# BAE Systems and Aston Martin face backlash over digital-only AGMs limiting shareholder engagement



Defence contractor BAE Systems and luxury automotive manufacturer Aston Martin have recently announced that their upcoming annual general meetings (AGMs) will be conducted solely online. This move follows similar actions by major corporations including AstraZeneca, which previously restricted in-person attendance at its AGM, and Haleon.

Critics, including campaigners advocating for shareholder engagement, contend that this shift to virtual meetings limits opportunities for open dialogue and dissent, effectively undermining shareholder democracy. They have raised concerns that the current legal framework governing company meetings is ambiguous. The Companies Act of 2006, which preceded the widespread adoption of online meetings, stipulates that AGMs must occur in a physical location but does not clarify if the board is required to attend or if investors must be present.

Companies have justified their decisions by citing the high costs associated with hosting physical meetings and potential disruptions from protest activities. A recent incident at a Drax meeting, where environmental activists forced an early conclusion, exemplifies these concerns.

During the pandemic, many corporations transitioned to digital meetings and have since largely adopted a hybrid approach, allowing shareholders the option to attend in person. However, BAE Systems has opted for a digital-only format for its AGM, scheduled for Wednesday, allowing shareholders to access the meeting from a conference centre in Farnborough, Hampshire, while noting that no board directors will be present. Aston Martin has taken this a step further, opting for an "electronically by audio webcast" format without specifying a physical location.

Legal experts have pointed out that while the absence of board members at an AGM raises questions about the legitimacy of resolutions—including director elections and auditor appointments—there is no legal obligation for all directors to attend, whether in person or virtually. Some board members may face difficulties attending due to international commitments. Furthermore, directors are not mandated to address all shareholder inquiries in detail.

Under shareholder pressure, several companies have reverted to hybrid models after initial attempts to conduct meetings entirely online were met with criticism. For instance, Marks & Spencer faced backlash for trying to restrict its AGM to an online format and was accused of "arrogance" and establishing "an appalling precedent."

In the case of Aston Martin, the company has previously struggled with shareholder discontent over boardroom compensation issues, including the £1.6 million cost incurred by former CEO Amedeo Felisa for private jet commutes from Italy to the UK.

Both BAE Systems and Aston Martin are set to hold their AGMs on Wednesday, amidst growing scrutiny regarding the implications of these digital-only gatherings for shareholder engagement.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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