



# Global AGM Trends

---

[www.lumiglobal.com](http://www.lumiglobal.com)




# Introduction



The format of the traditional Annual General Meeting is one that has remained relatively unchanged for years. And with the core two functions of an annual meeting - one being the forum for collective engagement between shareholders and the board, the second as being a decision making event for the passing of resolutions - also remaining constant, there has been no need to evolve.

However, with declining shareholder numbers being a trend across the globe, together with the rise of the digital age, membership organizations and issuers are putting a stronger focus on using technology to create novel ways to engage with their members and shareholders. This adoption has grown over the past few years from a small percentage of early adopters to a major trend across industries (Prism Cosec, 2017).

Virtual and hybrid meetings are becoming a big part of the evolving AGM marketplace as they allow membership organizations and companies all around the world to interact with their local, national and international audiences effortlessly (Mondo Visione, 2018). Gone are the days of incurring travel or time costs to attend an AGM; virtual and hybrid AGM allow anyone to attend from the comfort of their home, office or mobile device.




Virtual AGM adoption saw a sharp increase in the 2018 season, and rose approximately 27% on the previous season's numbers. Virtual and hybrid AGM have grown for a number of factors, and with the importance of having accessible, efficient, cost effective and transparent meetings, they will continue to grow (Broadridge, 2018).

So, if this is the case for the AGM industry as a whole, how are various countries around the world adopting this technology? How are issuers working to engage their audiences, and what technology and methods are they using? And what does legislation say about Virtual or Hybrid AGM?

*As the dominant global provider of virtual / hybrid meeting technology, operating on all continents, Lumi has a unique perspective on this transformation.*

This whitepaper seeks to provide an overview of the evolution of the annual meeting in a number of the territories in which we operate, and to give you an understanding of how other markets are responding to the changing world of the AGM.





One of the most obvious countries to adopt digital methods for annual meetings is the United States, mainly due to the dispersed population and the countless cities in which an AGM could take place. Issuers were acutely aware of the costs of facilitating a physical-only annual meeting, not only for their own board, but for their stakeholders. It is frequently not practical for stakeholders to travel across states to attend an annual meeting, meaning declining shareholder and member engagement was a real issue.

In the US, hosting or attending a virtual annual meeting is commonplace; in fact, by the end of the 2018 AGM season, over 300 companies will have used a remote format, either as a hybrid or a fully virtual meeting. As alluded to in the aforementioned points, the most common approach for issuers or organizations in the US is to go fully virtual, with only around 10% being hybrid.

*Although these methods are becoming more common, they are still met with a level of reluctance from various demographics who are resistant to change.*

As each state has different legislation, laws and boundaries there is yet to be a nationwide adoption of virtual methods, and thus membership organizations or companies looking to go digital need to be aware of their state's legality. Presently, thirty states allow fully virtual meetings, twelve allow hybrid meetings and eight do not yet allow any form of online or remote participation component.



In a fairly different situation to the US, the United Kingdom's legislation states that meetings need to be at a place and there are different legal views of what precisely this permits.

*The most interesting case for a virtual AGM with no physical presence was Jimmy Choo's 2016 electronic AGM which was held solely online, generating a huge amount of debate, discussion and interest.*

At the time the event was thought to be the start of a huge increase in digital meetings, however the adoption is yet to take off. As mentioned above, this is actually mainly due to the confusion surrounding the Companies Act and what truly defines a meeting location.

In an attempt to help legitimize the transition, a lot of companies are proposing changes to their Articles of Association. These changes were questioned in some cases, where it was implied that the meetings would eventually become fully virtual, despite the widespread support and interest in hybrid meetings.

Despite this, the hybrid approach has already been successfully proven, both by membership organizations and listed companies. Other PLCs are also successfully trialling hybrid elements to introduce the concept to their shareholders from 2019 onwards.

*Most believe that 2019 will be the year the Hybrid trend is really adopted in the UK, with many organizations having already revised their Articles of Association.*



## Australia

Australia has been one of the leading countries promoting the adoption of hybrid Annual General Meetings, again for practicality reasons due to the often long distances between members and shareholders, cities and potential locations.

In the past few years a small but influential number of ASX listed companies have chosen to add an online component to their physical meetings, therefore showing an embracement of the Hybrid format.

The introduction of this technology in Australia has allowed a much wider access to the meetings, with remote attendees now able to vote and ask questions in almost an identical way they would if they were attending in person. Furthermore, they are able to view the proceedings via a webcast.

