

# Virtual ASM handbook

Key considerations  
for planning an  
online meeting

NEW ZEALAND



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**The way we communicate is becoming increasingly digital and as the millennial generation moves to the fore in the global economy, we are seeing a greater adoption of, and reliance on digital communication.**

That, coupled with the steady decline in shareholder attendance at meetings and the prevalence of digital voting channels, means it's no surprise that interest in online meetings from both listed and non-listed organisations is growing.

When COVID-19 started to make an appearance in New Zealand in early 2020, shareholder meetings were thrust into the spotlight. Many organisations had to quickly adapt and develop contingency plans.

An important opportunity for investor engagement, and a legal requirement for many

organisations, shareholder meetings continue to play a vital role in New Zealand's corporate landscape.

With New Zealand legislation already allowing meeting participation via virtual means, or as a traditional (pre-COVID-19) physical gathering, Computershare was ready and able to provide these methods of holding meetings.

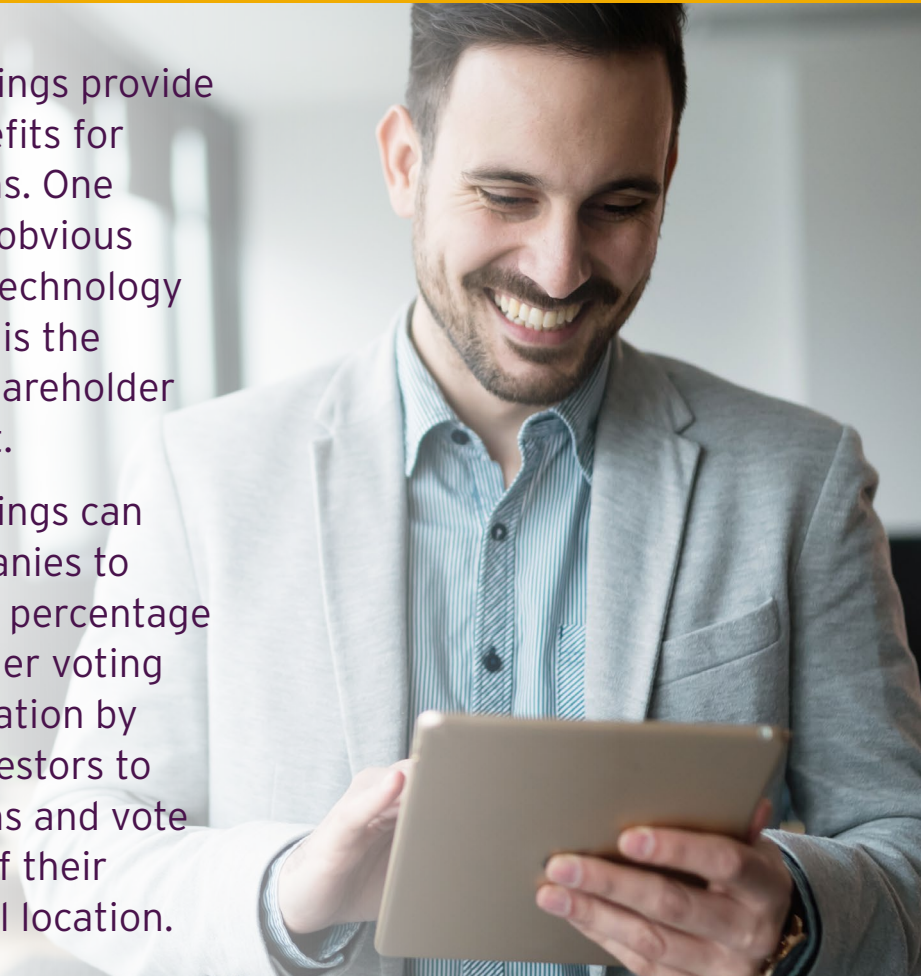
This handbook is designed to give organisations a helping hand by providing the key information to consider when planning an online shareholder meeting.



# Virtual or hybrid?

Online meetings provide several benefits for organisations. One of the most obvious issues that technology can address is the decline in shareholder engagement.

Online meetings can assist companies to increase the percentage of shareholder voting and participation by enabling investors to ask questions and vote regardless of their geographical location.



What is a hybrid meeting?

