"Conduct of the Annual Meeting"

Audio Archive

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Even if a company's previous annual meetings have gone smoothly, it's dangerous to assume this year's meeting will be the same. In addition to evolving meeting formats and communication strategies, investors are becoming increasingly vocal at meetings and asking tougher questions. Meetings have become real shareholder events as more shareholder proposals gain majority support and "vote no" campaigns grow. Finally, there are many thorny issues regarding how to count votes.

Join these experts:

- **Jennifer Card**, Senior Counsel - Securities, Governance & Corporate, McDonald's
- **Carl Hagberg**, Independent Inspector of Elections and Editor of The Shareholder Service Optimizer
- **Brandon Smith**, Executive Counsel - Corporate, Securities & Finance, GE

John Jenkins, *Editor, TheCorporateCounsel.net:* Hi. This is John Jenkins, editor of TheCorporateCounsel.net. I'd like to welcome you to today's program, "Conduct of the Annual Meeting."

Annual meetings are the centerpiece of the corporate year for many companies, and they present a lot of logistical and other challenges in any year. Those are heightened this year with the additional complexities associated with the coronavirus outbreak.

Now, those issues are still evolving and while our panelists are likely going to provide some thoughts on them, bear in mind that this is a live issue for their organizations, and they may be constrained in their ability to get too far in the weeds and talk about specific actions that may be under consideration.

We've got a great panel here today. Joining me are Jennifer Card, Senior Counsel - Securities Governance and Corporate for McDonald's; Carl Hagberg who's an Independent Inspector of Elections and Editor of The Shareholder Service Optimizer; and Brandon Smith, Executive Counsel, Corporate Securities and Finance for GE.

With that, I'm going to turn it over to Carl to kick off the discussion of annual meeting logistics.

Meeting Logistics

Carl Hagberg, *Independent Inspector of Elections and Editor, The Shareholder Service Optimizer:* Thanks, John. We've got a lot to cover. I'm a New Yorker, so I'll try to go fast. For starters, I'd love to point you to a booklet that Broadridge put out called "How to Make Your Annual Meeting Day Run Smoothly and Successfully." It covers a lot of the stuff that we're going to cover. We'll be trying to hit the new stuff and the emerging stuff, but I would point you to that as a good resource.

I don't know whether I'm bragging or complaining, but I've been to over 500 meetings in my career - and the Inspectors of Election on my Team do about 500 meetings a year. And every time I think I've seen it all, something new comes along. So what I'd like to do is a quick skim over the highlights of meeting logistics, bearing in mind that there's a good resource out there for you, and then take just a few minutes on some practical thoughts that you could noodle on or think about in light of the current environment.

As to the venues, there's a good discussion of venues in the White Paper and most of you probably have your venues picked by now. For small meetings, I love law offices because if you have 15 people, there's excellent security at most law firms, free coffee, wonderful video conferencing - so for small meetings, very, very good.

I'm not that keen on company sites unless they're really well set up for it. Part of it is that people come in, they think that hey, they are the share owners and often tend to act up a bit more than they would in a hotel. Many times the meeting facilities are embedded deeply in the headquarters building, so you've got people traipsing through your building: It's not my favorite thing.

Hotels, for larger meetings - there's a lot to be said for them because they've got a wonderful security infrastructure; they work with the police all the time. They've got wonderful rules about no signs, no costumes, no picketing and so there's a lot to be said for them.

I don't like high school gyms. I don't like concert halls too much. Surprisingly, they often have issues for handicapped people and for easy egress. So, that's about it.

Next, a quick word on virtual shareholder meetings. My own guess is that many more people will probably opt for this in 2020. About 350 or so companies did so in 2019, and more might say it's a good year to experiment with this. So, if your state law permits, it might be something to look at if your time and situation permits.

To me, the most important thing about a venue is security. In today's world, everybody needs to have excellent security at an annual meeting. You never know who's coming or how many, so it is very important and that you have a plan in case the worst thing that you can think of could happen to you.

Some people like to have plainclothes security unless there have been some issues. If you've got people acting up or whatever then maybe you want to have some uniformed people there.

I love this expression, the "beefy greeters": Troublemakers can quickly pick them out anyway and that's good. My favorite tip, courtesy of Peggy Foran of Prudential, is to always have at least one female security officer. It used to be that women would never act up in public, but sometimes now they do. So, that's it re: security. Very, very important.

