



# Planning a Successful Annual Meeting

Tips from 2engage™

---

*April 2018*



## Congratulations!

The proxy materials have been (or soon will be) filed and distributed to stockholders and now it is time to coordinate the annual meeting of stockholders. This whitepaper details basic elements to consider when planning a successful annual meeting.

## The Crucial Role of the Corporate Secretary

The Corporate Secretary is usually designated as the point person to organize the main elements of the annual meeting because he/she is familiar with meeting formalities and has the contacts with the internal departments needed to make the meeting a success. Whether the Corporate Secretary is leading the organizational effort or not, it is important to have one leader that will drive key matters like the meeting purpose, agenda, script, podium book, security and other logistics.

One of the first steps after filing the proxy statement is the formation of a working group, comprised of the Corporate Secretary and individuals from investor relations, corporate security and corporate communications, that will plan for and provide support on the day of the annual meeting. In addition to developing pre-meeting materials described below, the working group can provide other functions vital to the meeting being held without major hiccups.

## Meeting Purpose

The annual meeting is an opportunity for the company, management and the board to interface with stockholders and to convey a positive corporate image and message. Therefore, the purpose of the annual meeting, beyond the satisfaction of state law requirements, should be determined early. Clarifying the purpose will inform several factors, including: the scope of meeting; how much is spent; the meeting length; appropriate themes, target audiences, etc. Due to the impact of these factors, the style and format of an annual meeting varies from company to company.

For instance, some companies may want to focus on new growth opportunities, a new breakthrough or product, a new leader, or an unexpected downturn. Conversely, a company might like to reign in its messaging and focus on simply covering the bare minimum requirements for an annual meeting. Depending on the direction and focus of the company, the annual meeting can be very short or be a more elaborate affair. Increasingly, companies and their boards have aimed for shorter and more efficient meetings in which the past year's financial results are quickly reviewed, a brief outlook on the current environment is presented, followed by voting and then adjournment.

## Agenda

The proxy statement has already set forth the items to be voted on at the meeting. In addition, to these items, an agenda consisting of business related matters must be created. Typically, the agenda will include standard items like: the formal opening of the meeting; an introduction of directors; a "year in review" section; and, perhaps, brief statements on the company's future. An agenda should be printed for each attendee. On the reverse side of the agenda, some companies have found it useful to include the meeting rules of conduct to provide notice of the ground rules and actions that may be cause for ejection from the meeting (see below for more information).

## Meeting Script

A meeting script should be drafted to make sure there are smooth transitions between agenda items. The script should clearly mark the separation and transition between the business of the meeting and the voting/Q&A period. The business portion of the meeting is related to company presentations and other non-voting matters. After the business portion is concluded, the script may guide the CEO or Chairman through the opening of the polls and voting on each matter. After the voting is over, the script should close the polls so that the votes can be officially tabulated even if things get unwieldy during the following Q&A period or open session.

With an appropriate script, no essential issues will be missed and the movement between items and ideas will be efficient and keep the momentum of the meeting moving steadily.

Each company should have clear rules of order that set forth acceptable conduct and meeting protocol, including who may speak and when as well as other considerations such as grounds for removal from the meeting. To maintain good order at the meeting, the number of questions allowed should be stated as well as how many minutes each person will have to ask questions or to make a statement (three minutes per person should suffice). As mentioned above, the rules of conduct should be printed on the reserve side of the agenda, but also should be mentioned or referenced in the script so there is no question that attendees are aware of these rules.

Additionally, many companies have also developed an “emergency script” to be used to adjourn or suspend the meeting in the event of a (natural or man-made) disruption.



## Podium Book

Significant time and resources are sometimes invested in creating a “podium book” for the CEO or Chairperson (whichever is presiding) to use during the annual meeting. The podium book may be thought of as a quick-reference guide to prepare responses for various questions that may be raised at the meeting. The podium book can be shared with other executive officers that might be in a position to answer questions during the meeting. It may take several weeks and input from various departments to have a comprehensive podium book. The podium book should be arranged alphabetically according to potential subject matters that may be raised during the meeting. For instance, background information related to questions about operations, annual meeting vote history, legal expenses, pension plan changes, etc. should be arranged in a clear and easy to understand and reference format in the podium book..

