Annual Election during the COVID-19 times.

We will go over what is required and best practices. I will use our experience with Cumberland Green Cooperatives Annual Meeting to share with you.

It is a generally accepted cornerstone of sound corporate governance that shareholder participation is a key component of a successful annual meeting. State laws require companies to hold annual meetings of their shareholders to elect directors and act upon other matters properly brought before the meeting.

In recent years, there has been ongoing dialogue regarding best practices, or safeguards, to ensure that annual meetings are accessible, transparent, efficient, and meet the corporate governance needs of shareholders, boards, and management.

Most states now permit virtual-only or hybrid shareholder meetings. Only five states require in-person. meetings, and 45 states and the District of Columbia permit hybrid meetings. Thirty-three states, including Delaware, permit virtual-only meetings.

Most states that allow online participation in shareholder meetings impose conditions on such. participation. Generally, most such states require that a shareholder participating in a shareholder. meeting online be able to:

- Vote during the meeting.
- See and hear the proceedings contemporaneously.
- Ask questions; and
- Have their remarks heard by other shareholders.

MAHC advise association leaders to discuss options with legal counsel before deciding on a form of meeting technology and how to deploy it. In general, most board deliberations and decisions must be held in a fashion that allows board members to talk to one another contemporaneously and property owners to hear that discussion in real time.

Instructions on How Shareholders Can Attend and Participate

Companies have a responsibility to provide clear and comprehensive instructions in proxy statements and related disclosure on how their shareholders can participate in their shareholder meetings. Therefore, it is incumbent upon the company to:

- ➢ Provide shareholders with complete, detailed instructions on how they can attend the meeting and vote prior to and at the meeting.
- ➢ Write these instructions in “plain English” with the individual shareholder in mind.
- ➢ Send out to all members and Place these instructions in a prominent and easily located place for the meeting.
- ➢ Indicate whether attendance is limited to shareholders or open to both shareholders and guests.

At Cumberland we used Zoom Webinar as a resource to do the meeting. With Webinar everyone microphone is off and can be turned on when the chair recognized them. This keeps the meeting under control for everyone to hear and see. We need 3 people to have a good meeting. The chair runs the control the meeting just like normal meetings. A coordinator to watch for question and present to the chair to be answered. And a professional director to work and keep everything going as normal.

At MAHC I can provide as the technical person for members who want help. The Webinar software is also more expensive but MAHC has purchased it and will provide it for our members.

Instruction on How Shareholders Can Submit Questions
While it is not explicitly a legal right, shareholders expect to be able to ask questions at shareholder meetings, and companies have long included time for questions from shareholders at their annual meetings. Companies frequently have meeting rules distributed at in-person meetings, and this should be no different for VSMs. Thus, prior to their VSMs, companies should:

- Provide instructions on how and when shareholders will be able to ask questions at the meeting.
- Make it clear that a shareholder must attend as a verified shareholder (*i.e.*, not as a guest) to be eligible to ask questions (and vote) at the meeting.
- Explain any requirements or limitations on asking questions at the meeting (*e.g.*, time allotted for the Q&A session, time allotted per question, number of questions allowed for each shareholder, self-identification) and how the company may use discretion when selecting questions to answer and paraphrase questions for greater clarity.
- Explain whether and how the company will respond to any questions after the meeting that it was not able to answer at the meeting.
- If the company chooses to solicit questions in advance, provide instructions on how shareholders can ask questions in advance of the meeting.

With Zoom questions are typed in the questions field. Cumberland Left that open all of the time and the coordinator would present them when appropriate to the chair to answer. Or they can answer the questions and send it back to the person who asked the question. (Things like present that to management or we can talk about that after the meeting it is not appropriate now.)

Voting
Voting is a shareholder's most important and powerful right. To that end, companies must:

- Provide a prominently visible and simple mechanism on the main VSM page for shareholders to vote their shares during the time the polls are open.
- Confirm that the VSM service provider is able to maintain the integrity of election is able to certify, the votes cast at the meeting.

In zoom we used the polling question tool to allow everyone to be able to vote. When done we can then display the results back to everyone. This is a quick and easy and members like to see the results right away.

