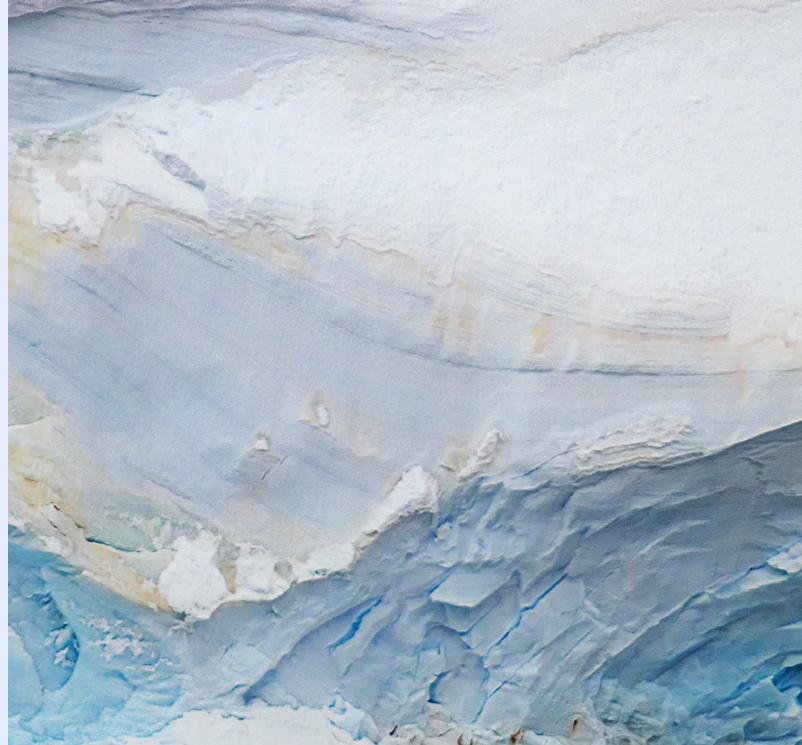


Across the Board Preparing for your 2026 AGM: Key considerations



Key topics

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Contact the team



David Pudge
Partner
London
david.pudge@cliffordchance.com
+442070061537



Alanna Hunter
Partner
London
alanna.hunter@cliffordchance.com
+442070064393



Simon Valls
Corporate Governance
Advisory Associate
London
simon.valls@cliffordchance.com
+442070064496



Sonia Gilbert
Partner
London
sonia.gilbert@cliffordchance.com
+442070062041



Andrew Patterson
Partner
London
andrew.patterson@cliffordchance.com
+442070066160



Becky Moore
Head of Strategy and
Development, Incentives
London
becky.moore@cliffordchance.com
+442070063337

As the 2026 AGM season gets underway, here are five key areas to consider when preparing for your AGM.

With the timings for a range of anticipated reforms still unclear, the 2026 AGM season is expected to be largely business-as-usual for most companies. A few may seek to pre-empt anticipated legislative changes and look to amend their articles at this year's meeting – more on this below.

We also expect to see more companies seeking to increase overall quantum of director remuneration and taking a more nuanced approach to executive pay. Effective engagement and a clear rationale will, however, remain essential when seeking shareholder support for this.

1

Virtual AGMs

2025 continued to see very few companies holding truly "virtual" meetings and a limited number of companies holding 'digitally-enabled' AGMs (which, whilst technically not entirely virtual, mimic many of the features of a virtual meeting). There is unlikely to be any broader uptake in truly virtual meetings, at least until the law on virtual AGMs has been clarified.

Helpfully, the Government has indicated that it remains committed to passing legislation to clarify that a 'place' of meeting includes an electronic platform, thereby opening the door to a greater number of virtual-only meetings, subject to the company's articles being compatible with this approach. However, this also remains subject to the Government finding sufficient parliamentary time to consider the legislative changes required. In the meantime, 2025 continued to see physical-only meetings as the most common meeting type and we expect this to be the case for 2026. For many companies this will continue to be the most appropriate and cost-effective format for their AGM even if the legislative position on virtual-only meetings is clarified.

