

HOW TO CONDUCT A
SUCCESSFUL
ANNUAL
MEETING

A PLAYBOOK FOR TODAY'S CORPORATE SECRETARY

PLAN. BUILD. CREATE. EXECUTE.

OVERVIEW

Conducting an annual meeting is much more than a requirement to meet complex regulatory obligations. It is an opportunity to effectively communicate with and engage your shareholders so they participate in proxy voting and support initiatives at your annual meeting.

Complying with SEC and state rules will always be vitally important. Failing to do so can be costly for your business. However, your annual meeting also equally supports the following objectives:

- Creating awareness of your company's corporate governance
- Offering proposals that can influence business performance and growth
- Engaging shareholders and maintaining their trust and loyalty
- Determining any shareholder unrest so it can be addressed



NAVIGATING THE COMPLEXITIES OF ANNUAL MEETINGS

In addition to complying with rules and regulations, evolving technology and generational shifts have created additional complexities for corporate secretaries, investor relations officers and others involved in an already multi-faceted process.

IN TODAY'S increasingly diverse investment services industry, engaging shareholders through the traditional advisory world is no longer simple. Digital brokers and robo-advisors are added into the mix daily with the traditional brokerage houses. Brokerage fees, trading costs and commissions are dwindling — in a growing number of situations to zero. The retail industry is seeing an unprecedented move of advisors from one firm to another as they try to cope with the changing environment. In addition, with the equally diverse sub-group of institutional investors — such as mutual funds, pension groups, managers, hedge funds, venture capitalists and the like — you are left to figure out how to effectively reach out to ALL of your diverse shareholders at the same time and provide information so they can make a voting decision that would be supportive of your board and management.

To successfully navigate the complexities of annual meetings, you need a customized plan and flexible solutions that will enable your company to best reach and engage shareholders. For instance, you need to:

- Determine what kind of meeting to plan — in person, online or a hybrid — that will work best for shareholder participation.

- Choose the right technology platform to help make your meeting run as smoothly and seamlessly as possible.
- Decide the best way to reach shareholder audiences from Millennials to Gen X, Y and Z to Baby Boomers. Where will you find them? What's important to them? How should you engage with them in the proxy voting process?
- Align your message to institutional investors and assess their total voting influence at your shareholder meeting.
- Evaluate what kind of partner or partners can help you comply with regulations and reach your shareholders wherever they may be found.

It's no longer a simple process where you just hire a firm to send out your annual report and proxy materials and tabulate the returns. Most companies want more from a partner today. Since many issuers cannot maintain all of the expertise and skills in-house to deliver the most successful annual meeting possible, finding the right partner for your needs and building a productive team is vitally important. Also, in most situations, a shareholder meeting occurs once a year, and having a professional that specializes in the process can be an invaluable asset to the team.



TURNING
COMPLEXITIES
INTO
OPPORTUNITIES

You can turn challenges into opportunities for your firm if you properly navigate the complexities of annual meetings.

- **Reach shareholders where they are** — Technology is making it possible now to reach shareholders in their preferred communications channel and on their preferred devices. Having a generationally diverse investor base requires continuity of traditional paper communication while supporting digital access to documents, voting and the meeting itself, which is key to reaching younger generations.
- **Increase engagement with two-way communications** — With today's digital tools, you can not only send messages to current and potential shareholders, but also listen to them and even engage in real-time. The annual meeting and proxy voting process offers companies new communication opportunities throughout the year.

A customized plan and flexible solutions will enable your company to best reach and engage shareholders.



PLANNING: WHAT DO YOU NEED?

Companies too often replicate the identical annual meeting process year after year. While organizations, like individuals, can be resistant to change, you have an opportunity each year to review past meeting processes and customize your plan based on this and the current business landscape. You can determine whether you can streamline your efforts, make your process more cost-effective, find new opportunities for shareholder engagement, update or upgrade the technology you use and other measures for maximizing success.

TO RUN A SUCCESSFUL shareholder meeting, start by preparing a proxy timeline calendar. This will help you:

- Stay on top of timing for compliance with SEC and state-mandated actions and dates for broker search, Depository Trust Company (DTC) notifications, Form 10-K filings and other key benchmarks.
- Identify when to trigger partner activity along the way.
- Plan the lead time needed to effectively and efficiently reach out to all shareholders concurrently.

While building a timeline may seem pro forma, this activity can also help you identify and plan against key learnings from past annual meetings. For instance, was a provision established for sending reminders if proxy returns were lagging from your retail shareholder base? Was 30 days in advance for mailing proxy materials sufficient for your shareholders or would more time be helpful? Did you start planning early enough?

One quick note on timing for planning: most companies kick off their process six months prior to their annual meeting day. But at Mediant, we start speaking with some companies as far as nine months ahead of time. Like all elements of annual meeting production, this varies from company to company as it depends on the time it takes for turnaround and decision-making at your company. You're the driver on this.

Another variable is how long turnaround and response times are with your partners. It's better to know this well in advance. We'll discuss more about this in the next section on team building.



BUILDING YOUR TEAM

The number of people who are involved with your annual meeting process can be extensive. To achieve the best results, build a team in which roles are clear and, at the same time, everyone is happy to collaborate and coordinate with each other to make it a smooth and seamless effort.

