

# PURPLE ALERT

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## The future of shareholder meetings is virtually here

*Issuers are solving for the problem of the empty room, as Covid-19 formalises the digital innovation of meetings*

The virtual annual general meeting (AGM) debate has raged for years, but organisations across the world have been hesitant to move towards online meetings as the result of uncertainty over how they are regulated locally and fear of the unknown. That is until now. Amid lockdowns and restrictions on gatherings, the Covid-19 pandemic could be the tipping point that sees growing numbers of listed companies moving their AGMs online.

Before the pandemic, a handful of companies chose to offer hybrid or remote meetings to shareholders. In 2019, Kumba Iron Ore ran a hybrid AGM with a virtual shareholder voting platform for its Employee Share Trust. Sabvest was the first listed entity to host a fully electronic shareholder meeting on 27 March 2020 — one day into the lockdown in South Africa — with Computershare facilitating the meeting and electronic voting process.

According to Leon Rood, an Executive Director at Sabvest, shareholder engagement is a crucial aspect of any corporate strategy. “By hosting a fully electronic Scheme Meeting on the 27th March 2020, our shareholders were able to benefit significantly, as it gave them the ability to participate during the lockdown and exercise their right to vote. While our shareholders engage us throughout the year, we view our Upcoming AGM on the 4th May 2020 as another one of those important events on our calendar that allows for this meaningful engagement to take place, and we look forward to hosting this electronically as well to the benefit of our shareholders.”

Bennie van der Westhuizen, Computershare South Africa’s CEO, said that he expected the rate at which companies adopt virtual meetings to accelerate. “Computershare has organised remote meetings and provided electronic voting technology to its issuer clients around the world for many years. As companies begin to see the benefits of this technology, including greater shareholder engagement during the pandemic, we should expect virtual AGMs to become the ‘new normal’.”

Van der Westhuizen says that Computershare has been working with its clients to make the switch from holding a physical to a virtual meeting easy — as well as ensuring that it delivers the benefits of increased shareholder participation and engagement while supporting good corporate governance.

Shareholders who don't attending the meeting physically can participate remotely and securely, including casting votes, from any location through a smart device or laptop, whether the meeting is small or large in scale. The platform provided by Computershare's technological partner Lumi offers issuers the certainty and advantage of having secure audit, technical support and functionality for audio meetings and screen share for full-scale video meetings. Fully virtual AGMs are made possible by adapting the company's Memorandum of Incorporation (MOI), which sets out the rights, duties and responsibilities of shareholders. However, if a company's MOI does not allow for a virtual meeting, there are various alternatives to consider, including hybrid meetings.

Mari Lategan, Executive of Marketing and Communications at Curro Holdings Ltd, says: "The digital economy and its interaction have become the driving forces behind our new normal in recent weeks. Market leaders, like Curro Holdings Ltd, welcome innovative solutions to grant our shareholders a seamless AGM experience, where they aren't bound by a geographic location. Given Computershare and Lumi's significant global experience in running virtual and hybrid meetings, we expect the technology to enhance and facilitate virtual meetings into the future."

Stadio Holdings, which unbundled from Curro Holdings and listed on the main board of the JSE in October 2017, shared similar sentiments. "In times of unprecedented uncertainty, it's good to collaborate with experienced service providers, such as Computershare, to assist in providing our shareholders with an innovative solution whereby our shareholders rights' and health are protected. Our shareholders will now be able to participate in the AGM via a virtual meeting and use electronic voting, regardless of their geographic location," adds Kate Ridge, The Financial Manager, Corporate and Company Secretarial, at Stadio Holdings.

Both Curro and Stadio are expected to hold their virtual AGMs on 9 June 2020, and will make a further announcement in this regard following the distribution of the Notice of AGM.

Elsewhere, retail bank Capitec is also looking to run its 2020 AGM of shareholders virtually on 29 May.

Capitec's Company Secretary Yolande Mouton says: "We are excited to venture into the world of virtual shareholder meetings as today's reality makes it a necessity. We believe that virtual meetings through technology should be as simple and engaging as a physical meeting for our shareholders, and that this will be an extension of the trusted services that we've run with Computershare and Lumi over the years."

Van Der Westhuizen believes there is also the advantage of working with Computershare, as it forms part of a global organisation that has a global footprint in over 20 countries. "Our global colleagues have run numerous virtual and hybrid meetings for clients over the years in accordance with local legislations, and we have a wealth of insights to share with our clients.

As virtual meetings become the new normal in South Africa, issuers can rely on Computershare to combine our global resources with its local knowledge, ability and experience to execute a finely crafted service that addresses their unique requirements. The emerging practical experience is expected to also establish a local best practice, and a growing comfort and confidence in the conduct of virtual meetings across the board.