

FTSE 350: Snapshot of AGM Key Trends – 2024 Update

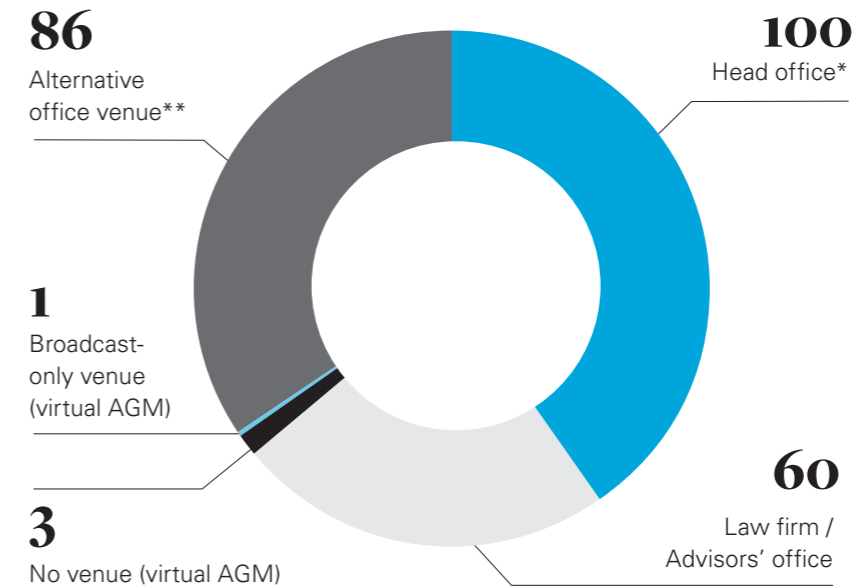
Key trends

- 1** A significant 66% of FTSE 350 companies which have issued their AGM notices have opted for an entirely **physical meeting** without any form of electronic engagement. Hybrid meetings were the next most common form (18%). 25% of the companies which did offer electronic engagement did so on an audio-only basis, with a few (e.g. Whitbread plc) citing low video uptake in previous years as the key reason behind audio-only.
- 2** Increased authorities: In line with our previous predictions, a steadily increasing proportion of companies (55%, as of November 2024) are taking advantage of the additional flexibility set out by the 2022 Pre-Emption Group guidelines to some extent (compared to only 41% of FTSE 350 companies between November 2022 and November 2023, and 49% from January to April 2024):

 - ▣ 42% of FTSE 350 companies have adopted the 10% + 10% thresholds for disapplication of pre-emption rights and authority for related follow-on offers; and
 - ▣ an additional 13% have adopted the 10% + 10% thresholds only, but have decided not to take authority for related follow-on offers.

