June 2026

# ShareAction Policy Paper: Defending and Strengthening the AGM as a forum for corporate accountability

Since the advent of online-only AGMs during the Covid-19 pandemic, the standard and consistency of AGM practice has diminished. Individual case studies of companies exploiting an online setting to 'stage manage' the meeting in a way that obstructs shareholder scrutiny are now backed by academic evidence confirming that this is happening on a systematic scale.

This has concerning implications for investors in UK companies, including pension schemes investing on behalf of millions of working people and their ability to engage with the companies in which they are invested.

Outdated legislation regulating AGMs, creating legal uncertainty around the status of online-only and hybrid AGMs, offers an opportunity to address the issue. However, the government's plans to confirm companies' permission to hold online-only AGMs will make the problem far worse. This paper sets out a way forward that would strengthen the governance and stewardship of UK companies by requiring hybrid online/in-person AGMs ans prohibiting the use of an online-only format.

## Executive Summary

- Annual General Meetings (AGMs) are vitally important to companies, to their shareholders and to a thriving UK economy.
- AGMs provide a forum for shareholders to elect company directors; propose, debate and vote on resolutions; and publicly question directors on issues ranging from financial performance to their social and environmental impact. These rights are critical to aligning the companies in which millions of us are invested through our pension savings with the interests of wider society.
- Outdated regulation and the legally dubious use of online-only meetings threaten the effectiveness of AGMs. Government now plans to confirm lasting permission for companies to hold online-only meetings, which is likely to increase their use.
- An online-only format turns what should be an open forum for dialogue between shareholders and boards on issues ranging from the company's environmental record to its financial performance into a glorified zoom call controlled by the company with the opportunity for meaningful scrutiny significantly reduced.
- Stakeholders have already documented multiple case studies of companies using online-only AGMs to 'stage manage' the agenda and limit, suppress or ignore shareholder questions altogether. Investors have been highly criticalof online-only meetings for these reasons.

- Academic evidence also confirms that companies anticipating shareholder criticism are likelier to use online-only AGMs as a means of avoiding scrutiny, challenge and accountability.
- Internationally, different jurisdictions have different requirements for AGM formats but many are reviewing what constitutes the most effective and proportionate model. The European Union is consulting on this topic as part of its Review of the Shareholder Rights Directive.

## Recommendations

The Secretary of State for Business and Trade should now act to make AGMs fit for the modern world while ensuring they retain their historic function, enabling shareholders to act as effective stewards of their investments and strengthening corporate accountability.

1. **The Government should amend the 2006 Companies Act to require UK listed companies to hold AGMs in a hybrid format** ahead of the 2027 AGM season, giving shareholders an option to attend either online or in-person, and guaranteeing the retention of an in-person element where scrutiny, dialogue and the expression of shareholder sentiment can be most effectively applied.

2. **This amendment should include a requirement for all directors seeking re-election to attend the AGM in-person** providing greater shareholder confidence that they are fully engaged with the AGM and with their responsibilities as directors.

3. **Government should also develop statutory guidance via consultation on AGM best practice more generally**, to apply on a 'comply or explain' basis, to be in place by Summer 2027. This could set out standards and minimum expectations in relation to factors such as:
    a. Safety and security at the meeting
    b. Provision of timely AGM information to shareholders (sufficient notice of the meeting and a record and follow-up activity after it has taken place)
    c. Meeting administration (including Chairing of the meeting, treatment of meeting participants, reasonable accommodation of questions)
    d. Access for online participants (for example (ensuring opportunities for two way dialogue equitable treatment of online participants)

These measures need not represent onerous nor costly impositions on companies but would enhance board-shareholder dialogue and investment stewardship. In this way, defending and strengthening the AGM would sharpen business decision-making, give investors greater confidence in UK companies and boost the prosperity of the country as a whole.

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### About ShareAction

Share Action is a UK-based charity working to transform the investment system so that it better serves people and planet. We work with pension savers, investors, businesses and policymakers to raise standards of responsible investment and strengthen accountability across the financial system.

We exist because investment decisions made on behalf of working people saving into pension schemes have profound consequences for the economy and society. We believe that stronger accountability and participation are essential to well-functioning capital markets.

## Background: Why AGMs are critical to good corporate governance

Since In common with most international markets, the UK requires publicly-listed companies to hold an Annual General Meeting (AGM) where shareholders can question the board of directors and vote on key governance issues – for example, the election/re-election of directors, directors' remuneration and approval of the annual report and accounts. Shareholders can also propose AGM resolutions of their own on strategic and business practice issues.

