infrastructure is one of top concerns of the management (WEF, 2023_[13]). In this regard, it is more practical for companies to turn to third-party providers that could offer a robust and cost-effective platform for remote AGMs (Haas and Brewer, 2017_[14]). The data suggests an increasing number of companies have decided to rely on third-party providers to ensure smooth meeting procedure. In 2021 over 4 500 meetings were provided by Lumi, one of the large providers of virtual shareholder meeting platforms (Lumi, 2023_[15]). Another provider, Broadridge served 4 428 shareholder meetings in the 2022 proxy season¹ (Broadridge, 2022_[16]).

In fully virtual or hybrid shareholder meetings, remote participation may be disrupted by **technological troubles or cyberattacks**. Disconnection of shareholders from the virtual meeting platform may impede smooth AGMs and voting processes, particularly if they are locked out of the meeting while voting. Additionally, some shareholders could also lack access to digital meeting platforms or do not feel comfortable using digital technologies. Therefore, companies need to prepare for cyberattacks with the help of third parties and seek open communication with non-tech savvy shareholders.

Remote participants in AGMs may be a **barrier to real-time interaction** with the management and the board of a company. While online chat functions installed in virtual meeting platforms enable shareholders to ask questions during the meeting, it could be found as time-consuming for shareholders to have further interactions. Though some platforms allow verbal interactions through audio systems, real-time communication is harder than in-person meetings (Lumi, 2023_[17]).

Whether **virtual meetings are more cost-efficient is unclear from a company perspective**. On the one hand, fully virtual AGMs can reduce expenses associated with in-person meetings including the venue renting and paper costs. In terms of the cost of paperwork and mailing, the estimated cost savings amounts to USD 3.8 billion in the 2023 US proxy season (Broadridge, 2023_[18]). On the other hand, equipment like microphones and printed documents require a digital platform to broadcast and staff with expertise in digital tools. For companies with a large number of individual shareholders, the cost saving advantage could be substantial. However, for other companies, the balance between the expenses for electronic equipment to hold virtual meetings and the savings from virtual format has to be assessed. In this respect, **hybrid meetings could be even more costly**, as they need not only a physical place but also the digital equipment for remote participants.

¹ The data is the number of meetings in all formats hosted by Broadridge in the 2022 proxy season, including virtual meetings and hybrid meetings.

2 Policies for remote participation in AGMs

Virtual shareholder meetings have become popular in Asia and all over the world. According to data from Broadridge, its platform hosted 2 377 virtual shareholder meetings in 2021, which is 21% increase from 2020 (Broadridge, 2022^[19]). Companies who used Broadridge’s platform include 85% of the S&P 100 and 73% of the NASDAQ 100 companies. In Asia, Japan, for example, has seen an increase of virtual/hybrid shareholder meetings. A report by Sumitomo Mitsui Trust Bank reveals that the percentage of their clients holding virtual shareholder meetings rose by 4.3% in June 2022 (SMTB, 2022^[20]).

As a result of social distancing measures imposed during the pandemic, most Asian economies have made policy adjustments to allow for remote participation in AGMs. In fact, East Asia and the Pacific region is the region where the legal framework for virtual shareholder meetings was most developed in 2021, allowing for virtual AGMs and virtual board meetings in all economies (World Bank Group, 2021^[11]). These measures for virtual AGMs are still in effect as they experienced extensions or regulators made such pandemic-induced policies a permanent fixture (ACGA, 2023^[12]).

Asian jurisdictions have adopted measures that enable remote participation in AGMs as a permanent fixture.

Though fully virtual and hybrid shareholder meetings allow shareholders to easily access the meeting, it is essential to develop a framework that guarantees proper shareholder participation. In order to understand practices and policies in relation to remote AGMs in Asia, Table 1 below summarised the findings from the OECD desktop research. While laws, regulations, and other recommendations in many Asian jurisdictions have evolved to provide guidance on equal shareholder participation and equip other shareholder safeguards, it is still worth discussing the optimal approach to enhance shareholder engagement.

