

# Conduct of Companies' Virtual Board, Committee and Management Meetings in Nigeria

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In view of the COVID-19 pandemic and in a bid to ensure a seamless process for companies in times of uncertainty, the Nigerian Stock Exchange (NSE) published a Guidance on Companies' Virtual Meetings (Guidance) on 15 April 2020.

Meetings are an essential aspect of the decision-making process in companies and are necessary for good corporate governance. In order for companies to keep up with global standards, as well as challenges in the mode of doing businesses in the wake of the COVID-19 pandemic, virtual meetings have increasingly become necessary to enable businesses continue operations as well as achieve their goals.

The objective of the NSE Guidance is to provide information to the market and other stakeholders on how to conduct successful, productive and rewarding virtual meetings. The Guidance addresses virtual participation for the following meeting scenarios:

- (a). Board, committee, or management meetings/briefings that require on-line presentations.
- (b). Board, committee or management meetings with some members physically present at the meeting venue, and others participating virtually; or
- (c). Board, committee, or management meetings where all members are participating virtually..

Section 263 (1) of the Companies and Allied Matter Act, Cap. C20 LFN 2004 (CAMA) provides that directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings as they think fit

## Corporate Affairs Commission's Public Notice on Annual General Meetings

It is important to mention that before this announcement by the NSE, by a public notice dated 26 March, 2020, the Corporate Affairs Commission (CAC) issued Guidelines on convening the Annual General Meetings (AGM) of companies using proxies.

According to the Guidelines, in light of the COVID-19 pandemic, companies can now hold their AGM by taking advantage of section 230 of the CAMA on the use of proxies. The Company which elects to do this is however required to fulfil the following conditions:

- (a). obtain the approval of the CAC before such meeting is held;
- (b). notice of meeting and proxy forms must be sent to every member of the company;
- (c). all the members of the company must be advised in the notice that in view of the COVID-19 pandemic, attendance shall only be by proxy with names and particulars of the proposed proxies listed for them to select therefrom.
- (d). procure that the CAC sends representatives as observers at the meeting; and.
- (e). the meeting must only discuss the ordinary business of an AGM as provided in section 214 of the CAMA.

Although CAMA is silent on the issue of virtual meetings, it does not expressly prohibit virtual meetings. In light of the foregoing, the Articles of Association of a company or its board, committee, and management charters should authorise virtual meetings and provide terms of reference for such virtual meetings.

In deciding whether to convene a virtual meeting, the company should take the interests of all relevant stakeholders into account. Therefore, the germane question for companies to consider includes adequate reach of all stakeholders, ensure meeting is in the best interest of majority of stakeholders, ensure that all stakeholders have opportunities to ask questions or otherwise engage outside of the parameters of the virtual meeting amongst others.

## Responsibilities of the Company Secretary

By virtue of section 298 CAMA, the company secretary under the direction of the chairman of the meeting is responsible for convening and facilitating board meetings, and this will be the same for board meetings. The company secretary is required to:

- (a). Prepare and circulate an agenda setting out matters to be considered;
- (b). Where external attendees will be participating, advise that their presentations are made at the beginning of the meeting to allow the external attendees leave the meeting and members focus on other items on the agenda;
- (c). Be aware ahead of the meeting time those participating virtually, notify the chairman as such and make provisions for seamless connection and participation;
- (d). Ensure that all meeting materials are circulated ahead of time in line with CAMA and the board/committee or management's charter; and
- (e). Arrange for a dry run/rehearsal prior to the virtual meeting to confirm that all equipment are in good working order.

## Responsibilities of virtual meeting attendees

Just as required when meetings are conducted physically, attendees are still required to conduct themselves in an orderly manner and obey all meeting rules for the success of the meeting. In this instance, they are expected to:

- (a). Promptly notify the company secretary of their intention to attend;
- (b). Observe information security and confidentiality protocols;
- (c). Log into or call in to the meeting early to check and ensure that all software and connections are working properly;
- (d). Limit background noise by muting speakers unless when speaking;
- (e). Provide accurate identification when joining the virtual meeting and always signify any desire to ask a question or comment, by approved methods;
- (f). Avoid interrupting other speakers and rowdiness;
- (g). Manage allotted presentation time as efficiently as possible and give other attendees some time for note taking; and
- (h). Be polite and particularly mindful of voice tone;
- (e). Use best endeavours to attend all meetings, read all documentation and prepare thoroughly in advance of the meetings.

## Responsibilities of the Chairperson

- (a). Set expectations at the beginning and establish meeting goals and objectives;
- (b). Create rules of engagement regarding muting and whether cameras should be switched on;
- (c). Adhere as practicably as possible, to the timeframes stipulated in the agenda;
- (d). Keep a list of virtual attendees and their phone numbers for ease of reach in the event of a technological glitch;
- (e). Between agenda items and presentations, return to the agenda and indicate the current item;
- (f). Control discussions to maintain order, ask relevant questions, and encourage dialogue;
- (g). Debrief at the end of virtual meetings; and
- (h). Encourage virtual attendees to provide feedback and share lessons learned regarding these or any additional best practices.

## Conclusion

By releasing these Guidance notes, the NSE aims to assist stakeholders with adopting best practices and procedures and complying with applicable corporate governance standards in the process of conducting their virtual board, committee or management meetings especially at this time when physical meetings are practically impossible.

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