## Security

Enough security should be utilized without creating an intimidating atmosphere. Depending on the size of the anticipated crowd, it may be appropriate to have up to three or four plainclothes police officers at the meeting site. One of the officers should be a woman in case a female attendee needs to be taken into custody or removed from the event due to disruptive behavior. Company security

should also have a plan to lead personnel and directors from the room expeditiously following the meeting or in the event of a disruption caused by unforeseen circumstances like a power outage, fire or protesters. Security also should be aware of the potential for disgruntled employees (current and former) to attend the meeting with the intent to disrupt the proceedings and have a plan to address this type of scenario.

## General Logistics

A comprehensive checklist of items and issues (with delivery dates and deadlines) should be created early in the process. The checklist should have tasks such as: rules of order; invite list; security; admission procedures; audio/video equipment set-up/check; and tabulator and inspector of election documents. It is helpful to establish deadline and delivery dates for certain items such as the podium book and meeting script so that appropriate revisions can be made in a timely fashion.

The checklist should identify a date several weeks in advance of the annual meeting when final decisions are made regarding issues like: whether the meeting will be recorded and archived as a webcast; how overflow rooms will be handled; and whether cell-phones will be allowed into the meeting. The checklist also should schedule a walk-through of the meeting space facility a week or so in advance to make sure the proper entry and

egress points have been identified, the seating arrangements are optimal and support services for audio-visual equipment and lighting are operational.

At the meeting, the Corporate Secretary should have extra copies of the proxy statement, by-laws, and articles of incorporation on hand. The Corporate Secretary should also review these documents beforehand just in case technical questions are raised regarding proper procedure or information provided to stockholders in the proxy materials.

Admission and check-in procedures should be established so that attendees can be processed quickly. According to the checklist, volunteers assigned to admit attendees will be instructed in advance on how to assign each attendee the respective badge (i.e., stockholders, media, employees, vendors, etc.) to be worn during the meeting. “Meeting counsel” (lawyer volunteers from the company) can be selected to assist in resolving matters related to admission (i.e., attendees presenting proper identification or other validation of their right to vote or attend the annual meeting). For example, meeting counsel can re-iterate admission policies (e.g., proof of ownership as of record date for admittance) to difficult attendees or help process important “VIP” guests.

Most companies pay special attention to ensure that the elderly or those with disabilities or

special needs are accommodated. In preparing for the meeting, always consider whether a sign language interpreter is needed or if accommodations are necessary for the blind. It is important to make sure that all stockholders feel welcome at the meeting. Lastly, be sure that the admission requirements expressed at the meeting do not contradict those set forth in the proxy statement.

### **Bringing it All Together**

Using the information detailed above can help in planning a successful annual meeting of stockholders. Chances for a smooth and seamless annual meeting greater increase if planning is done early, the right resources are utilized and a comprehensive checklist with deadlines and duties is used. Good luck in having the meeting that you, your company and board desire.



## About 2engage

**2engage is a responsive, customer focused firm that offers a full range of SEC Reporting, Financial Print Services, and Corporate Governance solutions to assist companies in engaging their investors, employees and customers through the multichannel preparation and execution of their communications. Our practice is built upon creative professionals who possess sharp business acumen, can develop strategy and thoughtful design, and deliver implementation best practices.**

Visit us at [www.2engagefm.com](http://www.2engagefm.com).

---

This information is provided by 2engage for educational and informational purposes only and is not intended, nor should it be construed, as legal advice. Copyright © 2018 2engage All rights reserved.

2engage, its logo, and Empowering Stakeholder Engagement are trademarks of 2engage.

## Contacts

### Arden T. Phillips

Senior Business and  
Legal Counsel  
[aphillips@2engagefm.com](mailto:aphillips@2engagefm.com)

### Alvin Huntspon

Director, Corporate Governance  
and Strategy  
[ahuntspon@2engagefm.com](mailto:ahuntspon@2engagefm.com)

### Dwayne R. Hampton

Managing Director  
[dhampton@2engagefm.com](mailto:dhampton@2engagefm.com)

## Follow Us



2engage™

EMPOWERING STAKEHOLDER ENGAGEMENT