



# Executive ALERT

Updates on issues vital to the practice of investor relations

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## Public Company Annual Meeting Practices: NIRI Survey Results

### Key Survey Findings

#### Logistics and the Meeting:

- Among survey respondents, the functional areas most often responsible for the annual meeting are IR and General Counsel/Corporate Secretary (both 80%).
- 67% report 50 or fewer annual meeting attendees. Primary attendees include investors (83%) and employees (both active and retired, 70%).
- The annual meeting lasts one hour or less for 84%.
- 57% have an investor presentation portion of the annual meeting where the CEO typically presents (92%) followed by the CFO (22%).
- 93% include a Q&A portion in their annual meeting.

#### Use of Technology:

- 32% broadcast their annual meeting, and nearly all (95%) do so through webcasting.
- 3% hold a strictly electronic/virtual meeting; 7% plan to do so in the future.

#### Reporting Results:

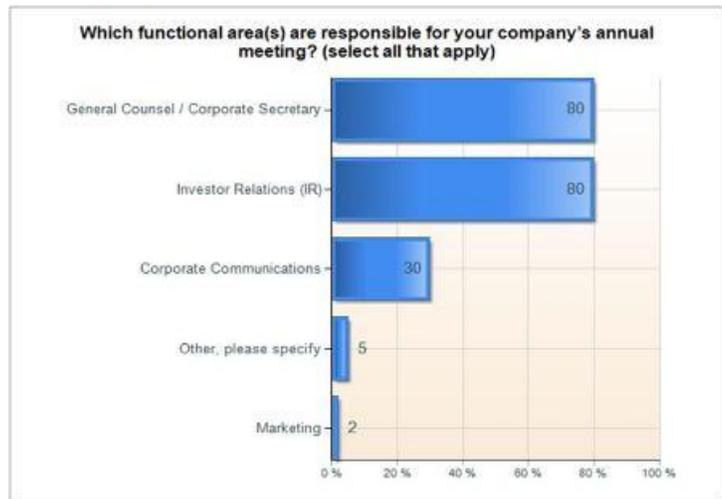
- 81% of respondents file a Form 8-K to report the meeting results; 39% issue a press release; 33% post the results to their company website.
- 52% report results between 1 and 3 business days after the meeting and 33% of companies report results the same day as the meeting.

**Discussion**

**Logistics and the Annual Meeting**

NIRI examined the main aspects of a company's annual meeting process—logistics, the meeting itself, utilization of technology and post-meeting activity. The majority of companies (96%) do hold annual meetings. As **Figure 1** reveals, the functional areas responsible for the annual meeting are most often General Counsel/Corporate Secretary and Investor Relations (both 80%). The majority of companies (52%) hold their meetings on-site, and 78% use some form of verification to determine if attendees are shareholders. The most common verification types include proxy cards (77%), photo identification (54%), brokerage statements (42%), and admission tickets (32%). The full survey data set is available via link at the end of this Alert.

Figure 1: Responsibility for the Annual Meeting

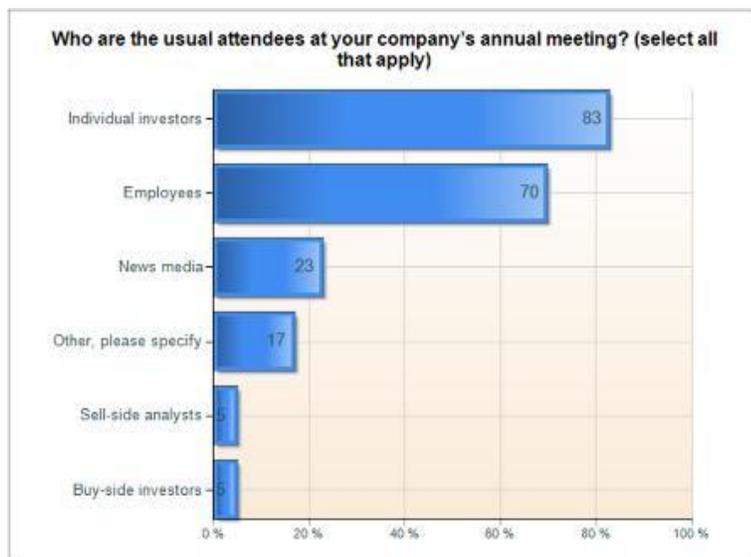


Source: NIRI, 2012

Company attendees of the annual meeting include the CEO (98%), General Counsel/Corporate Secretary (98%), CFO (97%) and IRO (94%). Just fewer than 70% of respondents had 50 or less attendees at their meeting (on average). As shown in **Figure 2**, the usual attendees are individual investors (83%), company employees (both active and retired 70%), and various news media (23%).

The majority of respondent companies (57%) have an investor presentation portion of their annual meeting, and the CEO is most often the speaker (92%), followed by the CFO (22%). The IRO presents at the annual meeting for less than 5% of respondents.