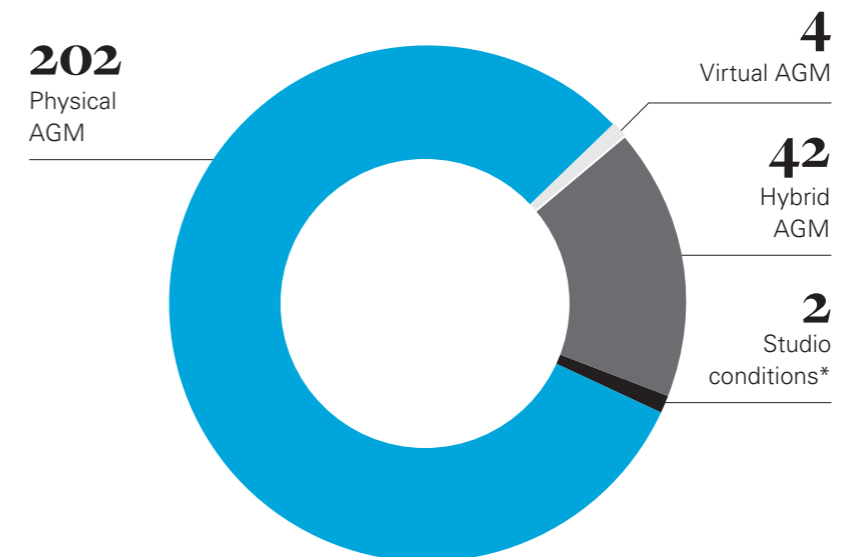
Despite more than half of FTSE 350 companies now electing to utilise the additional flexibility granted by the 2022 guidelines, we note that the remaining 45% which did not do so to any degree still represents a significant proportion – these figures will continue to be monitored in next year’s AGM season.
- 3** Fully **virtual meetings** remained rare, but were higher than previous years, with 4 companies holding their meeting virtually. Whilst TUI AG and Clarkson plc have continued their trend of holding virtual meetings, this year they were joined by Aston Martin Lagonda Global Holdings plc, which held an entirely physical meeting in 2023. Haleon plc held a meeting described in the AGM notice as ‘fully virtual’ despite also having a physical venue (i.e. a place specified in its articles) from which it was broadcast.
- 4** There were a couple of ‘digitally-enabled AGMs’ held under **‘studio conditions’** (e.g. AstraZeneca plc and Marks and Spencer Group plc), where meetings are held at a physical place, but shareholders are discouraged from attending in person. A few companies (Rolls-Royce Holdings plc, BAE Systems plc and Network International Holdings plc) also held hybrid AGMs where – although not explicitly described as being held in ‘studio conditions’ – the arrangements for the meetings effectively achieved the same result as they ‘encouraged’ shareholders to attend remotely.
- 5** 11 companies opted to hold their AGMs in **alternative office venues** outside the UK. Out of the 11, 5 selected venues within their respective countries of incorporation and the remaining 6 outside. The most unique position was that taken by Centamin plc, which indicated its intention to alternate the location each year between London and its place of incorporation (Jersey).
- 6** Most companies (78%) invited shareholders to submit questions in advance of the AGM in the interests of efficiency, identifying in their AGM notices that this would allow directors to either provide responses ahead of time or answer as many questions as possible during the meeting itself. However, 22% of companies did not set out such an option for its shareholders.
- 7** We witnessed 8 **climate-related resolutions** tabled this AGM season, all of which passed. All of these resolutions were proposed by the companies and largely related to approvals of their Climate-related Financial Disclosures and updated Climate Transition Plans. There have been no climate-related requisitioned resolutions this year so far. Only 2 out of 250 companies proposed changes to their articles to enable hybrid or virtual AGMs.

Venue of AGM



*Includes head offices in London, outside London and outside the UK
 **Includes conference venues, hotels and banqueting halls (in London, outside London and outside the UK)

Type of AGM



*Hybrid meetings, but where shareholders are strongly encouraged to attend remotely

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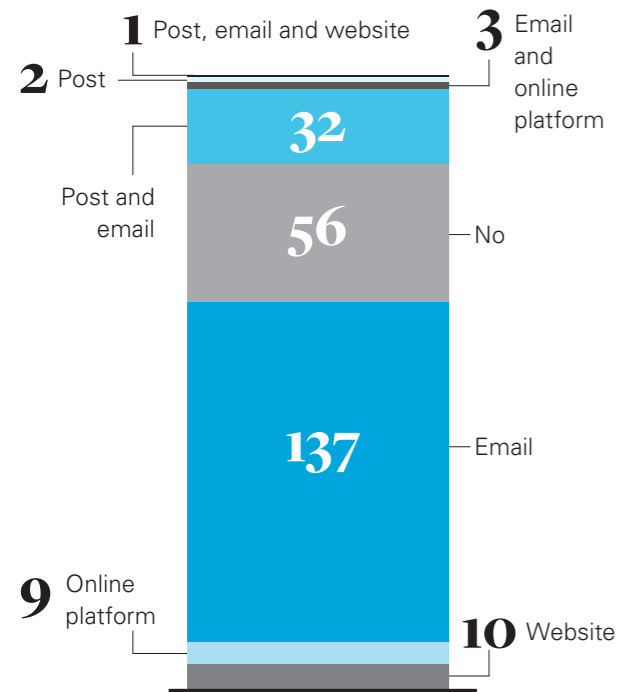


