



THE NIGERIAN STOCK EXCHANGE GUIDANCE ON COMPANIES' VIRTUAL BOARD, COMMITTEE, AND MANAGEMENT MEETINGS

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INTRODUCTION

On 15 April 2020, the Nigerian Stock Exchange (the “NSE”) released a ‘Guidance on Companies’ Virtual Board, Committee and Management Meetings’ (the “Guidance”). According to the NSE, the Guidance is in response to the shift from conventional physical meetings to virtual meetings precipitated by the COVID-19 pandemic (“Pandemic”) and the critical need to protect investors’ interests.

In this publication, we provide a general overview of the Guidance.

OBJECTIVE

The Guidance is one of the NSE’s “Guidance and Thought Leadership” initiatives and is designed to provide direction to market and other stakeholders on carrying out successful, productive, and rewarding virtual meetings.

The Guidance addresses the following meeting scenarios:


i. Board, Committee, or Management meetings/briefings that require on-line presentations;

ii. Board, Committee or Management meetings with some members physically present at the meeting venue, and others participating virtually; and

iii. Board, Committee, or Management meetings where all Members are participating virtually.

STAKEHOLDER CONCERNS

The NSE noted that stakeholders may be concerned about virtual meetings diminishing the ability of participants to fully participate and have their questions/concerns addressed and that the benefits of physical and direct engagement may be lost.



The NSE's position is that each company is to consider its own objectives, preferences, costs and stakeholder concerns to determine whether to conduct virtual meetings. Their role is to ensure that such meetings are conducted in an accessible, transparent, efficient, and cost-effective manner.

GUIDANCE FOR MEETINGS

Statutory and Regulatory Considerations

The Companies and Allied Matters Act (“CAMA”) provides that directors may regulate their meetings as they think fit. However, CAMA is silent on the issue of virtual meetings, though not expressly prohibiting it. It is, therefore, recommended that the Articles of Association of the company or its Board, Committee and Managing Charters or Terms of Reference provide for and authorise virtual meetings.

Other Relevant Considerations

The Guidance implores companies to consider the interests of all relevant stakeholders in deciding whether to conduct a virtual meeting and states that it is parti-

ticularly important that participants have the same amount of access as they would have during a physical meeting.

Preparation

The Company Secretary, under the direction of the Board/Committee Chairperson or the Chief Executive Officer, is responsible for convening and facilitating virtual meetings. In facilitating, the following points are to be noted:


i. Precise Agenda

The Company Secretary is to prepare an agenda, clearly setting out the matters to be considered, for the Chairperson's approval. The Chairperson is to ensure that the agenda is strictly adhered to and that the attendees and discussions are focused, on-topic and engaged. Where the meeting is expected to be lengthy, there should be breaks, as is convenient.

ii. External Attendees

The Company Secretary, with the Chairperson's approval, is advised to arrange for presentations made by external





attendees, or their matter(s), to be addressed at the start of the meeting unless the external attendee requests otherwise. The Company Secretary is to ensure that external attendees do not join the virtual meetings until their presence is required and to guarantee the security of company information.

iii. Confirm Attendance

The Company Secretary should identify the attendees ahead of time and inform the Chairperson of their names and the names of their authorised representative.

iv. Engage Attendees

The Chairperson should take care that all attendees are engaged, make active contributions and are not overlooked. The Company Secretary is also advised to have other means of reaching attendees should they lose their connection during the meeting.

v. Timely Distribution of Meeting Materials

The Company Secretary should ensure that all meeting materials are circulated ahead of time, to give attendees sufficient time

to prepare for the meeting.

vi. Equipment

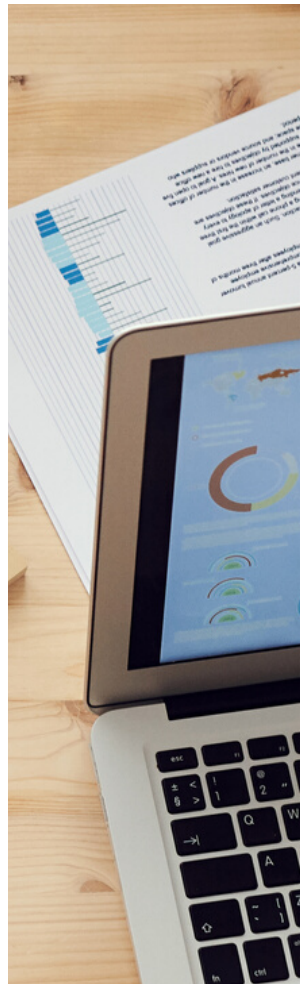
The Company should arrange for the procurement of the equipment required for the meeting.

vii. Support

Attendees should be able to contact the Company Secretary if they are experiencing any difficulty with connectivity or other challenges. Attendees should also be promptly notified of any alterations to the agenda and conference call-in number/links, or any major disruption/changes prior to the meeting.

viii. Information Security

The Company Secretary is to work with the technology and information department to formulate measures for protecting meetings from hijacking, eavesdropping, infiltration or manipulation. It is also suggested that the Company Secretary invite attendees to revalidate their connection credentials at intervals.





xi. Dry Run/Rehearsal

The Company Secretary should arrange for a dry run/rehearsal, to confirm that all equipment are operational.

Technical Support

The Company Secretary should send all information required to connect to the meeting ahead of time. Attendees should ensure that they are well equipped and prepared to use the technology.

Technical support should be available for the meetings and the technical team should be provided with details of the meeting and the technology to be utilised. In addition, an appropriate and practical means of contacting attendees and the technical team should be arranged.

Protocols and Participants' Responsibilities

Noting that a successful virtual meeting requires participant's compliance with

established protocols and responsibilities, and diligent adherence to expected conduct, the Guidance specifies certain responsibilities of the Company Secretary, the virtual attendees and the Chairperson. These include the Company Secretary arranging for the projection of materials on the media platform/screen and monitoring messages from the attendees. Virtual attendees' responsibilities include securing the confidentiality and sensitivity of information received, preparing for the meeting and providing accurate identification. Chairperson's have the general responsibility of ensuring an efficient, productive, inclusive and engaging meeting.



Other Matters

i. Appearance

The Charter or Terms of Reference for the Board, Committee or Management meeting may contain provisions on attendee's appearance. The NSE advocates a well-groomed, business casual appearance where there is no formal guidance. The Chairperson or facilitator can also provide direction on a case-by-case basis.

ii. Residential Work Space

Participants are enjoined to consider their location, have a dedicated work space and ensure the confidentiality of the meeting.

CONCLUSION

With movement restrictions and border closures resulting from the Pandemic, we have seen companies adopt remote working measures and embrace virtual meetings in order to attain continuous operational efficiency.

We note the concerns raised, that virtual participation may diminish the ability of attendees to fully participate and have their queries addressed. However, given the present situation and the need to protect the safety and well being of stakeholders and the population as a whole, virtual meetings are the most responsible way of engagement.

The issuance of the Guidance is one of many steps that the NSE has taken to effectively cushion the impact of the Pandemic and we commend the NSE in taking steps to create an enabling environment for the running of effective and efficient virtual meetings.



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