



NSE'S GUIDANCE ON VIRTUAL MEETINGS – WHAT LISTED COMPANIES SHOULD KNOW

Introduction

In response to the challenges of having physical meetings occasioned by the outbreak of the Covid-19 pandemic, the Nigerian Stock Exchange (“**the Exchange**”), on April 15, 2020, published the Guidance on Companies' Virtual Board, Committee and Management Meetings (the “**Guidance Notes**”).

The Exchange's objective for the Guidance Notes is to provide companies with direction on adopting best practices and procedures, and complying with applicable corporate governance standards for the successful conduct of virtual meetings.

It is important to note that the Guidance Notes is particular about the conduct of board, committee or management virtual meetings and provides no direction on the conduct of shareholders' general meetings.

Regulatory Considerations

The Companies and Allied Matters Act, 1990 (“**CAMA**”) which regulates company meetings provides in Section 263(1) that directors of a company are authorized to “meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit”. The CAMA is silent on the conduct of board meetings via virtual means. However, over the years, companies have inserted provisions in their articles that allow holding of board meetings virtually. It is necessary to mention as well that Section 216 of CAMA only states that General Meetings shall be held in Nigeria without specific mention of whether same can be held virtually or not.

Virtual Meetings – Participation and Stakeholders' Concerns

The Guidance Notes describes Virtual Meetings as the effective communication of people during pre-scheduled teleconferences, web conferences, or video conferences, with the ability to utilize video, text or audio features via the meeting medium, whilst being in the same virtual space for a specific period, irrespective of their physical locations.

Although the virtual mode of conducting meetings appears efficacious, reliance on this mode alone raises concerns of the risk of Management exerting



excessive control due to the diminished ability of the participants have their questions and concerns heard and the loss of opportunity for physical and direct engagements, and its attendant benefits.

The Exchange urges companies to take all relevant stakeholders' interests into account and conduct virtual meetings in an accessible, transparent, efficient, and cost-effective manner, while meeting the important business and corporate governance needs of all relevant stakeholders.

Notable Elements of the Guidance Notes

To adopt best practices for the facilitation of virtual meetings, the Guidance Notes provides the following as guide:

1. Company Secretary's Responsibilities – The Company Secretary is charged with the responsibility of convening and attending physical company meetings under the direction of the board/committee chairperson. For the facilitation of virtual meetings, the Company Secretary is required to:
 - a. Prepare the agenda, clearly setting out the matters to be considered, the presenters and time allotted.
 - b. Arrange for the attendance of external attendees when their attention is required only. This is to protect company information.
 - c. Confirm attendance and avail attendees or their authorized representatives the relevant equipment, connection requirements, codes or links for seamless connection and participation.
 - d. Distribute all meeting materials promptly in line with the requirements of CAMA and any virtual meeting Policies of the company.
 - e. Procure all such equipment necessary to facilitate a hitch free meeting.
 - f. Provide support by ensuring that all virtual attendees are promptly notified of any changes to the agenda, conference call-in number, codes, links for accessing selected meeting media, or any major disruption or changes prior to the meeting and attending to any disruption of connection, or request for a copy of any presentation, or other requests/concerns during the meeting.
 - g. Seek technical support from the technology and information security team/personnel to devise means of protecting virtual meetings from being hijacked, eavesdropped on, infiltrated, or manipulated. Security steps should be cautiously executed so as not to breach due notice requirements under relevant law.

- h. Run a test prior to the meeting to ensure virtual attendees' audio, video, and text facilities (as applicable) are functioning well.
- i. Ensure the projection of materials being reviewed at the meeting on the virtual platform to keep the participant's focused.
- j. Alert the Chairperson when a question is raised or a participant wishes to speak.

2. Chairperson's responsibilities – As with physical meetings, the Chairperson is to preside over virtual meetings. The Chairperson should:

- a. Create rules of engagement and the use of the features of the virtual platform at the meeting.
- b. Ensure strict adherence to the agenda and that all virtual attendees stay engaged and actively contribute.
- c. Set expectations and establish meeting goals and objectives.
- d. Keep a list of virtual attendees and their phone numbers for ease of reach in the event of a technological glitch.
- e. Debrief at the end of virtual meetings.

3. Virtual Attendees' Responsibilities

- a. Prompt notification of the Company Secretary of their intention to attend the meeting.
- b. Attendees are to ensure confidentiality of information received and maintenance of a private remote meeting space to protect company's discussions from being overheard by third parties.
- c. Use best endeavors to attend all meetings, read all documentation and prepare thoroughly in advance of meetings.
- d. Board, Committee, and Management members are expected to participate fully, frankly, and constructively in discussions and bring the benefit of their knowledge, skills and abilities to bear.
- e. Maintain decorum and adhere to the rules of engagement and any virtual meeting policies throughout the duration of the meeting.

Conclusively, all participants are enjoined to maintain a well groomed physical appearance for virtual meetings. Companies may also include provisions specifying how participants should dress in the Charter or Terms of Reference for the Board, Committee, or Management meetings. Participants should also pay attention to their remote workspace, having regard for the need of others and other attendees.

For further information on the foregoing (none of which should be taken as legal advice), please contact:



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