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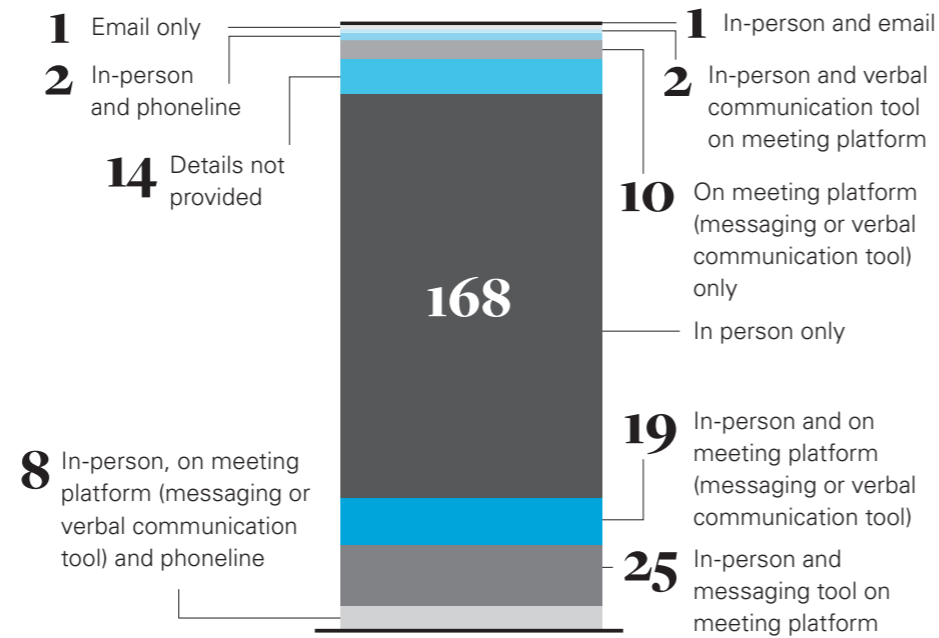


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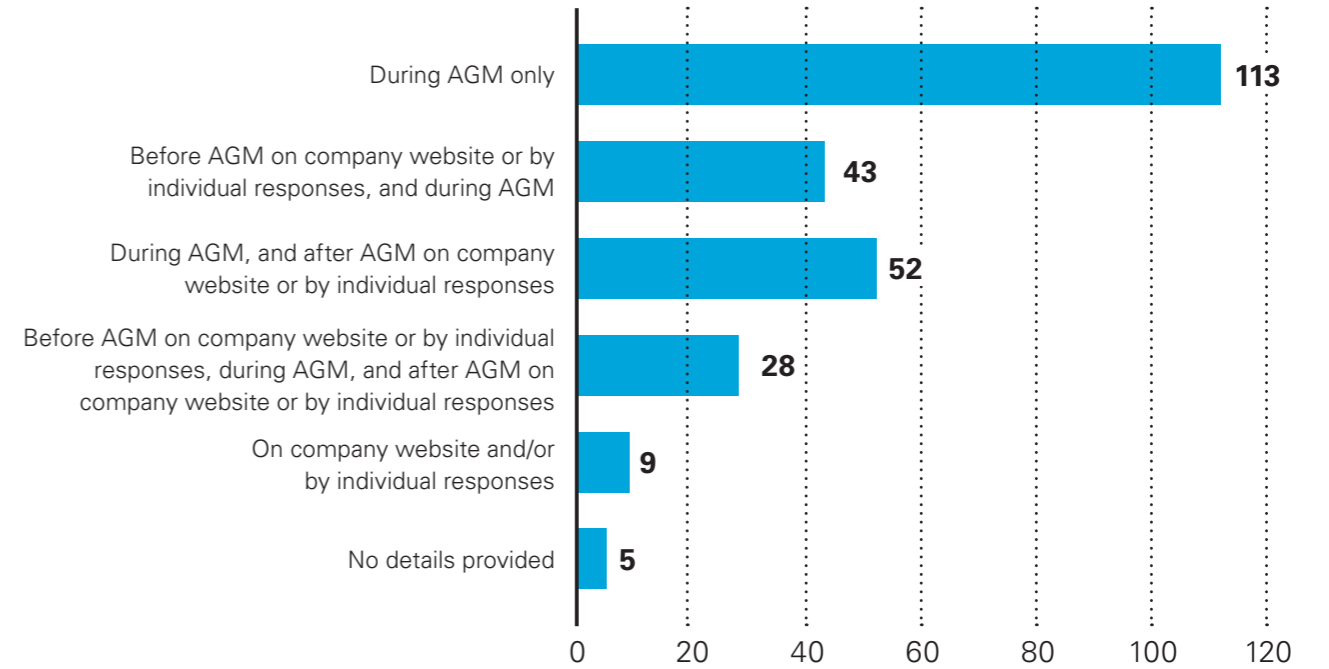
Questions before AGM?