These advances being embraced by listed companies, have mirrored the technology being more widely accepted and adopted by non listed companies and membership organizations. In fact a number of the aforementioned have taken the concept a step further and have completely removed their physical element and hosted fully virtual AGMs.

These changes have been able to come into effect, due to there being no real legislative barriers to the adoption of Hybrid meetings, with the Australian Corporations Act stating that: “A company may hold a meeting of its members at 2 or more venues using any technology that gives the members as a whole a reasonable opportunity to participate.”

Therefore as long as there is at least one physical location for the AGM so that members or shareholders can meet the board face to face, there is actually no limit to the amount of virtual ‘locations’.



# New Zealand



The situation in New Zealand is not dissimilar to Australia, in fact Hybrid meetings are growing year on year. Recently organisations like Fletcher Building, Trustpower and Zespri have joined early adopters such as Z Energy, Spark and Xero.

*On top of this, there has been an emergence of 'Trans-Tasman' (Australia & New Zealand) meetings.*

Smartpay Holdings recognized Australia as a key growth market and thus they decided to hold their 2017 AGM in Sydney; to avoid alienation of their large New Zealand and International shareholder base, online participation was also encouraged for the AGM.



## Singapore

Annual General Meetings in Singapore are still primarily physical, this is due to a number of factors including small geographic size, cost effective public transportation and recent legislation. This legislation has, in fact, made attendance even more simple for local members and shareholders who own their Central Provident Fund which has created further spikes in attendance.

Due to the varying factors, there has been no necessity to develop Singapore's AGM to digital platforms, whereas other countries have seen advances due to one or more of the previously mentioned issues.

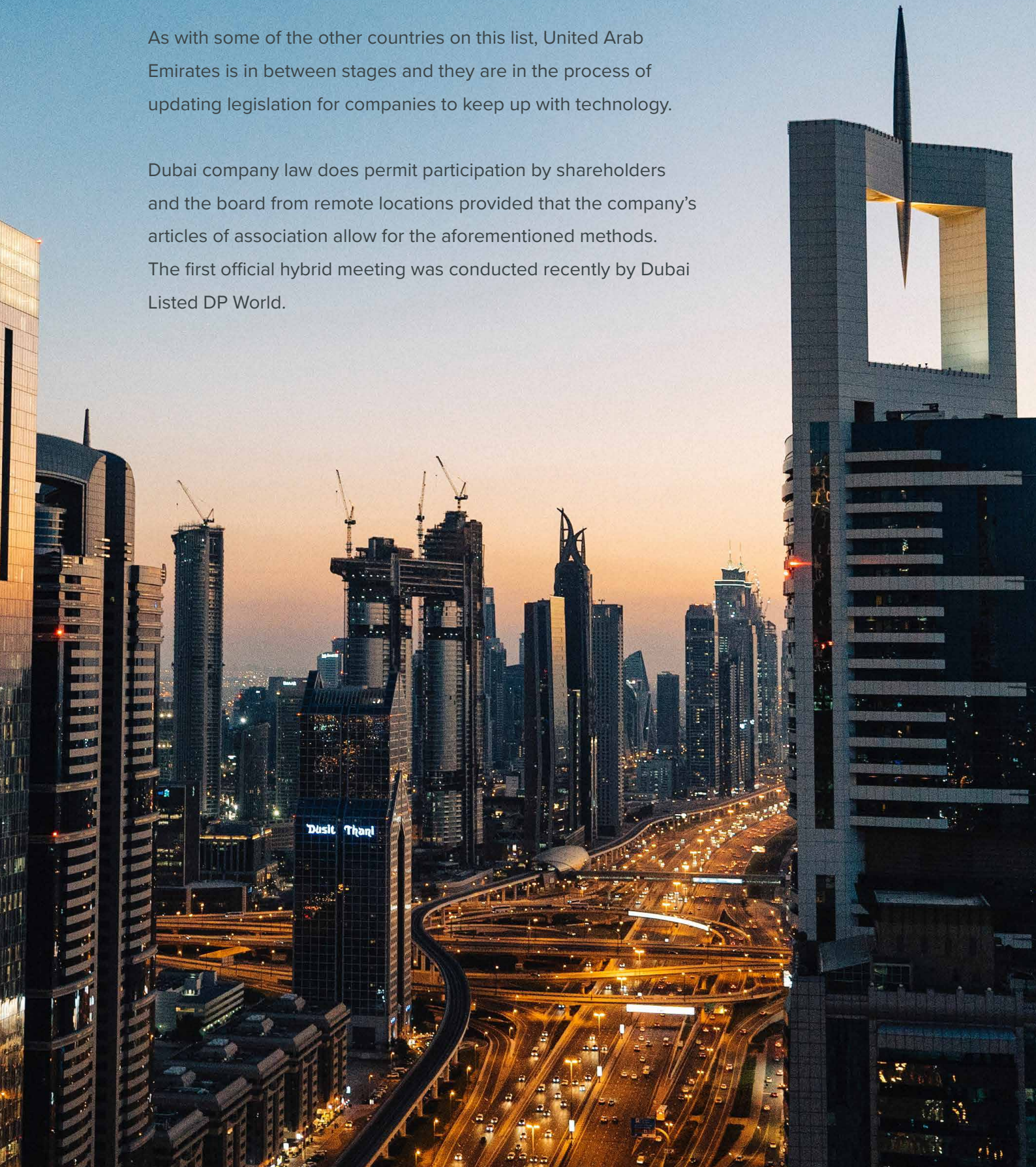
*Despite this, there is a growing interest within Singapore for utilizing online meetings to assist the ease of attendance in peak AGM or meeting season.*