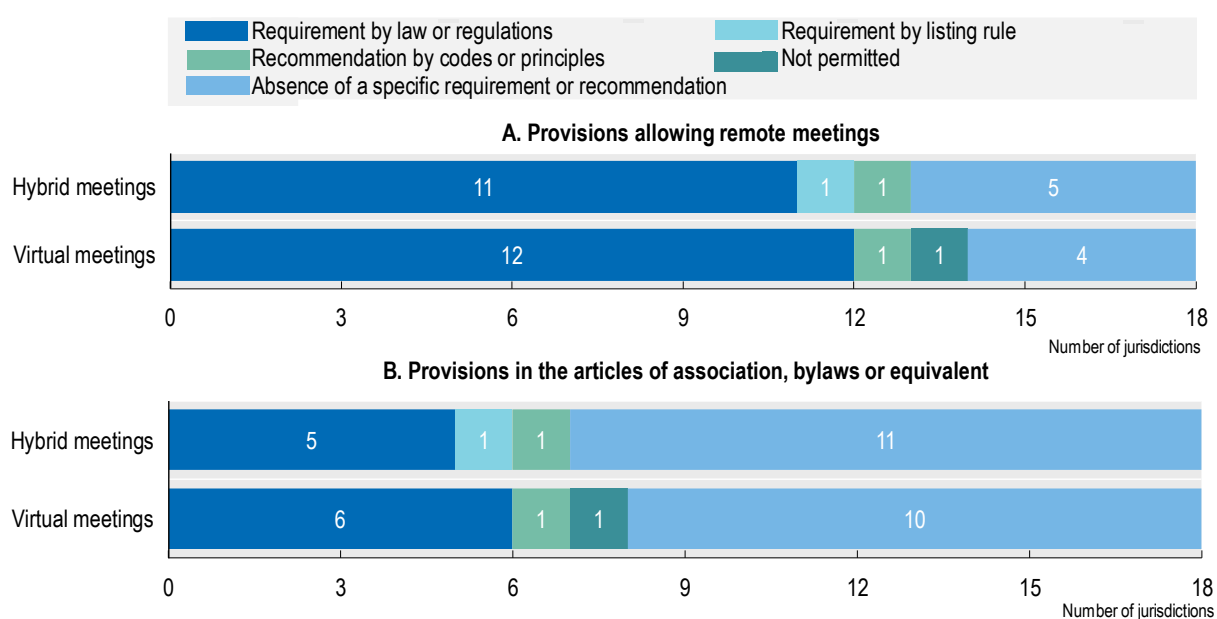
According to the latest information available, virtual meetings are allowed in approximately 72% of the 18 Asian jurisdictions.

Similarly, 13 out of the 18 jurisdictions under analysis have a provision in their laws or listing rules addressing hybrid meetings (where certain shareholders attend the meeting physically and others virtually) (see Figure 1). These figures are roughly equivalent to those from the 2023 OECD Corporate Governance Factbook (“the Factbook” hereafter), which covers 49 jurisdictions, globally. In the Factbook, approximately 75% of the jurisdictions reported having a provision in their laws or listing rules for virtual meetings and 80% for hybrid meetings (OECD, 2023^[21]).

In the region, **Hong Kong (China), Indonesia, Japan, the Philippines, Chinese Taipei, Thailand** and **Pakistan** have allowed for remote participation in AGMs (see Table 1). For instance, **Japan** amended the Industrial Competitiveness Enhancement Act in 2021, permitting virtual AGMs. Before this amendment, the law required the designation of a physical place for the meeting. In **the Philippines**, the Securities and Exchange Commission stated that the option for individuals to join corporate meetings remotely would be continued even after the pandemic is over (Philippines SEC, 2022^[22]). Recently, **Hong Kong (China)** amended its regulatory framework that allows companies to hold fully virtual meetings as well as hybrid meetings (Companies Ordinance, 2023^[23]).