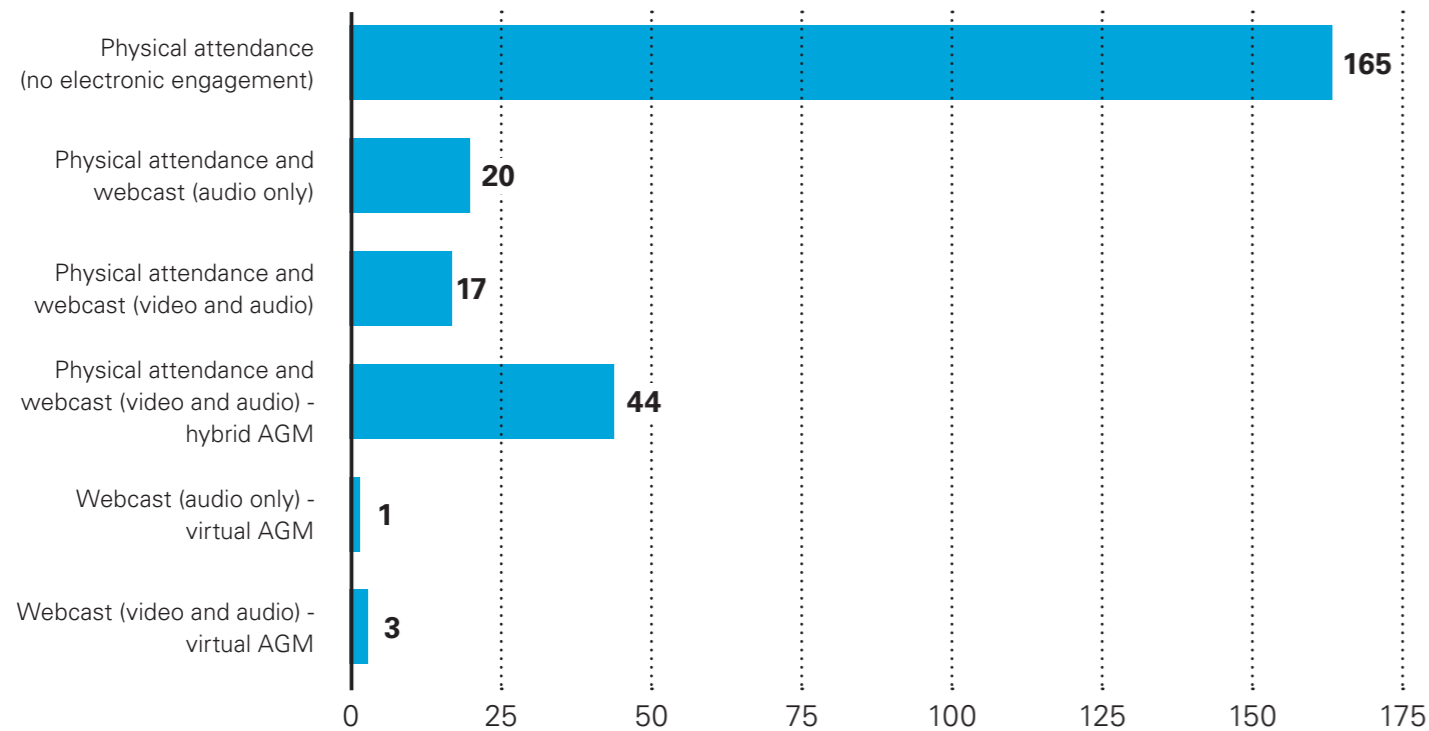
Questions during AGM?