A **hybrid meeting** is a crossover between a physical and virtual meeting, which allows stakeholders to choose between attending at the meeting's physical location, or being involved online.

What is a virtual meeting?

A **virtual meeting** sees all attendees join the meeting via an online platform that allows them to ask questions, vote and participate electronically as they would do at a physical meeting.

Do you have to provide a physical venue for the meeting?

If you determine you don't need to offer a physical venue for your meeting, then a virtual meeting could be the right option for your organisation. If you do need to provide a physical venue, then a hybrid meeting would be required.

Do you have directors in multiple jurisdictions?

Virtual meetings allow stakeholders from across the globe to easily take part without having to leave their home or office.

# What are the benefits of online meetings?

## Everyone can attend

Online meetings allow shareholders who are in lockdown, sick or otherwise unable to attend a physical venue, to attend your meeting, vote and ask questions



## Everyone can ask questions

While physical meetings tend to favour the more vocal shareholders, a hybrid meeting can allow everyone to have a voice through moderated question time, either via an app, or web platform.



## Environmentally friendly

Organisations can look to reduce their carbon footprint and reduce meeting costs by not having to organise such a large venue or catering, and by reducing the amount of printing required such as poll cards and other documents



## Save time and increase certainty

Having votes processed electronically not only saves time by providing results instantly, but it also increases certainty and is considered to be good governance



# Technology

Reliable, proven technology is the key component that will determine the overall success of your meeting.

Your meeting partner should provide a robust, secure platform that will put your mind at ease, come AGM time.

Your technology should address the following factors:

Provision of secure login and shareholder authentication, with ease of access for shareholders, and remote voting capabilities



Combined registration, voting and reporting software to ensure a seamless user experience for both admin staff and shareholders



Device-neutral, adaptable to the shareholder's choice of device, to maximize participation and increase engagement



Use of adaptive streaming to seamlessly transition between stream quality without interrupted playback or buffering



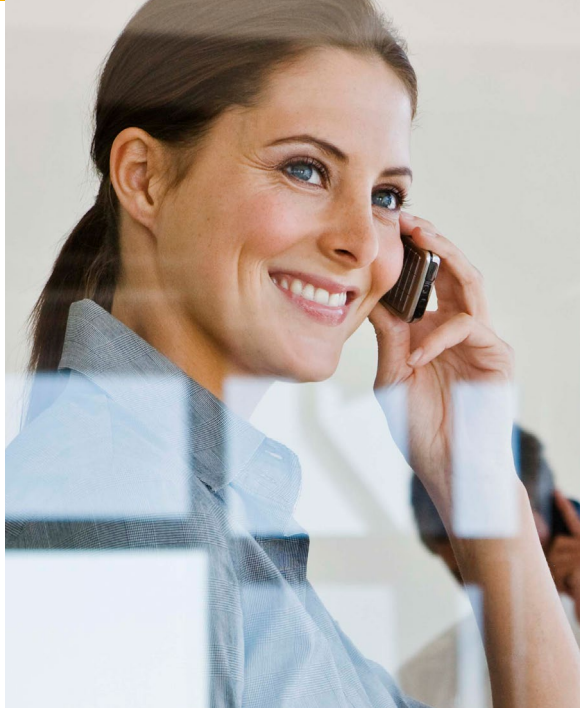
Security, scalability and redundancy as core design features



# Preparing your board

## Your directors are the face of the company at your meeting.

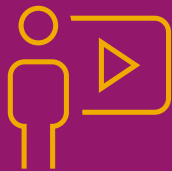
So, it stands to reason that they must be prepared to handle any situation that arises. It is integral that your directors, regardless of where they are located, are all on the same page in the lead up to, and on the day of, your shareholder meeting.



### Some of the ways you can prepare your board include:



Work with them to develop a script for the event, to ensure everyone is on the same page



Rehearse at least once prior to the event. Have everyone practice dialling in and using the technology, as they would on the day. Ensure they are comfortable and familiar with the online environment and processes



Have individual conversations with your board members to ensure any and all of their questions and concerns are answered, and to reaffirm the importance of them sticking to the script throughout the event

Some companies are choosing to have their chairman pre-record the opening address, so it can be delivered seamlessly on the day. This helps to mitigate risks associated with poor audio quality and can help improve the shareholder experience.

