



Mar 20, 2020

Categories:

[Coronavirus Response](#)

[Team](#)

[Publications](#)

Authors:

[James A. Giesel](#)

Coronavirus and Changes to Your Public Company Annual Shareholder Meeting

As proxy and annual shareholder meeting season come into full swing, public companies must be mindful of the impact COVID-19, and the various protective restrictions and guidelines meant to curb the spread of the virus, will have on their shareholder meetings. National guidance issued March 16, 2020, recommends against participating in gatherings that exceed ten persons in attendance. Just issuer staff, legal and financial advisors, and other participants in the proxy process, before we even get to actual shareholders, may easily exceed ten persons. Shareholder meetings have already been noticed for April and new filings have or will have April and May meeting dates that can reasonably be expected to be impacted by coronavirus concerns.

On March 13, 2020, the SEC announced staff guidance from its Division of Corporation Finance and Division of Investment Management concerning proxy rules and upcoming annual meetings. While recognizing the fact-specific nature of each company's circumstances, the guidance emphasizes cooperation among all parties and intermediaries during the 2020 proxy and annual meeting season. The full text of the guidance is available and can be found [here](#).

The obligation to hold annual meetings and shareholder voting rights are creatures of state law and organizational documents. These must be carefully considered when reviewing the new SEC guidance.

Changing the Date, Time, or Location of an Annual Meeting

Per the guidance, if an issuer determines a change in annual meeting logistics is appropriate, the SEC staff will take the position that an issuer that has already mailed and filed its definitive proxy materials can notify its shareholders of meeting logistic changes without an additional mailing. In these situations, issuers should issue a press release, file the announcement of logistic changes as

additional soliciting materials, and take reasonable steps to inform other parties involved in the proxy process. If an issuer has not mailed and filed its materials yet, the issuer may want to consider including language that the meeting logistics may be changed due to COVID-19 concerns.

Virtual (and Hybrid) Shareholder Meetings

If permitted (or at least not prohibited) under applicable state laws and an issuer's organizational documents, issuers may consider holding virtual or hybrid (combined in-person and virtual) shareholder meetings. Changing to a virtual or hybrid meeting is a logistical change and notice of this type of change should mirror other changes described above.

Virtual meetings have been part of the annual proxy and shareholder meeting season for the last few years. However, their use has been somewhat limited with less than 10% of the Russell 3000 employing them in 2019, according to Institutional Shareholder Services (ISS). Issuers interested in holding a virtual or hybrid meeting this season should contact their proxy tabulator or other proxy service providers as soon as possible as demand will be high. It is critical that shareholders have the same rights through the virtual meeting delivery mechanisms as they would have if attending in person, including the ability to vote and participate in the meeting. Proxy advisory firms have emphasized these expectations and the extent to which virtual formats can offer the same opportunities for robust dialog as an in-person meeting format.

Presentation of Shareholder Proposals

Exchange Act Rule 14a-8(h) and many state laws and organizational documents require shareholder proponents or their representatives to appear and present their proposals at a shareholder meeting. Attending in person may be challenged by travel restrictions, public health measures or other coronavirus related concerns. The SEC staff is encouraging all issuers, if feasible under state law, to allow individuals to present their proposals through alternate means, such as by telephone, during the 2020 proxy season. The staff will consider a shareholder proponent's, or their representative's,

inability to travel or other hardships related to COVID-19 as “good cause” under Rule 14a-8(h)(3), eliminating an issuer’s right to exclude a proposal from the shareholder proponent for any meetings in the following two calendar years.

A Closing Reminder

The guidance also emphasizes that the guidance is only staff guidance, has no legal force or effect, and does not alter or amend applicable law.

To provide guidance and support to clients as this global public-health crisis unfolds, Frost Brown Todd has created a [Coronavirus Response Team](#). Our attorneys are on hand to answer your questions and provide guidance on how to proactively prepare for and manage any coronavirus-related threats to your business operations and workforce.

© 2026 FBT Gibbons LLP. May be considered attorney advertising in some jurisdictions.