AGMs are vital to effective corporate governance. They give shareholders the power to act on their economic incentive to ensure that the directors charged with oversight and management of investee companies exercise their fiduciary responsibilities appropriately.

Shareholders benefit when a company is innovative, productive and sustainably profitable.  More broadly shareholders live in the world shaped by the companies they invest in. Very often they will have a wider portfolio of investments meaning they are affected not just by the performance of individual companies but of the economic system as a whole. So in most cases they are also incentivised to encourage companies they invest in, particularly companies with a potentially significant socio-economic or environmentally impact, to act in a responsible manner.

The right of shareholders to escalate concerns about investee companies to a public challenge through an AGM question, vote or resolution is absolutely critical to ensuring their input is taken seriously by companies.

In this way AGMs, play a critical role in ensuring high governance standards, sustainable business success and responsible social and environmental conduct across the large businesses that shape our lives in so many ways.

## Current policy context: There is a need to clarify outdated AGM regulations

During the Covid-19 pandemic in 2020, AGMs moved from a physical setting to an online format, with legal permission provided by the Corporate Insolvency and Governance Act.[1] This expired in 2021 but many companies have continued to hold either hybrid or online meetings since restrictions on in-person meetings were lifted.

Online-only meetings have attracted huge criticism from shareholders and governance groups, on the grounds that the level of board/shareholder engagement is substantially diminished and the scope for companies to filter questions and avoid scrutiny is increased. Companies that have maintained the practice have used a flexible interpretation of references to a 'meeting place' (which could in theory cover an online meeting platform) in the requirements for AGMs set out in the 2006 Companies Act and the absence of a definitive legal opinion as justification.[2] But this uncertainty has created the need for a clarification of what does or does not constitute a legally valid AGM. Worryingly, Government have said that they intend to confirm permission to hold online-only meetings, but these plans will be subject to a public consultation where alternative AGM formats that better enable good governance and stewardship can be debated.

The consultation also presents an opportunity to consider what measures could be taken more generally to ensure AGMs support high standards of corporate accountability, enabling better outcomes for businesses, investors and society as a whole.

## Stakeholder perspectives: Stakeholder experiences highlight the major governance risk posed by online-only AGMs

There is wide agreement that hybrid AGMs where shareholders can attend in-person but can also join remotely have been a welcome and positive innovation. Many shareholders inevitably find the cost, time commitment and other challenges associated with attending a meeting in-person to be prohibitive. Providing them with the *option* to attend online greatly improves accessibility and leads to a wider range of shareholders engaging with the governance of their investee companies.

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[1] **House of Commons Library (2020).** *New business support measures: Corporate Insolvency and Governance Act 2020*. Research Briefing CBP-8971. Available online at: https://researchbriefings.files.parliament.uk/documents/CBP-8971/CBP-8971.pdf

[2] **LexisNexis.** *Holding entirely virtual or hybrid general meetings and AGMs*. Legal Guidance (Practice Note). Available online at: https://www.lexisnexis.com/en-gb/legal/guidance/holding-entirely-virtual-or-hybrid-general-meetings-agms

Conversely online-only meetings, with no in-person element, create considerable scope for companies to stage manage AGMs in a way that significantly weakens shareholders' ability to exercise their rights as stewards of invested capital scrutiny. This in turn creates a significant risk of worse decision-making, weaker business performance and ultimately lower levels of economic dynamism and growth.

ShareAction works with shareholders to support engaged stewardship via questions at company AGMs. Our staff and partners attend hundreds of AGMs annually, giving us a unique insight into the most effective AGM practices in terms of corporate accountability and board-shareholder dialogue. We have documented numerous instances of companies using an online setting to ignore shareholder questions altogether, or to curtail, paraphrase or group them in a way that drastically reduces their meaning or impact – these are detailed in an appendix.

Many institutional investors have also highlighted their concerns about online-only AGMs. For example, the Schroders investment firm has said that they should only be used for 'genuine emergencies.'[3] The Investment Association, the UK trade body representing UK asset managers, has suggested online-only meetings remove accountability owing to the remoteness of participants.[4] The 'Governance for Growth' investor coalition, involving asset owners investing over £150bn in assets on behalf of 11 million UK savers, has also opposed online-only meetings.[5] In the most high-profile test of shareholder appetite for online AGMs in the UK, a proposal by BP to amend the company's 'Articles of Association' to enable them to hold online-only AGMs was rejected by a majority of shareholders at the company's 2026 AGM.[6]

The coalition argues that high corporate governance and stewardship standards and the sense of trust they instil in companies should be seen as an economic asset rather than a burden. Robust AGMs are a key part of this, as a means of ensuring corporate accountability to shareholders and guaranteeing competence and probity at board level. Rather than helping to attract investment, weakening AGMs risks weakening the UK's reputation for good governance and appeal as an investment destination.