The first thing that I look for when I get into the room is what P.T. Barnum called the "egress." If you're shopping for a site or looking at a site, make sure you know exactly how people can get out and how they can clear the room in a hurry. Be sure to point out the exits in the Chairman's opening remarks and always be prepared with an "emergency script" to close the meeting and clear the room fast if there should be an emergency, a fire alarm, a power outage, whatever it may be.

Today, there's been quite a good focus - I like this - people pay more attention to accommodating people with special needs. Hey, most stockholders are getting up in years, and so that's nice.

The other thing, very important, too, is good signage, especially if you're in a large venue - whether it's in your own office or in a hotel. Sometimes people come in and if they can't find the meeting, they get very frustrated - and some have trouble finding the meeting even *with* good signage. So make sure you have good, large and prominently-placed signage.

Another very important thing is vetting would-be attendees: Having written admission procedures, including clear rules as to guests. You don't want to be making these rules up as you go in. Today, I believe every public meeting should require that people come with ID. I believe that *stockholders* should come with a proxy card or a voting card and a picture ID in order to be admitted.

Then you need to have a rule as to whether you'll let shareholders bring guests in or not. A very good way to handle that, or at least to think about, is to have an overflow area where if more people show up than you expected, or bring non-stockholders as guests, they could just watch or listen to the webcast or the webinar from there.

I've been getting a lot of calls from people in light of the coronavirus, and many of them are simply looking for ways to decrease attendance by staff members have fewer staffers and maybe fewer officers and directors. That's something to think hard about this year; to decrease the attendance by staff members and maybe to try hard to decrease stockholder attendance as well.

Maybe a lot of people aren't going to be dying to come to big public meetings anyway, but it would be smart to really make sure that people are aware - to have a webcast, make sure that people are aware of it, that they can listen from home, from their computer or from their phone. I would say while you're at it, take a little trouble to make it a useful experience for them.

I'm keen on visuals. I guess I'm a visual person, so I like to see things that are interesting. It's nice to see the directors. It's nice to see the chairman speaking. Many companies video their meetings anyway, so this is a good year to think about doing that, making the meeting into a good experience.

Directors can, and maybe should, call into the meeting in fairly large numbers this year, and then they should be introduced and they should say hello because many people feel that all the directors should be there. So why not let them chime in and be heard for a few seconds? In my own little area of expertise as Inspectors of Election, at least three people have called me and asked "can you do virtual inspection?" And I said, "Yes, of course, we can." I myself have done this for years at a meeting that takes place in Taiwan and we've had to do it in a few emergencies when the plane didn't fly.

You can put the inspector on the conference call, and he or she can confirm that there's a quorum. The one thing that you really need to do is to just explain to people if there are votes received at the meeting that somebody, it might be your outside counsel, it might be a corporate secretary, will collect the votes and immediately forward them, maybe scan them, to the inspector for examination, and there should be no problem with that at all.

Also some people might think about virtual shareholder meetings. You need a little bit of lead time, so you've got to think on that, talk to your rep at Broadridge if you're interested in that. Make sure that it's OK with your state of incorporation.

That's it for me on meeting logistics. I don't know if anybody else might want to have some thoughts on planning ahead.

Jennifer Card, *Senior Counsel - Securities Governance and Corporate, McDonalds:* Sure. Carl, you did a great job summarizing some of those logistical considerations. Just to add on a few more practical points, once your venue has been selected, consider what other spaces might be needed and who needs to be present at the meeting.

For example, are additional rooms needed such as a location for shareholders to check-in and space where company attendees be directed to gather before the meeting? Similarly, are additional company personnel needed on site to help funnel people into the meeting space or answer a question?

Also consider who else might have a speaking role on behalf of your company or otherwise in the meeting. For example, for persons presenting shareholder proposals, consider the logistical procedures for those persons to tell you in advance who is coming and to have them check-in on the day of, to make sure that they're there.

Brandon, I'll go ahead and turn it to you to segue into dealing with the media unless there's anything else you'd like to add on logistics.

Dealing with the Media

Brandon Smith, *Executive Counsel, Corporate, Securities & Finance, GE:* Certainly good point from both of you, and I second watching the evolving situation on coronavirus and just the point that Carl mentioned of some companies under state law don't have the option to switch over to a virtual meeting even if they might like to given the situation this year. So, it's one that we have grappled with as a New York incorporated company at General Electric.