YOUR TEAM should include both in-house members and outside proxy solutions, tabulation and other partners. We like the idea of partners — rather than vendors — because you need to work with people who have a vested interest in your success and follow detailed processes to ensure that you receive the most reliable and scalable support to help you reach your objectives. Keep this in mind during team building.

Partners must understand the roles, responsibilities and needs of each member of your in-house team. We consider ourselves and your outside counsel as part of the “insider group” as we work with you long-term on everything from proxy compliance to shareholder messaging and logistics.

Effective partners should serve as advisors and be proactive in helping you move forward according to plan. They should have a proven track record as well as the industry knowledge and material expertise to:

- Consult on your existing process and make recommendations.
- Coordinate annual report reproduction and distribution with your CFO.
- Work with your legal team on proxy materials development.
- Communicate with your public relations and/or investor relations department or agency on releasing critical information.
- Provide information to your human resources department on employee concerns about proposals and voting their shares if you have such a plan in place.

In choosing a partner, you’ll also want to determine whether it’s more beneficial to have separate providers for proxy solutions, inspector of election services, etc., or to have one provider that offers a total platform of solutions and services. This decision will depend in part on what partners – or vendors – you already have in place, which could influence your level of interest in changing the status quo. To achieve the best results, it pays to examine that status quo.



CREATING A SMOOTH, EFFECTIVE PROCESS

If you're considering a change to your current meeting type, your proxy partner should be able to help you analyze your shareholder base, past annual meeting attendance and voting results. Based on that information, your partner can recommend how you may benefit from changing from an in-person meeting to a hybrid one. In addition, your partner can help you compare costs and provide a cost/benefit analysis.

IF YOU'VE DETERMINED that your online proxy solution needs to be more advanced, you will need a partner who can provide an SEC-compliant and user-friendly website, ideally carrying your branding, and have it ready to post your proxy materials by the required date. Your proxy provider can help you engage shareholders and offer an online voting option and detailed reporting.

Your proxy solution partner, if not directly providing other services, will coordinate with your transfer agent, tabulator, inspector of elections and any other third parties so that key deadline dates are met and communication among these providers is responsive and seamless.

Your partner will have robust, ongoing reporting available to help you keep up-to-date on proxy voting results. This will enable you to take any necessary interim steps to build a quorum by your annual meeting day. Your proxy partner will have become familiar with your shareholder profile and past voting habits so they can recommend the appropriate steps if voting is lagging. For a largely retail shareholder base, send a reminder email notice to those who opted for online access or deliver another proxy card by mail to those in the print population. For institu-

tional shareholders, your partner will recognize that this group is known for voting later in the process, much closer to the meeting date.

If your proxy partner includes additional team members to deliver a full-service solution for your annual meeting process, their efforts should be seamless to you. An ideal example of this teamwork is Mediant's partnership with Donnelly Financial Solutions (DFIN), which unites proxy material document production, filing and printing; corresponding online company-branded document posting; distribution of both electronic and hard copy versions of documents; and official tabulation. We work together to guide clients in all aspects of decision-making and implementing their choices.

During your annual meeting process, if a question arises from a member of your in-house team regarding an addition, amendment or correction to materials, your extended proxy team at both Mediant and DFIN are fully engaged for immediate action. The objective is that our two groups act in concert to make it easy for your in-house team to execute the process and promote a smooth journey to your annual meeting day. This type of partner-to-partner relationship can greatly contribute to successful events.



EXECUTING YOUR PLAN TO MEET CORPORATE OBJECTIVES

The best annual meeting process will be customized to your company. At the same time, it will be educational for your team, providing insights that will help you fulfill corporate objectives. If your proxy partner performs well, the result should be having a clearer vision not only of the annual meeting process, but of the larger picture as well — especially of your owner base.

THIS DEEPER KNOWLEDGE will help you specialize and craft messaging that will both engage shareholders and build support for your proposal positions. The better you engage, and the more you understand about your shareholder ownership profile, and on the proper channels, the more likely your anxiety will lessen from the

process. Plus, you may receive more shareholder feedback to factor into business decisions in the year ahead.

We believe that taking a new view of your annual meeting day as we've laid out for you in this play-book will help turn this effort from an annual chore into a true value-add for your company.



For more information, visit www.mediantinc.com or email marketing@mediantonline.com

John Lopinto is manager of Issuer Solutions at Mediant, responsible for the day-to-day activities and guidance of the team's project management solutions. His experience includes more than three decades in the shareholder communications industry with the majority of his career spent at solicitation firms. John is an industry expert on shareholder communications, assisting and guiding companies and investment firms in creating messages that generate positive vote responses.

Mediant delivers investor communications solutions to brokers, corporate issuers and funds. Our solutions are driven by leading technology and strict compliance with industry regulations, which allows clients to balance innovation with requirements. We enable brokers to effectively manage all potential touchpoints within the investor communications lifecycle — from proxy statements and prospectuses to voluntary corporate actions. We provide corporate issuers with turnkey proxy processing, and we empower mutual funds, REITs and insurance companies with a full-service, end-to-end proxy solution.