Some jurisdictions are still in the process to institutionalise virtual shareholder meetings. For instance, in India the Company Law Committee recommended legislative changes in 2022. In **Singapore**, the Monetary Authority of Singapore proposed amendments to the companies act to make remote AGMs permanent in February 2023. In contrast, in some jurisdictions, the attitudes to the permanence of remote AGMs are still unclear. While most jurisdictions permit both virtual and hybrid meetings, the People's Republic of China (hereafter 'China') only allows hybrid meetings. Malaysia has met the demand for remote AGMs by extending pandemic-induced measures and its position on the permanence is still unclear (ACGA, 2023^[12]).

Figure 1. Legal frameworks for virtual and hybrid shareholder meetings in Asia



Note: Based on 18 jurisdictions under analysis.

Source: The source of the figure is the Table 1 provided below.

Half of Asian jurisdictions under analysis require specific provisions for virtual meetings in the articles of association or bylaws.

It is also important to note that the choice to hold a fully virtual or hybrid meeting is typically left to the company's discretion and depends on dedicated provisions in the company's articles of association or bylaws. The proportion of Asian jurisdictions that require a provision in the articles of association or bylaws for virtual/hybrid meetings is higher than the global average presented in the Factbook. According to the Factbook over 40% of surveyed jurisdictions require a provision in the articles of association or company bylaws for virtual meetings. For hybrid meetings, the percentage drops slightly to 35% (OECD, 2023^[21]).

For example, **Hong Kong (China)** allows companies to host remote AGMs only if their articles of associations admit holding it. **China, Korea, the Philippines, Sri Lanka, Chinese Taipei** and **Thailand** also require that the articles of association include specific provisions for both virtual and hybrid meetings. While, in **Japan**, companies can host hybrid meetings without any provision in their articles of association, virtual meetings require specific provisions.

Over 60% of the 18 jurisdictions under analysis have certain guidance on equal participation in their laws, regulations, or recommendations in their corporate governance code.

For instance, **Hong Kong (China)** requires in the listing rules that members of an issuer must have the right to speak and vote at a general meeting as the core shareholder protection standards (HKEX, 2023^[24]). The Japanese legislation also recognises shareholders' right of participation including asking questions at shareholder meetings (Aoyagi, 2022^[25]). These provisions for equal participation highlight the importance of securing shareholders' participation in AGMs as a fundamental right. Although there are examples of measures for equal shareholder participation, the share of Asian jurisdictions having a regulatory framework for this purpose is below the global average at 70%.

Specific shareholder safeguards are included in legal and regulatory frameworks in some Asian jurisdictions to grant shareholders' right to participate.

Such safeguards include two-way teleconferencing tools for the ease of shareholders' participation (**India**), a dedicated staff who is responsible for communication tools during the meeting (**Japan**), and records of the meeting (**Thailand**). **Chinese Taipei** does not allow virtual shareholder meetings for important agenda items including director elections, and mergers and acquisitions. As shown in the Factbook, Chile and Hungary have a specific safeguard to guarantee shareholders' identity via technological system. In Switzerland, there is a unique safeguard that allows remote meetings only if an independent voting representative has been designated (OECD, 2023^[21]).

A code of conduct for providing guidance for remote AGMs is not a widespread practice in Asia.

