



# NSE ISSUES GUIDANCE ON THE CONDUCT OF VIRTUAL MEETINGS AMIDST COVID-19



April 2020

## Introduction

On 15 April 2020, The Nigerian Stock Exchange (the “NSE”) published the “*Guidance on Companies’ Virtual Board, Committee, and Management Meetings*” (the “Guidance”) in response to the legal and regulatory uncertainties occasioned by the COVID-19 pandemic and the current inability of companies’ board, board committees and management teams to hold physical meetings.

The Guidance provides direction to stakeholders on how to successfully convene and hold virtual meetings during the COVID-19 pandemic and other times of business disruption when physical meetings cannot be held. Furthermore, the Guidance sets out best practices and procedures in relation to the conduct of virtual meetings in order to ensure business continuity and compliance with corporate governance standards.

## Overview of recommendations contained in the Guidance

First, the Guidance takes cognisance of the fact that the Companies and Allied Matters Act (Cap C20 Laws of the Federation of Nigeria 2004) does not expressly contemplate the convening of shareholder and board meetings through non-physical means. While a number of companies and boards have incorporated provisions for holding virtual meetings in their Articles of Association and Board Charters or Terms of Reference, several other companies maintain constitutional documents that only make provision for physical meetings.

The Guidance recommends that provisions specifically authorising virtual meetings and incorporating essential components of a valid meeting (such as quorum and notice), be incorporated in the constitutional documents of companies, boards and board committees.

Secondly, by virtue of the peculiar nature of virtual meetings, the Guidance highlights important factors that are required for the successful facilitation of virtual meetings, including: (i) the need to have a precise agenda, (ii) the need for the timely communication of meeting details and distribution of meeting materials, (iii) the need to procure the requisite equipment and technical support, and (iv) the need to ensure information security and data protection.

Technological considerations are extensively examined under the Guidance, with emphasis on the need for host companies, boards, board committees and management teams to ensure that as much access and participation as possible is obtainable during virtual meetings as is the case with physical meetings.

On a final note, the Guidance sets out the protocols and responsibilities of the Company Secretary, the virtual attendees and the Chairperson of the meeting in their respective capacities. The Guidance also makes proposals on other matters such as the appearance of attendees, the location of attendees and the need for privacy and confidentiality in the course of holding a virtual meeting.

## Conclusion

The COVID-19 pandemic would invariably result in organisations embracing technology to a greater extent and investing more in infrastructure that is geared towards enhancing the ability of their employees to work remotely and hold virtual meetings. The Guidance provides assistance to companies, boards, board committees and management teams on the development of frameworks for conducting virtual corporate meetings, whilst maintaining compliance with corporate governance standards and global best practices.

The publication of the Guidance by the NSE is a step in the right direction and reinforces the NSE's position as a thought-leader and innovative regulator.

The Guidance may be accessed on the NSE's website [here](#).

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