The 2020 AGM season is upon us at a time of the fast escalating coronavirus pandemic. This briefing looks at the implications of coronavirus on AGMs.

Public companies must hold an AGM within six months of their financial year end. By their very nature, AGMs entail people travelling to gather in one place. This raises questions over possible government bans on travel and limits on the number of people who may gather in any one place. Also, the venue for the AGM may have to close at short notice for deep cleansing. This all presents companies with significant uncertainty around planning the AGM and deciding what contingency plans are available.

How a company decides its approach to its AGM will in part depend on where it is in its reporting cycle and how it perceives the pandemic playing out.

**Before the AGM notice is sent out**

If a company has not yet sent out its notice of AGM and if it has quite some time before the six months expires, the company may decide to ride it out and delay sending out the notice. This may allow for the worst of the pandemic to pass, enabling the company to hold its AGM in calmer, more certain times.
If a company decides to pursue holding its AGM, it should first check its articles of association to see if it can hold a hybrid AGM. This option, if available, would enable the company to hold its AGM with shareholders being offered to choose (or encouraged) to attend electronically, without the need to travel or attend in person. The AGM would still require a quorum to be present at the designated venue, but this requirement would usually be met quite easily by shareholder directors being present and usually low-level quorum thresholds.

**After the AGM notice has been sent out**

If a company has already sent out its notice of AGM for a physical meeting it should consider whether it would be possible to convert it into a hybrid meeting. If that is not possible under the articles, the company should encourage shareholders via a regulatory news service (RNS) announcement to use their proxy vote rather than attend in person.

In the event that a physical meeting does take place, the company should contact shareholders shortly before the meeting urging them:

- Not to attend if they have any symptoms of Covid-19 or have been in contact with someone who does.

- To wash hands thoroughly for at least 20 seconds before entering the AGM venue.

- To cover mouth and nose with a tissue or sleeve (not hands) when coughing or sneezing.

- To avoid handshaking.

- To use the hand sanitiser and tissues available at the venue.

The board should consider whether the NEDs should attend by telephone rather than in person, noting that shareholders are likely to expect the chairs of Audit and Remuneration Committees to be present to answer any queries. Advisers should be asked to send only one attendee to keep the numbers down. The venue should be arranged so as to create the greatest distance between attendees with some seats and rows kept empty and consideration given to cancelling the usual post AGM reception between the directors and attending shareholders after the AGM.
**Government bans and venue closure**

If the government introduces a ban on meetings over a certain size which could impact the AGM or where the venue is closed at short notice the company will need to contact shareholders by way of a RNS announcement. Depending on what is permitted by the articles, the company could postpone the meeting to a later date. In some situations, the company might be able to open the meeting and immediately adjourn to a later date.

In any event, the company should consider preparing draft RNS announcements that deal with discouraging attendance in person, postponement or adjournment.

This advice is as of 18 March and may change given the UK government’s ongoing advice in relation to travel and gatherings of people.

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