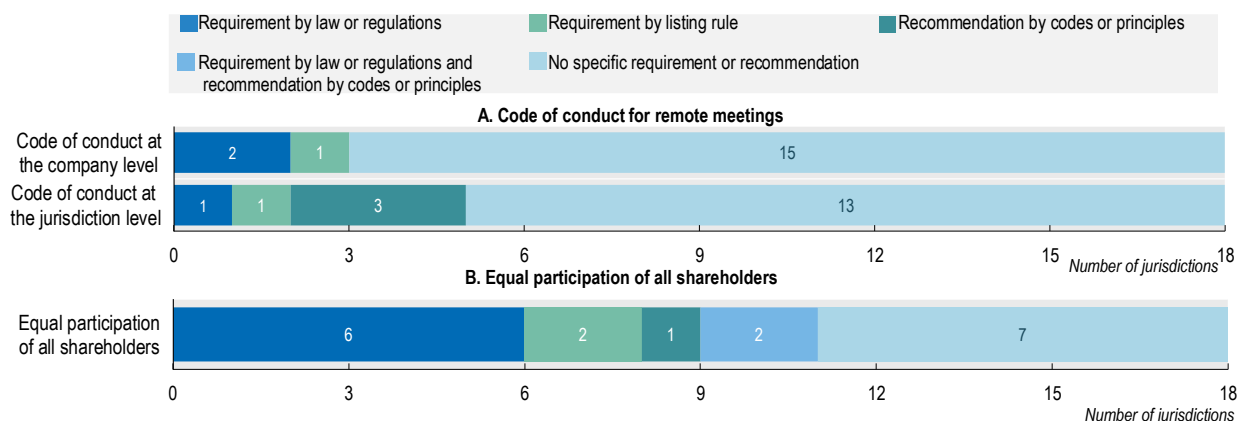
While a code of conduct could also play an important role in providing guidance for remote AGMs to guarantee shareholders' participation in the meetings, it is not yet a widespread practice globally, with less than 25% of jurisdictions having them established. The use of a code of conduct for remote AGMs in Asian jurisdictions is even lower. Only two jurisdictions (**China** and **Indonesia**) require or recommend the adoption of a code of conduct both at the jurisdiction level and at the company level. **Japan, the Philippines, Malaysia** and **Singapore** have a code of conduct only at the jurisdiction level.

11 jurisdictions have provisions for equal participation of all shareholders.

In order to keep transparency and effective engagement, many Asian jurisdictions have provisions for equal participation of all shareholders in their laws, regulations or recommendations. For instance, **Malaysia** has regulations and a code on corporate governance that recommends boards to ensure meaningful engagement between boards, senior management and shareholders. The code suggests having the right infrastructure to support interactive participation and transparency in questions posed by shareholders. In **the Philippines**, similar guidance is provided by the Philippines SEC. The guidance suggests that companies should ensure shareholders' opportunity to participate, including the opportunity to read or hear the discussion substantially.

While regulatory frameworks have evolved to ensure equal participation of shareholders, investors still tend to prefer in-person meetings for interaction with management. This investors' preference indicates the importance of preserving the option of in-person attendance, even if it comes at additional costs. (Magnusson and Blume, 2022^[26]). While the benefits of remote AGMs, such as easier attendance and reduced participation costs for investors, are widely acknowledged, regulators are still looking into ways to secure shareholder participation while leveraging the advantages of virtual format.

Figure 2. Shareholders safeguards in Asia



Note: Based on 18 jurisdictions under analysis.

Source: The source of the figure is the Table 1 provided below.

Table 1. Virtual and hybrid shareholder meetings in Asia

Jurisdiction	Provisions allowing remote meetings (L, R, C, -, NP)		Provision in the articles of association, bylaws or equivalent		Other safeguards	Code of conduct for remote meetings (L, R, C, -)		Equal participation of all shareholders (L, R, C, -) ²
	Hybrid meetings ³	Virtual meetings ⁴	Hybrid meetings	Virtual meetings		Code of conduct at the jurisdiction level	Code of conduct at the company level	
Bangladesh	L	L	-	-	-	-	-	-
Cambodia	-	-	-	-	-	-	-	-
China	R	NP	R	NP	-	R	R	R
Hong Kong (China) ⁵	L	L	L	L	-	-	-	R ⁶
India	-	L	-	-	Virtual meetings should allow two-way	-	-	L ⁷

² **Equal participation** is intended to measure whether jurisdictions provide in their legal and/or regulatory framework any provision or recommendation concerning the possibility for shareholders to engage and participate regardless of how the meetings is held and how they choose to participate. Equal participation may include aspects such as the possibility for shareholders to engage with and ask questions to boards and management in comparison to physical meetings, provide comments and access information and, therefore, does not intend to measure the possibility for remote voting during remote shareholder meetings.

³ Hybrid meetings are defined as shareholder meetings in which certain shareholders attend the meeting physically and others virtually.

⁴ Virtual meetings are defined as shareholder meetings in which all shareholders attend the meeting virtually.

⁵ In **Hong Kong, China**, the Companies (Amendment) Bill 2022 was passed on 18 January 2023 to expressly cater for the scenario of local companies holding fully virtual or hybrid general meetings without limiting them to physical venues. The Companies (Amendment) Bill 2022 was gazetted on 27 January 2023 and came into operation on 28 April 2023.