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[3] **Ottawa, E. (2025).** *SRD II, Shareholder Rights and Corporate Governance – Virtual AGMs*. LinkedIn post. Schroders. Available online at: https://www.linkedin.com/posts/elisabeth-ottawa-738b4a74_srdii-shareholderrights-corporategovernance-activity-7458059208312336384-vl8d/?utm_source=share&utm_medium=member_desktop&rcm=ACoAAAPSP2IB0rTClj7q-H3xzrj7twxC_4ogVR4

[4] **Financial Times.** *Investment Association warns virtual AGMs remove accountability*. Available online at: https://www.ft.com/content/7941a89b-a165-4106-900c-51e495a905a7?syn-25a6b1a6=1

[5] **The Times (2025).** *Pension funds unite to fight virtual annual meetings*. Available online at: https://www.thetimes.com/business/companies-markets/article/pension-funds-unite-to-fight-virtual-annual-meetings-0pq8vbcbp

[6] **Guardian (2026)** *BP Board suffers triple climate rebellions from shareholders,* Available online at https://www.theguardian.com/uk-news/2026/apr/23/bp-board-suffers-triple-climate-rebellion-from-shareholders

**Box 1: The cost of AGMs.**

One of the most frequent arguments put forward in favour of online-only AGMs is the cost saving they achieve in relation to the logistical cost (for example, venue hire, security and AV equipment) of an in-person meeting.

This has some merit for smaller companies. For larger firms with multi-billion pound turnover (many of which operate their own conference facilities) the benefits of enhanced stewardship and governance quality resulting from an in-person meeting more than offset the comparatively minor expense of hosting a meeting.

Some commentators have highlighted the cost and complexity of hybrid AGM technology, particularly where systems are designed to facilitate simultaneous real-time voting both in person and online But in practice, most institutional investors already vote in advance of AGMs through proxy processes, and many retail shareholders do likewise.

Companies hosting a hybrid AGM would retain flexibility regarding the specific technologies used to facilitate remote participation, provided shareholders are able to observe proceedings, ask questions and engage meaningfully with boards alongside those attending in person. This could include the use of simpler and lower-cost online participation tools combined with established proxy and advance voting arrangements.

The core principle is that technology should expand access to AGMs without removing the accountability benefits associated with maintaining an in-person meeting.

Similarly, retail investor groups have strongly condemned the use of online-only AGMs, which risk exacerbating a two-tier shareholder system. Larger shareholders have the influence to engage directly with boards outside the AGM while smaller investors are more reliant on the AGM for engagement opportunities. Challenges and insights from engaged individual investors can be just as useful to companies.

Companies that only engage with a select few of their stakeholders are less likely to make good decisions or act in the broader economic interest.

## Academic evidence: Research shows that online-only AGMs are used to undermine shareholder scrutiny, good governance and corporate accountability

Individual case studies are borne out by detailed academic research providing empirical evidence that online-only AGMs are deliberately deployed by companies to weaken shareholder scrutiny.

An analysis by the European Corporate Governance Institute reviewing over 2,500 shareholder meeting transcripts and a dataset of 767 shareholder-submitted questions, identified four recurrent methods by which firms constrain shareholder voice:

1. Ignoring submitted shareholder questions;
2. Preventing shareholders from presenting questions in their own words;
3. Restricting questions only to proposal-related topics;
4. Reporting only pass/fail voting outcomes instead of exact vote tallies.[7]

Each of these mechanisms was found to be significantly and substantially more common in AGMs where shareholder support rates for directors or for resolutions are low. They were also significantly more likely to be used at online-only meetings.

In other words, firms anticipating shareholder criticism are significantly more likely to take steps to limit shareholder participation at AGMs, and these tactics are substantially more prevalent in an online-only format.

While it is obvious why boards of directors faced with challenging questions and criticism might wish to limit this, it is clearly not in the long-term interests of shareholders, businesses or the wider economy for UK company leaders to be able to dodge scrutiny and accountability for their decisions.

### International context: Other markets are also reviewing their AGM models

As in the UK, AGM formats have diversified across other markets, though practices vary by country.  In the European Union practices vary by country.