Figure 2: Usual Attendees at Annual Meetings

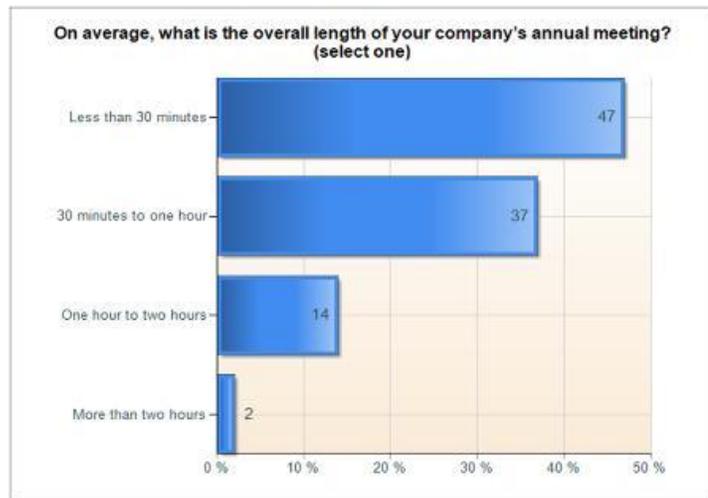


Source: NIRI, 2012

Questions asked during the Q&A go unscreened for the majority (96%), and the number of shareholder questions typically falls between 1 and 10 (78%). Respondents report that average annual meeting attendance and number of questions asked during the Q&A remain unchanged from prior years. Eighty-two percent do not provide any giveaways at their meeting. For those that do, the most common giveaways were corporate branded items (76%), followed by snacks (65%).

**Figure 3** shows the overall length of company's annual meetings. Most meetings take less than 30 minutes (47%), followed by 30 minutes to one hour (37%). Meetings lasted more than one hour for 16%.

Figure 3: Average Length of Company Annual Meeting



Source: NIRI, 2012

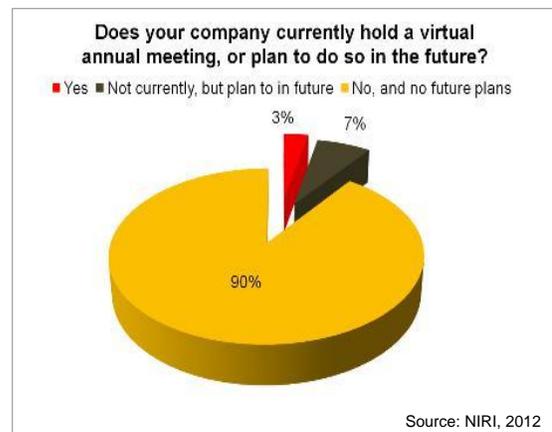
### Technology and Reporting

While the vast majority (97%) of respondents do not hold virtual annual meetings (meetings that are conducted strictly electronically with no shareholders physically present), 7% of those report their company has plans to move to a virtual meeting in the future (**Figure 4**). Those that plan to move report increased ease of

access for shareholders, company shareholder mix, increased transparency, and decreased costs associated with holding a virtual meeting as major factors. For those with no plans for a virtual meeting, the major reasons were cost, lack of shareholder interest, lack of perceived need from management, and the increased time allocated to a strictly electronic venue.

A larger percentage of respondents (32%) than those holding virtual meetings choose to use technology to broadcast their annual meeting. The most common method of broadcasting the annual meeting was through webcast (95%), followed by conference call (21%), and video (5%).

Figure 4: Virtual Annual Meetings



Source: NIRI, 2012

Most respondents (52%) report the results of their annual meeting between one and three business days, and a significant portion (33%) report results on the same business day as the meeting. The Form 8-K is the most common method of reporting meeting results (81%). Other common methods include issuing press releases (39%), and posting results on the company website (33%). Another reported option was filing a Form 10-Q (6%).

### Annual Meeting and Cap Size

As company market cap size increases, so does the likelihood of verifying that attendees are shareholders. Thirty-three percent of micro-cap companies reported verifying attendees, compared to 94% of mega-cap companies. Similarly, differences in company cap size also correlated with differences in technology usage: 8% of micro-cap companies reported broadcasting their annual meeting, a contrast to 67% of mega-cap companies. Finally, company cap-size was also related to reporting; with large-caps twice as likely to report their annual meeting results on the same business day as micro-caps (58% and 23%, respectively).

## Conclusion

Overall, respondents indicated through the qualitative portions of the survey that the annual meeting attracts little shareholder or public attention; consequently it is allocated minimal resources among the C-Suite. Corporate members reported stagnant attendance numbers, meeting lengths that were brief, and an overall opinion that company annual meetings are perfunctory in nature. Most respondents explained that they held their annual meeting in the format they did because it was the most cost-effective and shareholder friendly way to do so. Although clear norms emerged in the results of this survey with respect to annual meeting logistics, the meeting itself and reporting standards, variety in annual meeting practices can still be seen in these areas between cap sizes and industry.

## Survey Demographic

### *Respondents by Market Cap*

Micro-cap (less than \$250 million): 7%  
Small-cap (\$250 million-less than \$2 billion): 40%  
Mid-cap (\$2 billion-less than \$10 billion): 32%  
Large-cap (\$10 billion-less than \$25 billion): 11%  
Mega-cap (\$25 billion and above): 10%

### *Respondents by Exchange*

NYSE Euronext: 66%  
NASDAQ OMX: 32%  
Other: 3%  
ADR: 1%

## About the Survey

A sample of NIRI corporate members were invited to participate in this electronic survey from February 10 to February 17, 2012 through direct e-mail invitations. The survey yielded a response rate of 20% at a confidence level of 95%, and a confidence interval of +/- 5. In the charts, some numbers may not total 100% due to rounding. Please send your research-related comments, questions or suggestions to: [research@niri.org](mailto:research@niri.org).

NIRI members may link to the full survey results:

<http://www.niri.org/EA/2012-AMP-Survey-Results.aspx>

A complete PowerPoint slide deck is also available:

<http://www.niri.org/EA/2012-AMP-Survey-Slides.aspx>

## About the National Investor Relations Institute (NIRI)

Founded in 1969, NIRI ([www.NIRI.org](http://www.NIRI.org)) is the professional association of corporate officers and investor relations consultants responsible for communication among corporate management, shareholders, securities analysts and other financial community constituents. NIRI is the largest professional investor relations association in the world with more than 3,500 members representing 2,000 publicly held companies and \$5.4 trillion in stock market capitalization.

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