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# Investor engagement and communications

**Just as the arrangements for physical meetings can vary based on the needs of the company and their shareholders, there is no “one size fits all” approach to online meetings.**

The considerations raised here are therefore intended not to be prescriptive, but instead to prompt discussion on appropriate guidelines.

We recommend the use of video rather than audio-only as best practice for hybrid meetings. For companies conducting hybrid meetings, use of video will better replicate the in-person experience for remote participants.

However, when holding a fully virtual meeting, audio-only mode, used in conjunction with presentation slides can provide a fantastic user experience and still look professional.



### **Question time is an important part of your meeting, which allows your shareholders to engage with the board and hold them accountable.**

In accordance with guiding principles provided by the NZX, all shareholders at a hybrid or virtual meeting are to be given the opportunity to participate in the meeting, as if a physical meeting was being held.

While we have seen some instances in our region of companies not allowing questions at their shareholder meetings so far during 2020, the majority of companies are giving their shareholders a voice, either through their meeting app, or via a web platform.

To build investor confidence in the question process, an independent moderator such as your company secretary or a legal secretary, can manage questions in accordance with the protocols.



# Your Q&A – Points to consider



## Share all questions

The moderator can use the tools to join similar questions into one so that the chairman does not need to answer the same question multiple times. Where the moderator does this we suggest that the chairman acknowledge that the one question is from multiple shareholders.



## Explain any inability to answer

Companies retain the right to not answer questions that are considered inappropriate based on content. The chairman could simply acknowledge receipt of the question but indicate that it will not be answered in the meeting as it does not pertain to the items of business, but the company will respond directly to the holder after the meeting.



## Commit to responding to all questions

Where time does not permit a response or acknowledgement of all questions during the meeting, companies should provide responses following the completion of the meeting.



## Use a poll

Voting at all meetings must be by way of poll.

## The revised NZX Listing Rules state that all voting at shareholder meetings must be conducted by a poll rather than a show of hands.

Deciding resolution results with final proxy positions presents the potential risk of not providing an accurate resolution result. In addition, it disenfranchises shareholders who normally attend meetings to hear the discussion about resolutions before deciding how to vote.

While there are many options available to companies when it comes to conducting voting during online meetings, the single most important aspect to consider is security. Offering live voting is an excellent way to ensure your votes are secure.

Companies should consult their constitution and legal advisers to make sure the option they choose is the right one for their company.

The chairman should pause when asking for questions and before closing the poll, as some users might be experiencing lag due to their own IT set up. The pause will enable the shareholder to write out a question or vote prior to poll closing.



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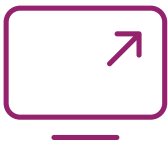
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# Conclusion

**The escalation of COVID-19 has brought online meetings to the fore in not only New Zealand but the rest of the world, and many companies are now building these into their planning.**

**There are many important points to consider when preparing for your first online meeting:**



### **Make things simple**

Ensure your technology offers a seamless user experience



### **Prepare your board**

Make time for them to rehearse and practice using the meeting technology



### **Prioritise your Q&A**

Seek genuine engagement and ensure you are well prepared

Prior to COVID-19 New Zealand already had the necessary arrangements in place to help modernise shareholder interaction and provide companies with an alternative to physical meetings.

We will continue to assist companies hold in person and digital meetings in the year ahead whether COVID-19 is in our community or not.

For many companies, taking the leap to on an online meeting is uncharted territory. Our aim is to guide and support our clients in all aspects of planning and execution.

Using our depth of knowledge and expertise, in conjunction with tried and tested technology, we've successfully delivered more than 1000 hybrid and virtual meetings globally in 2020, with many more to come.



### **About Computershare Investor Services**

Computershare Investor Services encompasses a broad portfolio of products and services that cover an extensive range of financial markets across every major region. Our experienced team of meeting specialists are on hand to guide you and your company through even the most complex shareholder meeting.

For more information, visit [computershare.com/nz/meetingresources](https://computershare.com/nz/meetingresources)

The content of this report is intended to provide a general overview of the relevant subject matter and does not constitute legal advice. It is important that you seek independent legal advice on all matters relating to your shareholder meeting, compliance with the NZX Listing Rules and other applicable legal and regulatory requirements.

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