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SEC Guidance on Conducting Shareholder Meeting in Light of COVID-19

On Friday March 13, 2020 the SEC released guidance addressing how public companies can handle their annual shareholder meeting in light of COVID-19.

A few key takeaways from their guidance:

- **Changing location/date/time**
  - If an issuer that has already mailed and filed its definitive proxy materials, it can notify shareholders of a change in the date, time, or location of its annual meeting without mailing additional soliciting materials or amending its proxy materials if it:
    - issues a press release announcing such change;
    - files the announcement as definitive additional soliciting material on EDGAR; and
    - takes all reasonable steps necessary to inform other intermediaries in the proxy process (such as any proxy service provider) and other relevant market participants (such as the appropriate national securities exchanges) of such change.
  - To the extent that issuers have not yet mailed and filed their definitive proxy materials, they should consider whether to include disclosures regarding the possibility that the date, time, or location of the annual meeting will change due to COVID-19.
    - Please reach out to Alliance if you would like to see an example disclosure of a company who had originally planned to conduct an in-person meeting and then changed to a virtual shareholder meeting
      - Alliance can also provide example disclosures of companies that plan to hold an in-person meeting, but also provided notice of the potential change to a virtual meeting
- **Virtual Shareholder meetings** – The ability to conduct a "virtual" meeting is governed by state law and the company's governing docs. Where permitted, the issuer needs to notify its shareholders, intermediaries in the proxy process, and other market participants of its plans to hold a virtual meeting and include clear disclosure on the logistical details in its definitive statement. If the issuer has already filed definitively, it would <u>not</u> need to mail additional soliciting materials (including new proxy cards) solely for the purpose of switching to a "virtual" or "hybrid" meeting if they follow the steps set forth in the guidance.
  - Alliance can provide example disclosures of companies that intend to hold a virtual shareholder meeting due to COVID-19 concerns.
- **Shareholder Proposals** – The SEC encourages issuers, to the extent feasible under state law, to provide shareholder proponents or their representatives with the ability to present their proposals through alternative means, such as by phone, during the 2020 proxy season.