The EU is currently undertaking a review of its Shareholder Rights Directive. As part of the consultation, the EU sought stakeholder views on the possibility of common rules for the format of AGMs across the bloc, with options including in-person only, hybrid or online-only meetings. In response investors and investor groups have expressed their serious reservations about online-only meetings on the basis of concerns similar to those raised in this paper. Respondents expressing concern about online-only meetings and advocating their preference for a hybrid format included the European Fund and Asset Management Assocation (EFAMA), the European asset management industry association, plus other trade bodies for asset management in France and the insurance

[7] **Schwartz-Ziv, M. (2020).** *Is Shareholders' Voice Strategically Shaped at Shareholder Meetings, and Does the Market Care?* European Corporate Governance Institute – Finance Working Paper No. 748/2021. Available online at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3674998

industry in Sweden, as well as the International Corporate Governance Network (ICGN).[8]

The main insight from the experiences of other countries is that a consensus model for AGMs since the advent of online meetings has not been reached.

Rather than seeking to second-guess what approach their international counterparts might take, the UK Government should reflect on what is the model likeliest to enable genuine board accountability to shareholders, meaningful scrutiny of major business decisions and ultimately the best outcomes for businesses, investors and society as a whole.

### Recommendations: The UK Government should require companies to offer an AGM in both hybrid and in-person form, and work to strengthen AGMs as a mechanism for good governance and accountability in the longer-term

The Secretary of State for Business and Trade must now act to make AGMs fit for the modern world while ensuring they retain their historic function, enabling shareholders to act as effective stewards of their investments and strengthening corporate accountability. In the first instance, this should mean confirming the hybrid AGM as the best format for future meetings. As such, we recommend the following measures.

1. **The Government should amend the 2006 Companies Act to require UK listed companies to hold AGMs in a hybrid format** ahead of the 2027 AGM season, giving shareholders an option to attend either online or in-person, and guaranteeing the retention of an in-person element where scrutiny, dialogue and the expression of shareholder sentiment can be most effectively applied.

2. **This amendment should include a requirement for all directors seeking re-election to attend the AGM in-person** providing greater shareholder confidence that they are fully engaged with the AGM and with their responsibilities as directors.

This would end the current uncertainty about what is or isn't a legally valid AGM and would enhance the role that AGMs currently play in holding large businesses to account on factors ranging from their financial performance to their social and environmental impact.

However, it is not just enough to ensure that AGMs are not further weakened. There is a need to make them stronger and more engaging vehicle for board-shareholder dialogue and meaningful corporate accountability. Therefore we recommend that:

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[8] **European Commission (2024).** *Shareholder Rights Directive – evaluation and review: stakeholder feedback*. Have Your Say. Available online at: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14809-Shareholder-Rights-Directive-evaluation-and-review/feedback_en?p_id=22263

3. Over the medium term, **Government should also develop statutory guidance via consultation on AGM best practice more generally**, to apply on a 'comply or explain' basis. This could set out standards in relation to factors including:
    e. Safety and security at the meeting
    f. Provision of timely AGM information to shareholders (both advance notice of the meeting and a record and follow-up activity after it has taken place)
    g. Meeting administration (including Chairing of the meeting, treatment of meeting participants, reasonable accommodation of questions)
    h. Access for online participants (for example (ensuring opportunities for two way dialogue equitable treatment of online participants)

Once implemented, these measures would help move the UK towards a system of real democratic governance, capable of aligning business practice with the interests of wider society.

This should be integral to the mission of any progressive government.

ShareAction»

## Appendix: Case studies of poor practice at virtual AGMs:

- **Alliance Witan** held an online-only AGM in 2026. Despite emailing her question in advance and submitting via the virtual platform, ShareAction supporter Gillian's question was ignored for several weeks before she received an email directing her to a website page providing information on questions not answered at the AGM.

- **Aviva**'s 2025 AGM was held in hybrid format and shareholders reported issues in obtaining the required login details to access the virtual AGM platform. ShareAction attempted to provide virtual AGM access support for a representative to ask an online question at the AGM. Despite our broker contacting the company registrar ahead of the AGM, and providing the necessary details, Computershare failed to provide the required login credentials. The in-person meeting was held in York, beginning at 9am making it very difficult for shareholders from other parts of the country to arrive in time. A written question from shareholder Cliff relating to shareholder attendance was not relayed to the meeting and no subsequent reply was posted.

- **Marks & Spencer**'s 2025 AGM was technically hybrid but with shareholders strongly encouraged to attend virtually. ShareAction's video question was broadcast during the AGM, however it was stopped short, before the 1-minute mark designated as the time limit for video questions. This meant that the question was neither posed nor answered in full.