# United Arab Emirates

As with some of the other countries on this list, United Arab Emirates is in between stages and they are in the process of updating legislation for companies to keep up with technology.

Dubai company law does permit participation by shareholders and the board from remote locations provided that the company's articles of association allow for the aforementioned methods. The first official hybrid meeting was conducted recently by Dubai Listed DP World.





# The Netherlands

The Netherlands has taken a unique approach in regards to the adoption of mobile meeting technology. As with some of the other countries on this list, truly hybrid meetings are still reliant on regulatory reform.

In anticipation of the eventual move to hybrid technology, attendees at a wide variety of physical only meetings of both listed and unlisted organizations, have used app technology for live polling and submission of questions.

The move towards apps, rather than paper polling or traditional audience response technology, is because of the belief that by the time that hybrid meetings are formally permitted the participants will be comfortable and experienced with the technology, making the transition much smoother.

An exception to the above are the meetings conducted by Royal Flora Holland, a member owned cooperative. Until 2018 its meetings were conducted simultaneously in 4 physical locations (The Netherlands as the primary venue, Israel, Ethiopia and Kenya as 'satellite venues').

Those in the satellite venues viewed the proceedings taking place in Holland via a webcast. They were also able to vote at the same time as the main venue with results being instantly combined, as well as having the ability to ask questions of the board, despite being thousands of miles away. In 2018 the decision was made to allow remote participation from anywhere, rather than requiring members to travel to 1 of the 4 venues.





## South Africa

In South Africa, AGM take place predominantly as in-room participation and engagement only events, as opposed to online.

Online platforms have been successfully tested in some settings, but the real barrier lies in the lack of infrastructure to support mobile, coupled with the high data costs. Therefore organizers are wary of the perception of placing financial burden on their members or shareholders.

## Conclusion

Despite the legislative nuances between countries, the overarching trend towards adoption of digital techniques to facilitate annual meetings is common around the world, with hybrid and virtual technology at the forefront of this transformation.

The ongoing reduction in shareholder attendance, as well as declining member engagement, means issuers and organizations are looking to technology to help reverse this trend, and re-engage with their base.

It is our opinion that over time, as shareholder bases become increasingly geographically diversified, that it will be near enough impossible for organizations to justify not offering some form of remote participation option alongside the physical meeting.

Having been fortunate enough to be able to work with a huge range of listed, non listed and membership organizations across the globe, it is clear that the trend towards the adoption, facilitation and acceptance of hybrid and virtual AGM is almost unstoppable.

As this white paper highlights, this is not an upcoming trend, hybrid and virtual AGM already have gained a lot of momentum around the world; physical-only meetings are on their way out and online participation is imperative. Furthermore, a recent report and subsequent video, produced by the ICSA, discussed how AGM are moving forward into the 21st century including the changes, the trends and the methods being adopted.

Therefore, for any annual meeting to evolve, digital transformation and the use of technology has to be embraced. The real focus for the future is not whether this technology should be adopted, but rather how the technology should be integrated. We need to establish and agree best practice in terms of process regarding the facilitation of questions and answers and making it as easy as possible for shareholders and members to cast their vote. In this way we can enhance the true purpose and relevance of the AGM.