Moving to the next topic, dealing with the media, just for context, at GE's annual meeting, we typically have 200 or 300 people in attendance. The location moves around; historically, it's been at different places in the U.S. where we have operations.

The conventional wisdom I'd say is that most annual meetings most years are not significant media events. The reporters that cover a company might listen to the webcast or maybe come in person, one or two of them, but at a lot of meetings, there's not anything particularly newsworthy that happens, which often is a good thing.

Perhaps unsurprisingly, though, there is likely to be more interest from the media when there's a greater possibility of some tension or drama at the meeting, whether that's shareholders who are unhappy about the company's performance or leadership changes, protests from unions or activist groups or some other high profile issue either nationally or in the local community where the meeting is held.

In that context, the media is looking for something more interesting than say, what's the voting outcome on a shareholder proposal for cumulative voting. In other words, the times when the company might not want media there are exactly when you're likely to have a greater interest from media in being at the meeting. So, what do you do with that and particularly in a more tense environment?

First piece of advice just on the experience I've encountered at GE over the years, the best approach is generally to be accommodating to media and the reporters who want to attend. That's with full recognition that legally - unless they're shareholders - they wouldn't have any entitlement to be at the meeting. These are often people that your company has an ongoing relationship with, and you want it to be a good relationship.

Even though a lot of times, the shareholder meeting is an event that is not designed with media in mind, if they want to be there, it usually makes sense for a company to help them do that.

That's not to say that you can't put some boundaries in place and one easy step is just to have them register in advance, which gives you the opportunity to know who's coming, what are going to be the issues that they'll be most interested in, and you can obviously look at the types of stories that they've written about the company, which can help as you're preparing your directors and officers, and more about that in a moment.

You can also set rules about photography and cameras. For example, at GE, we don't allow cameras inside the meeting space for any of the attendees and we have the same approach for media.

There have been times in the past few years where a TV film crew wants to come and set up outside, which whether it's on the site itself or on a public space nearby, there's usually not going to be any way that you can preclude them from doing that. So, it tends to be in the company's best interest to work with them and make sure that's done safely and that they're in a good spot to not impede any of the meeting activity.

A second consideration is that it's best to try and not over-manage your media attendees. They're usually there because they want to observe and talk with people, so if you made the decision to let them attend, it makes sense to let them do that.

We do have large bright orange press badges that we ask reporters to wear so that it's clear to people - both management and directors but also shareholders when they're talking with these folks that they're reporters.

I found that it's also helpful to have someone from the communications team on point to help host each of the reporters, not necessarily to hover over or mediate the conversation but just for us to be aware who are they talking with. If appropriate, it's useful to have someone there who can intervene and help move things along, so, for example, they're not monopolizing too much of someone's time.

Another consideration is whether you want to prepare special briefing materials or if you have some sort of separate media huddle, and that depends on what you're trying to accomplish in your overall approach in having the media at your meeting at all. The approach I've been describing is one that's primarily focused on the shareholders with the media there more as observers.

A different take would be if you had a clear message that you wanted to get across focused on a media audience. Certainly, for that you'd want to have briefing materials or some separate conversations planned to be a lot more effective than just having them know about it.

A last consideration to mention is the legal reminder that just because media may be present at the meeting or during certain conversations, that will not necessarily serve to make it public from a Regulation FD perspective. You always need to consider whether Reg FD applies and remind your officers and directors as appropriate.

Those are some of the basics from my experience in planning for and dealing with the media. Let me pause there and see if any of my co-panelists have other thoughts to add.

Card: That's a great summary and just to add one additional point, we found it's very useful to connect ahead of time with our communications team before the shareholders meeting and even before filing the proxy statement if any topics are to be disclosed in the proxy statement or presented at the shareholders meeting that maybe likely to attract media attention. They've often appreciated having a heads up on that.

Smith: Absolutely.

Hagberg: Just about every year, The Corporate Counsel gets questions about excluding the media, so I'll just give you quickly my take on that. To me, this is just asking for trouble. If you say media is not welcome, they immediately think that there's a story there and usually there is, and so, they'll haunt you to death and speculate. It's not good to exclude the media at all.