⁶ In **Hong Kong, China**, the Core Shareholder Protection Standards (Appendix 3 to the Listing Rules) require that members of an issuer must have the right to speak and vote at a general meeting, except where the Listing Rules require a member to abstain from voting.

⁷ In **India**, the facility for virtual meeting should have a capacity to allow at least 1000 members to participate on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairperson of the audit committee, nomination and remuneration committee and stakeholder's relationship committee, auditors, may be allowed to attend the meeting without restriction on account of first-come-first-served principle.

Jurisdiction	Provisions allowing remote meetings (L, R, C, -, NP)		Provision in the articles of association, bylaws or equivalent		Other safeguards	Code of conduct for remote meetings (L, R, C, -)		Equal participation of all shareholders (L, R, C, -) ²
	Hybrid meetings ³	Virtual meetings ⁴	Hybrid meetings	Virtual meetings		Code of conduct at the jurisdiction level	Code of conduct at the company level	
					teleconferencing or webex for the ease of participation of the members.			
Indonesia	L	L	-	-	-	L	L	L, C
Japan	L	L	-	L	AoA based upon a shareholders meeting's resolution, prior to which receiving a confirmation from the authority, the dedicated person responsible for communications tool	C	-	L
Korea ⁸	C	C	C	C	Board's decision	-	-	-
Lao PDR	-	-	-	-	-	-	-	-
Malaysia	L	L	-	-		C	-	L, C
Mongolia	-	-	-	-	-	-	-	-
Pakistan	L	L	-	-	-	-	-	L
Philippines	L	L	L	L	-		-	L
Singapore	L	L	-	-	-	C	-	C
Sri Lanka	L	L	L	L	Answers to questions from shareholders are included in minutes	-	-	L
Chinese Taipei	L	L	L	L	Virtual AGMs cannot be held for specific agendas	-	-	-
Thailand	L	L	L	L	Minutes include Q&A	-	-	L
Viet Nam	-	-	-	-	-	-	-	-

Key: L = specified by the law or regulations; R = specified by the listing rule; C = specified in recommendations by the codes or principles; "-" = absence of a specific requirement or recommendation; NP = not permitted.

⁸ In **Korea**, running a hybrid meeting is depending on board's decision or articles of association. However, virtual participants are not able to have a voice or right to vote at the ongoing meeting; e-notices and e-voting provisions are regulated in separate chapters.

3 Practices for remote participation in AGMs

While laws and regulations for remote participation in AGMs have rapidly evolved in recent years, there still remain significant practical considerations for companies in deciding how to conduct virtual or hybrid shareholder meetings. Remote AGMs offer greater accessibility and reduced cost for participants, yet they also pose challenges to ensure shareholder engagement.

Although the G20/OECD Principles and legislative frameworks as discussed in section 2 provide a direction on how to hold remote shareholder meetings, they do not offer specific and practical steps on how to organise and run such meetings. In order to ensure shareholders' rights and equal participation, each company has to choose a proper meeting format and set up an environment where shareholders can ask, be heard and vote ideally as if they were physically present.

Experiences with remote AGMs have accumulated particularly after the pandemic. In the UK, for example, more than 60% of FTSE 100 companies incorporated certain digital technology to improve shareholders' engagement at AGMs in 2022. In terms of shareholder participation, the average number of shareholders attending virtual or hybrid meetings in Asia via Lumi's platform in the first half of 2023 was 436, increased by 111% from the 2022 average (Lumi, 2023^[27]). Large companies seem to prefer remote AGMs because the benefit of the shift towards remote meetings could be large for companies with a large shareholder base. For instance, in Hong Kong 80% of companies that held a virtual or hybrid meeting have a market capitalisation of over HKD10 billion (approx. USD 1.3 billion⁹) (Computershare, 2022^[28]).