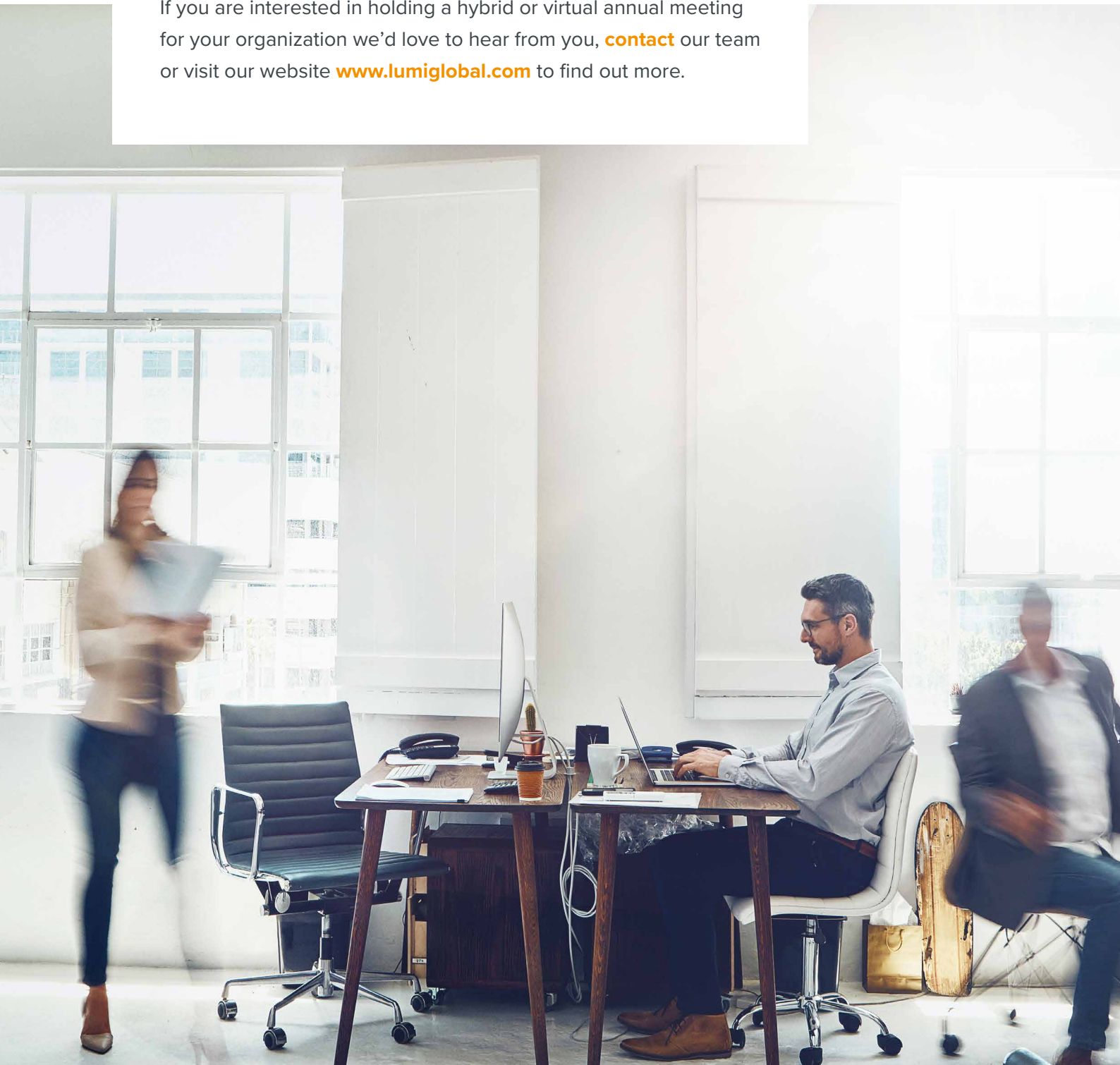




# About Lumi

At Lumi we are committed to helping membership organizations and companies improve their AGM with our technology, expertise and facilitation; as an industry leader we have helped countless clients host successful, secure and smooth hybrid and virtual AGM.

If you are interested in holding a hybrid or virtual annual meeting for your organization we'd love to hear from you, **contact** our team or visit our website [www.lumiglobal.com](http://www.lumiglobal.com) to find out more.