The other thing, though, some companies do put them in that overflow room where they can see and hear the broadcast, but they can't participate, they can't video, they can't interview people while the meeting is in progress. That's something to be thought of, but in general, you want the media to be friendly to you and to give you good coverage.

The other thing is a lot of companies who move their meetings around have media events or they'll have events where they want to have media coverage, especially if they're a big employer in the town or they have a factory or whatever. My advice is to always treat them as friends, with great respect, but with rules and regs in terms of photos and videos and recording stuff, so that's it for me.

Preparing Officers & Directors

Smith: Certainly, sound advice. Thanks, Carl.

Quality of the preparation for me has always been one of the primary if not the primary measures of a successful meeting. You certainly can't control everything that's on the agenda, what the votes are going to be, who's going to be at the meeting, what the tough questions are that will be asked.

The most important thing you can do is prepare management and directors and especially the people who would be presiding over the meeting for what could happen. At GE, the real prep for the day of the annual meeting itself starts after the proxy has gone out. We usually have two or three meetings on an internal team starting four or five weeks in advance.

At the internal prep meetings, we would generally have the chairman or CEO, whoever will be presiding over the meeting, the corporate secretary and legal team, investor relations, communications, and the CFO or other officers, if anyone would be on the stage or have a role during the meeting, just to bring everyone together and make sure people are on the same page during the whole prep process.

There are a few main areas to focus on during the prep. These would be pretty typical for any company, but, obviously, more or less energy that you might devote to a topic depending how complex or straightforward you expect your particular meeting to be.

The first is just the basics of the meeting format and structure, the legally required elements, procedural rules, things like that.

At GE, just to give you a sense of the flow, we have a meet and greet coffee hour before the formal meeting starts, at which shareholders are mingling with directors and officers. Then we have the meeting start with a welcome and an analyst type presentation usually from our chairman. Then we go through the formal meeting items including the voting matters, any shareholder proposals, balloting, the report from the inspector of elections and then at the very end, the general Q&A.

Jennifer, momentarily, is going to talk about rules of conduct, but one point just to emphasize here as it relates to preparation is that especially if you have a new chairman or someone who's running the shareholder meeting for the first time, it's worth spending a good amount of time on these basic logistics because it's just a much different environment, different participants involved than a typical presentation and Q&A that management might be accustomed to with institutional investors or analysts.

A second main area to focus during the preparation is on attendance and attendees. We require shareholders to request tickets in advance, which lets us get a sense of how many people are likely to attend. It also helps us see specific names and individuals who we know from past shareholder meetings or other interactions are on our radar once they've made a ticket request.

Part of the materials that we prepare for the prep meetings are mini bios with things like photos, background information, issues that a person is likely to raise and that would include proponents, presenters of shareholder proposals, along with guidance to management presiding over the meeting about how to comment when those proposals are presented at the meeting.

Third, especially as it gets closer to the date of the meeting, any insights or projections about voting results. The last area is preparing for a general Q&A during the meeting, and since the meeting attendees are often a lot of times individual shareholders, retired employees, unions, outside interest groups, the nature of the Q&A tends to be a lot different than the sort of thing during an earnings call.

The question is maybe about topics that aren't necessarily material to the company but that are very significant to the person asking the question. People can be impassioned and emotional, and so the prep process in addition to thinking about the substance of the answers, should be a lot about the approach and how to answer those types of questions to strike the right tone as well.

The last point on the topic of prep is preparation of directors for the meeting. Generally, the directors themselves are not directly involved in running the meeting. They don't need anywhere near the same level of preparation as the people who are on the stage conducting it, but shareholders, maybe media, are going to approach directors if there's any opportunity to do so.

I've found that a good practice is to provide a short set of talking points or Q&A with the key questions to make sure people, first of all, know the answers and second, can be consistent on the message. If you have the Q&A for management, that's 30 or 40 pages. This one might be two or three pages, but broadly that'd be an overview of preparation process and content.

With that, I'll pause again and see if Carl or Jennifer have any other thoughts to add.

Hagberg: Well, just to note, there's been a trend for shareholders to ask to hear from the head of the comp committee or the head of the audit committee. They don't want to hear from the chairman.

You need to think about how you're going to handle that. It actually works very well when the lead director or chair of a committee is prepared to answer, and this adds a lot of credibility, makes everyone look good, as long as you're all prepared. It is something to think about, and I don't know if either of you gave any thought to that or have had it happen to you.