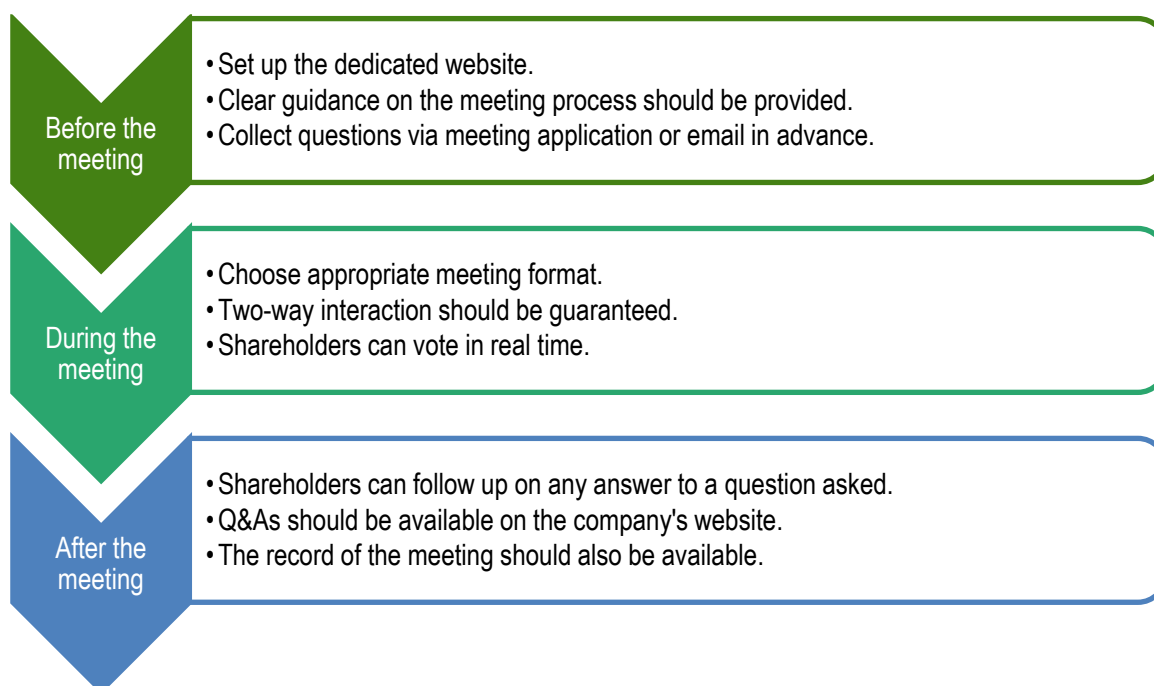
Many regulators, meeting platform providers and other stakeholders have issued guidelines for holding remote AGMs. In Asia, some guidelines or guidance notes are provided by regulators. Japan's regulator issued guidelines on hybrid shareholder meetings with a collection of successful case examples in 2021 (METI, 2021^[29]). Furthermore, SC Malaysia has released a guidance note with frequently asked questions for general shareholders meeting in 2020, which was later revised in 2022 (SC Malaysia, 2022^[30]). Asian stock exchanges have also provided guidance on virtual/hybrid AGMs. The Colombo Stock Exchange (CSE) in Sri Lanka, for example, issued a guidance on remote AGMs in 2020 (CSE, 2020^[31]). In Singapore the stock exchange, in coordination with the regulators, provided guidance as well as a checklist for virtual meetings (SGX, 2020^[32]).

Meeting platform providers and other stakeholders have also published some guidance or best practices for virtual shareholder meetings. Guidelines issued by meeting platform providers have more practical steps on how to arrange remote AGMs (Broadridge, 2014^[33]; Lumi, n.d.^[34]). Industry-led organisations such as the International Corporate Governance Network and GC100, also express their views on virtual shareholder meetings. Particularly, GC100 published a discussion paper on shareholder meetings in 2021. In the paper, it proposes a draft "Code of Best Practice", for electronic participation at shareholder meetings (IGCN, 2023^[3]; GC100, 2021^[35]).

⁹ Converted into USD by exchange rates announced from the Hong Kong Association of Banks on September 21, 2023.

