



Boardroom Fundamentals 201

Module 4: Annual Meeting of Shareholders

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Annual Meeting of Shareholders

- Primary purpose of the annual meeting is for the shareholders to elect the directors who are responsible for the oversight of the company
- Other matters proposed by management or other shareholders may also be subject to a vote at the annual meeting, all of which are included in a proxy statement
- Annual meeting requirements, including required quorum, record date and voting requirements, are governed primarily by state law and a company's bylaws
- Requirements for preparing and distributing the proxy statement are governed by SEC regulations

Annual Meeting of Shareholders

The Board of Directors will adopt call resolutions establishing:



- The date and time of the meeting
- The location
- The record date for determining shareholders entitled to vote
- Inspectors of Election
- Director nominees
- Other matters to be voted on
- Proxy holders

Annual Meeting of Shareholders

To notify shareholders about the annual meeting, inform them of the matters to be voted on and to solicit their proxies, the company will prepare and distribute a proxy statement.

SEC regulations contain detailed rules about the contents of the proxy statement, including:

- Biographies, share ownership and compensation of director nominees and executive officers
- Description of board committees and membership
- Compensation discussion and analysis explaining material elements of executive compensation programs
- Audit Committee report discussing matters pertaining to the independent public accountants, audited financial statements and other Audit Committee deliberations
- Fees paid to independent public accountants
- Shareholder proposals

Annual Meeting of Shareholders

Meetings are generally conducted using parliamentary procedures and follow a standard format:

- Call to order
- Establishment of quorum
- Vote on matters by proxy or in person
- Tally of votes by inspector of elections
- Announcement of voting results
- Adjournment

Customary for CEO to present the company financial and strategic highlights of the previous year



Questions?

Contact Linda via email → lindaiannone35@gmail.com

End of Module 4



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