Smith: We've certainly been prepared for that at times. I can't think that we've actually done it, but on certain questions whether it's a say-on-pay vote or something like that, having the chair of your comp committee queued up in case you wanted to refer to him or her, it's certainly useful as prep if you don't end up using it.

Rules of Conduct

Card: To give some perspective, before getting into rules of conduct, at times at our meeting we've had hundreds of attendees and thousands of protesters coinciding with the meeting date.

That presents some interesting scenarios and requires careful planning to ensure those meetings. Therefore, it's really important to have a follow-up agenda and rules of conduct available.

Those provide structure to the meeting and can help make sure that all of the formal business is accomplished in an orderly way. The agenda rules also set expectations on the meeting order. We make sure that everyone has the agenda and rules of conduct by placing copies on every chair in the room.

We also place copies of the agenda and rules of conduct along with a paper copy of the proxy statement on the stage and at the podium for the Chair of the meeting and management. This sets a very level of playing field that the rules are in writing, printed and available to everyone in the room.

It's also important that the agenda and rules of conduct make very clear the expectations for persons attending the meeting, such as the business to be transacted as well as the statement that the only business that will be conducted in the meeting is as presented in the agenda.

The rules may also include other basic information, such as that name badges are required to enter the meeting and must be worn at all times, that attendees are required to silence and put away cell phones and that cameras and other recording devices are prohibited.

We also make clear that for the presentation of shareholder proposals, only a proponent or his or her previously arranged proxy they present the proposal and only during the time the proposal is before the meeting.

We also provide a set amount of time to present each shareholder proposal. We found it useful to use an objective standard such as a countdown clock or a chime to indicate the amount of time remaining and the expiration of time when someone is presenting.

Finally, it's important to account for a variety of certain areas if events do not occur as expected. For example, our rules may provide notice that anyone attempting to address the meeting without an introduction maybe asked to leave. The rules may also caution that any remarks that are irrelevant, disorderly, repetitious or related to personal grievances are out of order.

Carl will talk more about the obstructive holders, but I'll pause there in case either Carl or Brandon have more to add on the rules of conduct.

Hagberg: It's a must to have written rules of conduct. I always advise people to put them right in people's hand when they come to register and say, "Please read this before the meeting begins."

This is the biggest security measure that you could take - having clear and strict rules of conduct so that people behave in a proper manner. Secondly, and very importantly, you need to be fully prepared to enforce them.

I always tell people it's a three-step process. This is sort of a segue, into dealing with disruptive or difficult people. Step one is to give them a gentle reminder that their time is almost up, and then tell them their time is up and please conclude. If they don't, the third step is to have them escorted out.

I'm actually surprised that sometimes companies don't have anybody to do it. They don't have a plan for escorting them out. Make sure you have that.

The other thing I would say - John, I think people have written you recently about Robert's Rules - don't ever think of having Robert's Rules. To me the number one rule of a meeting is that the Chairman must be in charge at all times. This is a business meeting. It's not a parliamentary proceeding. If the Chairman loses control of the meeting for any reason, you've got a heck of a bad situation that you'll have to deal with.

Let's see if Brandon has anything to add, and then I'll go to disruptive shareholders.

Smith: Yes. On rules of conduct, part of what's been useful to think about there, and I've thought about it maybe more in the past couple of years as we've been doing prep with some new CEOs who are doing the shareholder meeting for the first time is, the rules of conduct are really derived partly from what are the state law baseline requirements and then a healthy dose of common sense on top of that.

There's an element to which the design and structure of your meeting is informed by how you want to run the rules of conduct and procedure. For example, at GE, we're not unique in this, but having the general Q&A at the end of the meeting after you've gotten through sort of the formal parts gives you the ability to conclude the meeting and shut it down when and if things go too long and get out of hand, which is exactly the topic we're going to next.

Carl, if you want to take that one.

Disruptive Shareholders

Hagberg: Sounds good. I would point out too that there's a good section in that Broadridge brochure - there are sample rules of conduct that are fairly lengthy. They cover more situations than most of us will hope to or have to deal with.

You want to keep them as short as you can, but there are certain things in there, for example, like no signs, no calling out or chanting that you might want to add in. Two years ago, there were people threatening to come to a pharmaceutical company meeting dressed as zombies, so 'no costumes' became one of those rules.

