

Many companies are planning virtual AGMs in 2020. As with other electronic forums, people may behave differently in a virtual shareholder meeting than they would if they were present in the same room. To help the shareholder meeting run smoothly, we suggest the following tips:

**Channel Questions** – Be careful to divide the meeting between the “formal business” set out in the notice of meeting and the more informal business discussion that normally follows. Remind participants that they will have the opportunity to discuss the business and its prospects after the formal portion of the meeting is completed.

**Prepare your Chair** – Your meeting Chair acts as a traffic cop that manages questions and keeps the meeting on track in accordance with the formal agenda. Your formal meeting is not meant to be a venting session or an interrogation of management. Keep in mind that the Chair has the authority to close debate after a motion and can declare questions and disruptions out of order. Also, remember that motions made from the floor are not required to be considered if the other shareholders have not had notice of them. Don't be afraid to prevent or limit the debate of such motions.

**Use the Proxy** – In the great majority of cases, management will have a proxy vote that is large enough to out-vote objectionable minority shareholders and defeat motions from the floor. Be prepared to use it by making motions to restore fair procedure.

**Plan Communication** – For the informal business discussion, be prepared for a wide range of questions by anticipating what shareholders want to know.

- What are the key headwinds facing your company that investors will want to discuss?
- What are the key points to be communicated about your current operations and strategy?
- What changes do you anticipate making to your operations and strategy to address the challenges facing the company?
- How will the company respond over the next 3 months; 6 months?

**Understand Investors** – Make sure you understand the question that is being asked or the point that is being raised before responding; offer to summarize back the question or point raised. Keep an open mind and consider how the current circumstances are impacting shareholders differently. Be direct and objective in your response by focusing on facts and avoiding emotionally charged language.

**Suggested Language for the Chair** – Consider including the following as part of the Chair's remarks at the opening of the meeting:

*I want to remind the meeting that it is my duty to ensure that the formal part of this meeting is conducted fairly. Because we are not able to be together in person, I would like to review the rules for discussion and debate to facilitate an orderly virtual meeting:*

- *The formal meeting will deal with the items of business outlined in the proxy circular. Once we have completed that work, we will move to the informal part of the meeting.*
- *During the formal meeting, each shareholder or proxy holder wishing to address a motion may do so when I have indicated the motion is open for discussion.*
- *Each speaker may take up to five minutes to contribute to the discussion, but I reserve the right to terminate discussion on a matter. All discussion must be courteous and respectful of other participants in the meeting.*
- *When we have heard from all speakers, within the allotted time frame, I will call for a vote on the motion. Once we have voted, we will move on to the next item of business.*

*All questions for management will be dealt with in the informal part of the meeting after the formal meeting is completed.*

*Thank you in advance for your co-operation.*

**For more information**, please contact any member of our [Corporate Finance & Securities Group](#).