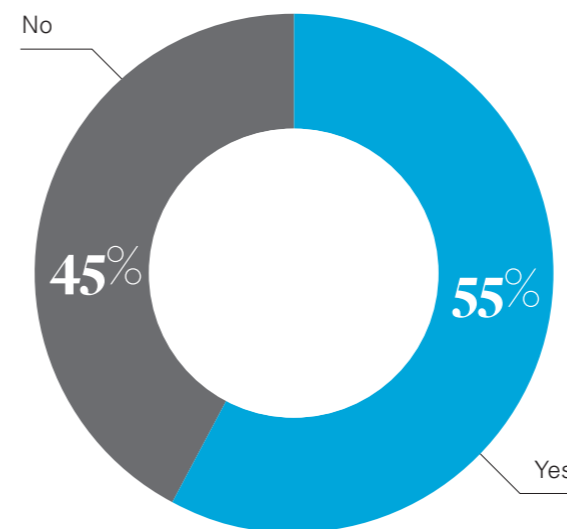
How questions will be answered?



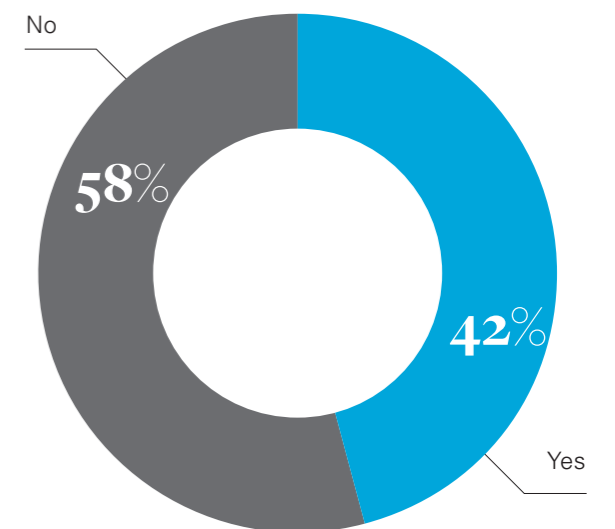
Shareholder Engagement



FTSE 350: Disapplication of pre-emption rights: 10%+10% (no follow-on offer) YTD 2024



FTSE 350: Disapplication of pre-emption rights for follow-on offer: 2%+2% YTD 2024