Take a look at your rules and you can tweak them in light of expected protesters or troublemakers or whatever and make sure that they cover the waterfront. But in general my rule for dealing with disruptive shareholders or potentially disruptive shareholders, or what I call in quotes, "difficult people," is basically to kill them with kindness. Once you know who they are, and you can often spot them, go and introduce yourself. If they're proponents, meet them, greet them and then seat them near a mic so they have their chance to have their say. Remind them of the rules - and because many rules that I like put limits on the number of questions that a particular person can ask, or say that once you've been recognized, you can't be recognized again until everyone else who wants to speak has been recognized. Put time limits on their question, period.

A very important thing to cover when prepping the chairman is to never argue. There's no point in arguing. The votes are almost all in and it's only rare, it's only in proxy fights, that people might change their mind. There's no need to argue, just say thank you for your comments and move on and never lose your cool. I wanted to put in the original draft the words of scripture, "a soft answer turneth away wrath" because it works every time. If the chairman or chairwoman loses their cool, you've got a problem. Don't argue. Follow the rules of conduct. Stay cool. Answer softly...and move on quickly.

Remember the three strikes and you're out rule for people who get disruptive and remember to have a plan to escort them out, and be sure you have a woman in case it's a woman who's acting up. Those would be my tips on dealing with disruptive shareholders.

I will say, I've been at many, many meetings that got out of hand where that cardinal rule of the chairman always being in charge was broken, and I was a bit afraid for my own safety. I've had more meetings like that than I'd like to recall.

That's where the rules of conduct come in - and the chairman being firmly in charge of the meeting at all times. It makes for a very happy meeting. Anyone else have anything to share on that one?

Card: Carl, those are good points. Much of this goes to the earlier discussion on meeting logistics and preparation. It's likely that someone could disrupt your meeting. It's a good idea to prepare in advance for what could happen in the event of a disruption.

One idea is to have scripts and procedures in place and readily available at the podium that can be relied on if they are needed. Another idea to the point of planning is to require people to register to attend the meeting. That presents some opportunity to gather insights into who may be attending and for what purposes.

Hagberg: Yes. There should always be a chairman's script that will allow the meeting to be summarily adjourned - or, a much better way to say it, ‘concluded' rather than adjourned - to say that the directors have been elected, cite the proposals that have been approved and these may not have been approved if there are no doubts about the outcomes - and to say the final numbers will be in our filing shortly. Then remind everybody where the doors are and urge them clear the room immediately and in an orderly fashion.

And it's not only useful where there are disruptive shareholders. I've been at meetings where the power went out and the lights went off or where the fire alarms started to screech and scream and it's like, wow...So you should always have that emergency script. To be clear, the ideal is to be able to conclude the meeting rather than to adjourn the meeting and let everybody get out safely.

Tabulation Issues

Hagberg: With that, I'll just go to tabulation issues really quick.

This year, I have been predicting a higher level of votes against individual directors. The numbers of Votes-No were up significantly last year, especially at large cap companies and against individual directors, the chairs of nominating, comp, governance committees and sometimes on audit committee directors or on the Chairman.

On say-on-pay, there was a little uptick in votes against. Shareholders are much more inclined, including institutional shareholders, to "send a message" by withholding votes from individual directors or God forbid, your say-on-pay.

Individual directors don't like that. If everybody gets 98% and a few directors get 68%, they're not very happy. They want to know what you did to foul up, and I do think we're going to see more surprises this season.

The other unsettling thing is that BlackRock and a few others have been saying "if we see your proxy material and it doesn't measure up to our standards or to our expectations for ESG or sustainability disclosures, we maybe withholding votes."

So we need to think harder about potential surprises this season. My tips are these: Monitor the voting from the very get-go. Compare against last year. See if there are any anomalies that you notice because, unfortunately, you don't get much of a clue from the institutions until the day before the meeting or sometimes the night before the meeting.

Sometimes you'll see that where the vote may be lagging. There might have been a glitch at the post office somewhere or you may just want to be making a second mailing if the votes seem to be behind.

Retail votes - even though there are not a lot of them at many companies - they are kind of the canary in the coal mine. If you see retail investors who normally vote overwhelmingly for directors suddenly voting against, you should be looking at that a bit more carefully.