Company Training and Rehearsals
As with all planned events, it is important for those directly involved with the VSM to execute their duties, know what to expect, and anticipate and work out as many potential technical and communications difficulties as possible well in advance. To that end, the company should:

- Ensure adequate training on the VSM platform for any board members, company representatives, and contractors who will be actively working on or participating in the meeting.
- Ensure technical support staff is present during the meeting in case technical challenges arise.
- Rehearse the entire meeting with the individuals who will be actively working on the meeting.

We need to have everyone putting on the event comfortable with operating zoom client. We usually would practice 2 or 3 times. This made sure everything worked and everyone is comfortable.

Allowing Shareholders to Test Internet Connectivity

As with any webcast or virtual meeting, there may be instances where attendees are not able to access the event easily due to inadequate technical capabilities that could have been resolved had they been tested in advance. To that end, companies should:

- Provide a simple way for attendees to check the online system compatibility requirements (e.g., operating system, web browser, and Internet connection strength) to connect to the VSM and minimize the likelihood of connection issues well in advance of the meeting.
- Allow attendees to login at least 15 minutes before the scheduled start time to resolve connection issues.

At MAHC and Cumberland Green we had a practice session before the real event so any of the members can try and get used to using zoom. We also passed out a phone number so anyone who had trouble during the meeting can call and get help getting into the meeting.

Assistance for Attendees

As with any webcast or virtual meeting, there may be instances where attendees will face technical difficulties and seek immediate assistance during the meeting. That may be especially true for individual retail shareholders who have never attended an annual meeting, whether in-person or virtually, or who are not proficient with the technology of virtual meetings. Companies using a VSM platform should:

- Provide information in advance of the meeting for how members can contact the company or the VSM service provider with questions about attending the meeting.
- Provide a visible mechanism on each page of the VSM platform for attendees to contact a live operator for assistance via phone, online "chat" function, or other form of real-time communication.

Proceedings of the Meeting

The formal legal portion should be conducted in the same manner as any in-person shareholder meeting, with certain modifications or enhancements described below to make the virtual experience for the shareholder as close as possible to an in-person shareholder meeting.

Sample of polling questions

A company's annual meeting is the only opportunity you may have to address questions and comments from shareholders. In that sense, the annual meeting is an important event for shareholders to engage directly with boards and management, as well as other shareholders. To this end, companies should:

- allocate ample time on the agenda people that may be late due to connection problems.
- Giving shareholders the ability to indicate their level of interest in particular questions.
- Opportunity to show members how to vote and feel comfortable with it.

What I have found in the past is that members tend to be a few minutes late. To not punish the people on time start on time. By giving sample polling questions it gets every more comfortable at the beginning of the meeting with voting. It also lets them know it will be interactive at the meeting. You also get information on member feel on question you have.

You just gave time for everyone to get into the meeting.

Announcements
At any large meeting, it is important to provide clear guidance on how the meeting will be conducted and instructions for how to participate. This may be even more important at virtual events. In addition to the announcements traditionally or required to be made at annual meetings,18 companies should announce immediately after the meeting is called to order:

- Instructions on how to vote during the meeting.
- Instructions on how and when to submit questions during the meeting and how and when they will be answered (including the need for questioners to provide their name and contact information)
- Information for attendees requiring technical or other assistance.

The chair should announce the procedures on how the meeting we be handled and what the members should expect. Walk everyone through what is going to happen and get everyone comfortable on what is going to happen.

The meeting does not have to be all virtual. At Cumberland we had a hybrid meeting. members on their laptops, telephones and we opened the clubhouse and had a projector projecting the meeting. We gave them the questions for the polling so they could participate. But we keep everyone spaced apart as was required and had to limit the number in the clubhouse.

There are many ways to have an annual meeting. We know of one cooperative before it got to cold rent 3 large tents so everyone could be spaced apart and held there meeting. They just had to use a load speaker.

At MAHC we are available to assist any of members in having their annual meeting virtual. We would help with the technical part, but you and your board will do the meeting.

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