# Contact

## AUSTRALIA

Name: Oliver Bampfield  
Email: [oliver.bampfield@lumiglobal.com](mailto:oliver.bampfield@lumiglobal.com)  
Numbers:  
Sydney: +61 2 8075 0100  
Melbourne: +61 3 8669 5160

## BELGIUM

Name: Rita Baeyens  
Email: [rita.baeyens@lumiglobal.com](mailto:rita.baeyens@lumiglobal.com)  
Number: +32 3 740 33 00

## FRANCE

Name: François Lenormand  
Email: [francois.lenormand@lumiglobal.com](mailto:francois.lenormand@lumiglobal.com)  
Number: +33 1 84 19 57 80

## HONG KONG

Name: Merion Trask  
Email: [merion.trask@lumiglobal.com](mailto:merion.trask@lumiglobal.com)  
Number: +852 3728 9700

## NETHERLANDS

Name: Frank Schoonhoven  
Email: [frank.schoonhoven@lumiglobal.com](mailto:frank.schoonhoven@lumiglobal.com)  
Number: +31 346 860 000

## MIDDLE EAST

Name: Yousef Qaren  
Email: [yousef.qaren@lumiglobal.com](mailto:yousef.qaren@lumiglobal.com)  
Numbers: +971 4 501 5505

## SOUTH AFRICA

Name: Andrej Vlader  
Email: [andrej.vlader@lumiglobal.com](mailto:andrej.vlader@lumiglobal.com)  
Numbers:  
Gauteng: +27 87 806 4284  
Western Cape: +27 21 065 0355

## SINGAPORE

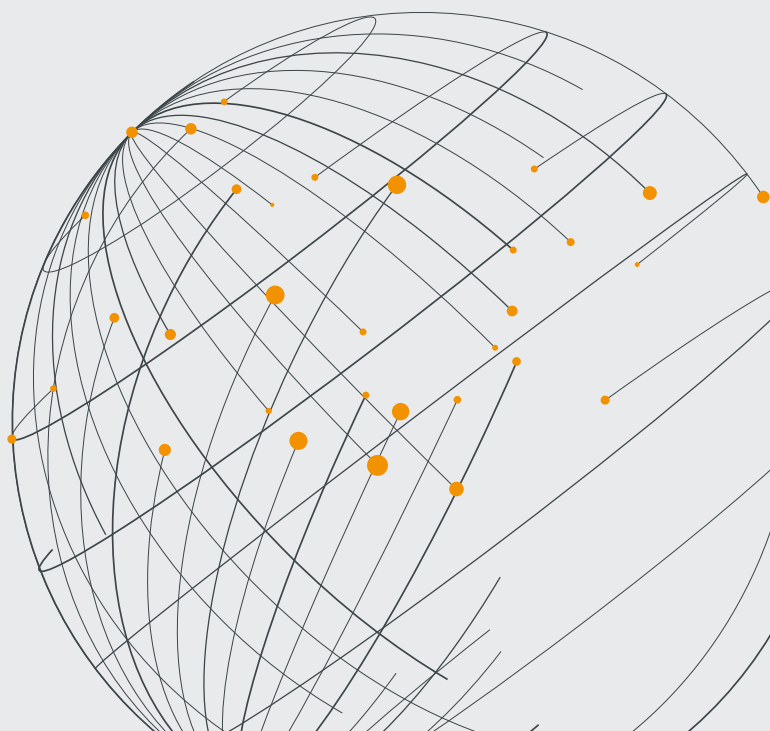
Name: Merion Trask  
Email: [merion.trask@lumiglobal.com](mailto:merion.trask@lumiglobal.com)  
Number: +65 (0) 6385 6676

## UNITED KINGDOM

Name: Pete Fowler  
Email: [peter.fowler@lumiglobal.com](mailto:peter.fowler@lumiglobal.com)  
Number: +44 3300 583 952

## UNITED STATES

Name: Simon Bryan  
Email: [simon.bryan@lumiglobal.com](mailto:simon.bryan@lumiglobal.com)  
Number: +1 612 851 2037





# References

Australasian Legal Information Institute, (2018).

‘Corporations Act 2001 - Section 249S - Technology’.

Broadridge, (2018). ‘Principles and Best Practices for Virtual Annual Shareowner Meetings’.

Broadridge, (2018). ‘Virtual Shareholder Meetings 2017’.

Computershare, (2017). ‘Insights from Annual General Meetings held in 2016’.

Computershare, (2018). ‘Insights from Annual General Meetings held in 2017’.

Equiniti, (2017). ‘Annual General Meeting Trends 2017’.

Glass, Lewis & Co, (2017). ‘Guidelines an Overview of the Glass Lewis Approach to Proxy Advice’.

ICSA, (2018). ‘21st Century AGM’.

Mondo Visione, (2018). ‘Shareholder Engagement is Increasing Via Technology’.

Prism Cosec, (2017). ‘Annual General Meeting Trends’.

South African Government, (2018). ‘Companies Act, 2008, Part F, Section 61(10) - Shareholders Meetings’.