I do think that retail investors will be more important than ever as the votes become closer. A lot of companies think, "oh, my quorum was 80%, and everything passed handily" - but if you look at the 80%, 30 percentage points were probably broker non votes where brokers can't vote on significant proposals or on any shareholder proposals.

It's smart to work hard on your "friendlies." Who are they? They are your individual, your retail investors - both registered and at brokerage houses. Surprisingly, companies often forget to remind their directors to vote or their chairman to vote. They think somebody did it for them. And often, they have significant percentages of votes they simply forget to vote. Pay more attention to your employee voting: Many companies have 8, 10 to 15% of the shares in employee hands - and less than 7% of the shares are typically voted.

There are companies who've picked up like five, six points of quorum - mostly from friendly voters - by reaching out to retail employees and retail investors.

One other set of issues, and I know there are a lot of outside attorneys on the line - more and more meetings are having voting agreements, or they have vote cutback provisions, especially where there's M&A or reorganization activity.

If you have any of these issues, you need to start 30, 40 days ahead of time to say: "Who are these people who are subject to these agreements? Where are their shares?" - because sometimes they're in 3, 4, 5 places - and "how many shares are there and who do I have to contact to get their votes or let them know that their vote will be cut back in such and such a way."

My last thing, which I say every year, is never rush to report the final results. If the results are close, or the vote on any matter comes as a surprise to you, take the time to investigate before reporting. You can simply say "We had a significant influx of votes the last 24 hours prior to the meeting. We're going to do some double checking. We'll be reporting the final results in our Form 8-K within the next 2-3 business days and leave it at that. That's it on tabulation from me.

Post-Mortems

Card: Thanks, Carl. I'll go to post-mortem next. As you had mentioned, make sure after the meeting to file the Form 8-K announcing the voting results. That's required by Item 507.

Great to get that done as soon as possible after the meeting. You can even sketch out the shell of the Form 8-K ahead of time using the proposal language from the proxy statement or the proxy card, and then add in the numbers after the meeting once voting results are final. That helps to front-load some of the work.

A few other points to consider following the meeting. One is that for companies holding a say-on-pay frequency vote or the advisory vote on how often a say-on-pay vote to be held. Those companies need to disclose the results of the frequency vote in the Form 8-K filing as well as the board's decision regarding the frequency of future say-on-pay votes. For NYSE listed companies, remember that there is an annual written affirmation and a CEO certification that's due to the NYSE within 30 days after the meeting.

Beyond that affirmation, one point to keep on the radar is that you may also need to submit an interim written affirmation, for example, if there are changes on the company's board or among the membership of certain board committees.

In addition, we consider whether any voting results require further attention and get a head start on that before the next season. As disclosed in our proxy statement, our voting results are reviewed by our governance committee as well as other committees as appropriate.

You might consider if there are unique circumstances such as a shareholder proposal that passed or a proposal that received support in excess of ISS and Glass Lewis threshold, such that those proxy advisors would expect to see some consideration and explanation in the next year's proxy, whether any additional discussion may need to occur or other steps be taken.

Finally, while thoughts on the meeting are still fresh, consider reaching out to the various teams who help prepare for the meeting. I strongly advise gathering feedback, casting a wide net and talking with those who may have been involved in the preparation of the meeting. That can be useful for future years.

Carl and Brandon, do either of you have any more to add on post-mortem?

Hagberg: Yes. Your last point on gathering your team together within a week or so of the meeting - to review what worked well, what didn't work so well, what might be problematical - will get you a heck of a long way in terms of preparing for the next year, and help you to make it even better. That's a very valuable tip.

Smith: Yes. Along similar lines, perhaps obvious, but it's useful to round up again with people when it's fresh right after the fact as much as folks might want to move on and not talk about it anymore to make sure that you inventory the sort of side conversations, or let me follow up and get back to you on that type of things that various directors or members of management may have had in conversations with shareholders.

Failure to follow up on some of those little things after the fact and a year later end up as a shareholder proposal or otherwise aggrieved shareholder who's pounding down someone's door. You don't want to be in that situation after a successful meeting.

Jenkins: I want to thank everybody for participating today. This was a very informative webcast and covered an awful lot of really great practical information. I want to thank the panelists for their efforts today, and I want to thank everyone in the audience for listening. This concludes today's webcast. Have a great day.