These guidelines provide overarching considerations and practical suggestions for arranging remote AGMs. Collecting and extracting best practices from these guidelines could be useful for companies and regulators to look for to the best way to enhance shareholders' engagement at virtual shareholder meetings. Practices related to remote participation in AGMs are typically divided into three phases: *before, during and after the meeting*. The following figure illustrates best practices gathered from the company's past experiences and relevant guidelines (see Figure 3).

Figure 3. Best practices for remote AGMs



Note: OECD based on (Thomson Reuters, 2023^[5]; GC100, 2021^[35])

Before the meeting

Prior to the meeting, companies should ensure **proper communication with shareholders** set up a dedicated website for shareholder meetings. They can update information on the website and allow shareholders to obtain the latest information associated with the meeting. The website, in conjunction with the notice of the meeting, should give clear guidance for the process of registration, asking questions and voting to shareholders. Information should include the process of voting as to appointing a proxy and how to vote before or during the meeting (GC100, 2021^[35]). In Singapore, the Singapore Exchange provides a platform where companies are required to publish the notice of the meeting (SGX, 2020^[32]). Additionally, the guidance issued by the UK Financial Reporting Council also highlights the need for appropriate means of communication like dedicated websites which provides timely updates and information about any changes as soon as practically possible (FRC, 2022^[36]).

It may not be feasible to collect all the questions from shareholders during the meeting. In this regard, companies should allow **shareholders to ask questions** via meeting applications or email before the meeting. In Singapore, SGX requires companies to secure enough cut-off time of 72 hours for shareholders to ask questions prior to the meeting. Collecting questions before the meeting in turn allows companies to collate and group them. If possible, companies should answer some of the questions and upload the questions and answers on the website to make discussions at AGMs more meaningful. SGX also highlights

the importance of answering in advance, stating that all substantial and relevant questions received from shareholders prior to the meeting should be publicly addressed sometime before the closing time for the lodgement of the proxy forms (SGX, 2020^[32]).

In addition, companies have to strike a balance between **transparency and filtering of questions**. Remote AGMs may lower shareholders' psychological barriers to asking questions, leading to a substantial number of questions unrelated to the company's business. This requires sorting and excluding many questions in advance, to ensure an effective question and answer session during the meeting. Such filtering, however, could enable companies to sidestep uncomfortable questions, jeopardising vital element of AGMs that allows direct communication between shareholders and the board. In this regard, regulations may require ensuring shareholders' right to ask questions. In Japan, rules under the Industrial Competitiveness Enhancement Act stipulate that "[u]nder the rules, there is no provision that allows a company to refuse to take up questions and motions from shareholders. A company shall take up questions and motions from shareholders at a shareholder meeting without a designated location in accordance with the principles of the Companies Act (METI, 2022^[37]). In order to meet the requirement of laws or regulations, while also balancing limited company resources and transparency, Broadridge, a virtual platform provider, proposes "acceptable practices" to address potential concerns about manipulation of questions by companies. The practices include: (1) displaying all reasonable questions asked during a meeting (i.e. malicious or frivolous questions can be excluded at the discretion of the company); (2) organising and answering questions based on grouping and the time each question is submitted; (3) establishing procedures for shareholders to ask questions via telephone; and (4) establishing procedures for questions not answered during the meeting and for posting all questions and answers after the meeting (Broadridge, 2014^[33]).

Some jurisdictions require **reliable infrastructure** that ensures shareholders' right to participate in remote AGMs as shareholder safeguards. Companies should understand the local legislations in each jurisdiction and prepare to meet the requirements. For example, India requires companies to ensure that the meeting facility allows two-way teleconferencing or Webex (India Filings, n.d.^[38]). In Sri Lanka, the Colombo Stock Exchange (CSE), in its guidance, states that companies should take necessary steps to archive the meeting and its records for a period of time (CSE, 2020^[31]). In order to comply with these regulatory requirements, companies should review if they can construct a legitimate meeting environment.