#1 Legal adviser to listed companies

Adviser Rankings, US Law firms, November 2023

#1 Legal adviser to FTSE 250 companies

Adviser Rankings, US law firms, November 2023

#1 M&A Legal Adviser – Europe

Global Data, by value Q1 – Q3 2024

#1 Legal adviser to FTSE AIM UK 50 companies

Adviser Rankings, October 2024

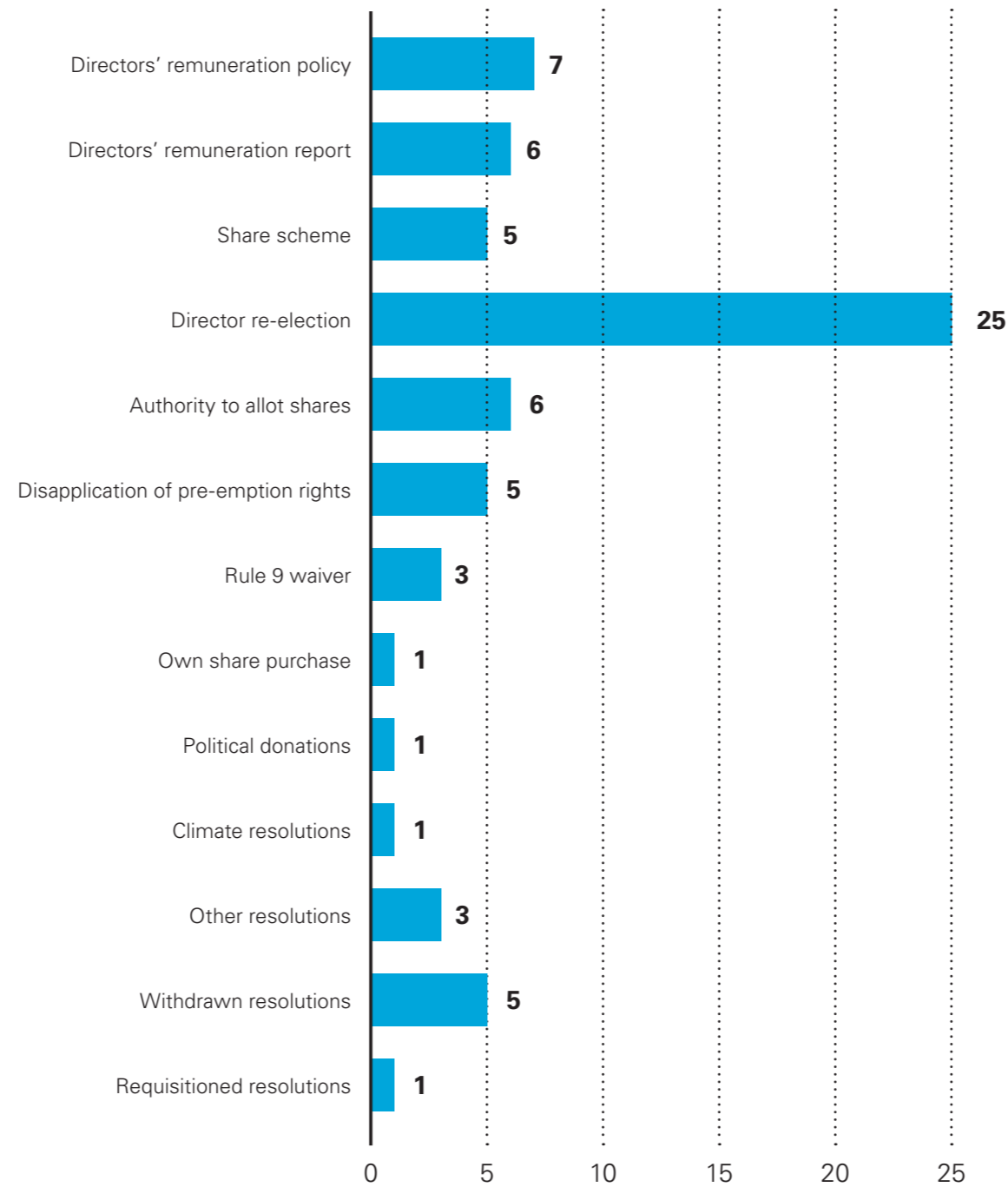
#1 US Law Firm, UK-Listed Companies

Corporate Advisers Rankings Guide August 2024

#1 Equity Capital Markets – Europe-wide

Chambers Europe, 2024

Resolutions with 20% or more votes against



Predictions

- 1 We expect to witness a continued steady increase in the number of FTSE 350 companies choosing to adopt the 10% + 10% thresholds for disapplication of pre-emption rights, as permitted by the 2022 Pre-Emption Group guidelines.
- 2 We do not expect to see many companies propose resolutions to amend their articles to allow for the holding of hybrid or virtual AGMs in next year's AGM season – most companies have already done this.
- 3 We anticipate that resolutions on director re-election will continue to be the most contested type of resolution (with 20% or more votes against) in 2025
- 4 We foresee physical AGMs to remain the most prevalent type of AGM amongst FTSE 350 companies next year, with their head offices being the most preferred hosting venue.

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Our clients range in size and maturity from newly listed companies to mature companies, and from small cap companies to global FTSE 350 companies.

The PCA team is part of the network of White & Case offices offering public company advisory services, with specialist practice teams in the US, Germany, Italy and France.