- **Marks & Spencer**'s 2024 AGM was hybrid, but shareholders were strongly encouraged to attend online. The company encouraged digital attendance at the AGM, stating that 'shareholders will enjoy the best experience by joining the meeting online', yet many of the pre-submitted written and video questions were neither featured nor played during the live virtual meeting. ShareAction coordinated five shareholders to provide video questions or submit questions and none of them were answered, and only one video was played. Where M&S did provide written responses on their website to questions, the responses were grouped together in themes rather than addressing the specific details raised in each distinct AGM question.

- **Sainsbury's** adopted a hybrid format for their AGMs in 2024 and 2025. While many people attended in-person, there were a significant number who attended online. 'Shareholders were encouraged to register their questions in advance'; the AGM notice encouraged shareholders to register questions in advance but did also state that 'you may ask questions in the meeting'

- **Nationwide Building Society** have held an online-only AGM since 2023 Nationwide member James reported that questions were chosen by the Chair, with a large number ignored. The rationale behind the choice of questions addressed was never explained and a full list of questions posed by members was never published, let alone answered.

- **Santander** adopted a fully virtual AGM format for the first time in 2025, having previously held hybrid AGMs for consecutive years prior to this. Despite following the correct process to submit a video and written question to be delivered during the AGM, Annabel - a Santander shareholder for 25 years - was not given the opportunity to ask her question during the AGM, nor did the company read or and respond to the question she had pre-submitted in writing.

- **Amazon**'s 2025 AGM was held online. ShareAction submitted a written question in advance of the AGM. We never received a response from Amazon.

- **Domino's Pizza Inc**'s virtual-only AGM imposed restrictive measures on its shareholders' ability to ask questions. Shareholders were unable to ask comprehensive questions during the AGM with the company imposing a 200-character limit on questions submitted via the online platform. The AGM platform did not provide functionality to ask verbal or video questions, meaning that submitting very short written questions was the only option available.

- **Kraft Heinz** held an online-only AGM that lasted just 13 minutes in 2026. The company claimed that no questions had been submitted and closed the meeting, even though ShareAction had submitted a question in advance and during the meeting.

- **McDonald's US**' AGM was held virtually in 2025. Despite many shareholders pre-submitting questions by email and submitting the questions correctly during the AGM, the company did not acknowledge nor respond to them on the day. The company has also failed to respond to follow up emails requesting a written response.

- **Papa Johns** held its AGM in online-only format in 2025. The ability to ask comprehensive questions during the AGM was significantly restricted with the company imposing a 200-character limit on questions submitted via the online platform. The AGM platform did not provide functionality to ask verbal or video questions, meaning that submitting very short written questions was the only option available.

- **PepsiCo** held its AGM in an online format in 2025. ShareAction trustee Kevin submitted a written question in advance of and during the AGM. Despite pre-submitting the question by email and submitting the question correctly during the AGM, the company did not acknowledge nor respond to it on the day. However, PepsiCo did publish a response to the question on the Q&A section of their website a week after the AGM.

- **Restaurant Brands International** held its AGM virtually in 2025. Shareholders submitted questions in advance of the virtual AGM and joined it live. No online questions were acknowledged or responded to during the AGM, raising suspicions that questions submitted were heavily moderated.
**UPS** held its AGM online in 2025. Despite a ShareAction trustee, Kevin, submitting a question correctly in the chat function during the AGM, the company did not acknowledge nor respond to it on the day. However, Kevin re-shared the question and followed up by email – noting that the Chair did not respond to his question during the AGM even though the meeting was relatively brief. The investor relations team provided a brief written response to direct Kevin to their Global Reporting Initiative published earlier in the year.

- **Yara International** held its AGM virtually in 2024. The AGM platform technology was very rudimentary and did not facilitate meaningful engagement between shareholders and the board. Participants were disconnected from being able to watch and hear the meeting for a time after pressing the "Request to speak" button and it was not always clear which shareholders had been called on to speak. When ShareAction colleagues attempted to deliver their question to the Yara Board, they were repeatedly disconnected from the online platform and ended up waiting in the telephone queue to speak.

- **Yum Brands claimed** claimed that they had run out of time to take questions at their online-only AGM in 2026 after the entire AGM had lasted just 17 minutes. A ShareAction partner submitted and re-submitted a question in advance, but it was not answered.

- **Yum! Brands International** held its AGM in a virtual format in 2025. Despite shareholders pre-submitting questions by email and submitting questions correctly during the AGM, the company did not acknowledge nor respond to it on the day. The company has also failed to respond to follow up emails requesting a written response.

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