It is also important to have **enough training for company participants** of the meeting to ensure their ability to organise the meeting. Holding practice sessions will help them familiarise with the process of using digital meeting platforms. For instance, guidance note provided by the Hong Kong Companies Registry (CR) encourage companies to conduct a test run of the entire process or mock meeting ahead of time to avoid hiccups during meetings (CR, 2023^[39]). In Sri Lanka, the CSE encourages the test of the reliability of technology that would be used for the meeting. The CSE also requires a contingency plan in the event of a malfunction of the technology and a technical support desk for questions regarding accessing the remote AGMs (CSE, 2020^[31]). Japan provides guidelines on hybrid shareholder meetings and encourages companies to install cyber protection measures to the extent it is economically reasonable (METI, 2021^[29]).

During the meeting

Companies should **choose an appropriate meeting format** to facilitate shareholders' engagement. While the taxonomy of the meeting format varies by regulators, organisations and, to a large extent, by companies, they typically fall into two main categories: hybrid meetings and (fully) virtual meetings. Hybrid meetings are defined as shareholder meetings in which certain shareholders attend the meeting physically and others virtually. Virtual meetings are defined as shareholder meetings in which all shareholders attend the meeting virtually (OECD, 2023^[21]). The most appropriate meeting format depends on each company. If attendance is consistently high at physical meetings, it may be appropriate to keep hosting shareholder

meetings in-person. However, if the attendance is historically low or if there is a large share of foreign shareholders in the company's investor base, then fully virtual or hybrid meetings would be the proper meeting format. The Companies Registry in Hong Kong (China) suggests that virtual meeting technology be considered to maximise shareholder participation. In its guidance note, the Companies Registry also recognises the importance of considering the best interest of shareholders to promote their engagement (CR, 2023^[39]). Companies might consider cost-saving benefits of remote AGMs when deciding on proper meeting format. As discussed in Section 1, for companies without a large shareholder base, the savings from reduced paper and venue costs may not offset the additional expenditure on digital equipment and training for remote AGMs.

Face-to-face interaction with directors and questions to them are the main attraction of AGMs (IGCN, 2023^[3]). In this respect, video broadcasting is better than audio-only format because shareholders can get management's reactions more accurately, including their facial expressions. As part of direct communication with management, a question-and-answer session provides vital opportunities to shareholders. Shareholders should have the same right to participate in the meeting as if they would have taken part in the meeting physically. **Shareholders should be able to ask questions** and hear answers from management. As an example of shareholder safeguard in this respect, India has the safeguard that requires two-way telecommunication during remote AGMs (OECD, 2023^[21]). Additionally, all questions casted in advance and during the meeting should be visible to all of the participants in the meeting (IGCN, 2023^[3]).

Remote voting is also an important area to be considered. Companies need to **make sure shareholders can cast their votes remotely**. If physical presence is required to vote, companies should make shareholders aware and suggest they vote in advance or assign proxies who can attend the meeting in person. In Malaysia, shareholders with no access to the internet are encouraged to cast a vote via proxy firms (SC Malaysia, 2022^[30]). In addition to proxy voting, some guidelines recommend online/electronic voting and necessary safeguards to validate votes. For instance, the SGX's guideline stipulates the accurate count of the vote and the capability of the electronic voting system to be audited for verification of votes (SGX, 2020^[32]). The SC Malaysia requires companies to appoint at least one scrutineer to validate the votes (SC Malaysia, 2022^[30]).

Remote AGMs entail the risk of technical glitches. In addition to pre-testing the technology that would be used for the meeting, companies should also **provide technical support during the meeting**. In Hong Kong (China), for instance, the Companies Registry recommends that technical support should be made available to members both online and via telephone number free of charge. Furthermore, the Companies Registry also suggests that companies should consider delaying the meeting if technical issues cannot be overcome in a short period of time and shareholders are unable to participate in the meeting (CR, 2023^[39]). The availability of technical support and a contingency plan including the decision of postponement is essential to ensure the validity of the meeting.

After the meeting

Shareholders should have the opportunity **to review questions and answers after the meeting**. Companies can facilitate this by posting questions and answers on the company's website. This should also include answers to questions that were not addressed during the meeting due to time constraints. GC100, the voice of general counsel and company secretaries working in FTSE 100 companies, also encourages companies to make clear the criteria for grouping questions (GC100, 2021^[35]).

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