We anticipate that a handful of companies may seek to pre-empt the legislative change and amend their articles of association this year to facilitate the holding of virtual-only meetings in the future.

However, there have been no substantive changes to proxy advisor views on virtual-only meetings and ISS has clarified its position on “digitally-enabled” meetings (more on which, see below). Equally, companies will need to gauge whether they are likely to have the appropriate level of shareholder support for any proposed changes. In 2025, one FTSE 250 company withdrew a proposed resolution to amend its articles that would have enabled virtual-only meetings.

In December 2025, GC100, the association of general counsel and company secretaries of the FTSE 100, [published helpful guidance](#) on the holding of virtual meetings. This guidance includes a suggestion that companies seeking the ability to hold virtual-only meetings might consider time limiting this in the first instance to allow the company and its shareholders to assess the impact of any such change of approach.

We expect companies holding virtual-only meetings, or those amending their articles to authorise them to do so, to have regard to the GC100 guidance which highlights that the AGM is a forum both to obtain various legal approvals and to enable shareholders to question and hold to account the directors on the business of the meeting. It then goes on to set out ways in which companies can enable shareholders to do this in the context of a virtual meeting. However, as noted below, following the guidance will not be a guarantee of shareholder or proxy advisor support.

2

Proxy advisor views

2025 saw proxy advisors firmly in the spotlight. In October 2025, [Glass Lewis announced](#) that it would no longer issue house voting positions, instead moving to bespoke policies for clients behind closed doors. In the United States, [ISS announced](#) that it would no longer take account of diversity factors when making voting recommendations. It remains to be seen what effect this will have on UK shareholder meetings going into 2026 and beyond but it is likely that the phasing out of blanket policies will place greater emphasis on engagement with key shareholders both in the AGM season and throughout the year more generally.

When it comes to virtual-only or digitally enabled meetings:

- [Glass Lewis](#) does not have a blanket policy to recommend voting against amendments to articles to allow for virtual-only meetings but it will only support voting in favour where amendments to articles provide that virtual-only meetings will be used only in *exceptional circumstances*; and
- ISS continues to recommend voting *for* amendments to articles of association that permit hybrid shareholder meetings provided it is clear that there is no intention to hold virtual-only shareholder meetings, and *against* amendments that permit virtual-only shareholder meetings. Its [2026 policy](#) clarifies that a hybrid meeting should include an in-person meeting, with a new definition of ‘in-person meeting’ providing that shareholders and board members should be physically present at the same location, enabling direct, in-person interaction.

3

Disapplication of pre-emption rights

In its [2024-2025 annual monitoring report](#), the Pre-Emption Group highlighted continued shareholder support for enhanced disapplication authorities, with the vast majority of disapplication resolutions passing and without significant dissent. The report noted that 77.6% of FTSE 350 companies are now seeking an enhanced authority to disapply pre-emption rights (i.e., where either the request for general corporate purposes, or the request for a specified capital investment, exceeds the 5% authority previously allowed under the 2015 Statement of Principles), up from 67.1% during the first year of the 2022 Statement of Principles. We do not expect to see significant changes in the levels of shareholder support in 2026, with companies continuing to take advantage of the flexibility to disapply pre-emption rights for up to 20% of their issued share capital (or 24% with follow-on offers).

When the new UK prospectus regime comes into force on 19 January 2026, this will allow companies to undertake further issuances of up to 75% of their issued share capital without triggering the requirement to publish a prospectus, a very

significant increase from the current 20%. However, the Pre-Emption Group has not yet changed its expectations on the limits on annual pre-emption disapplication authorities nor has it indicated whether it will update its Statement of Principles to reflect the new threshold. Therefore, companies contemplating non-pre-emptive share placings should continue to bear in mind the maximum limit of up to 20% (or up to 24% with follow-on offers) contemplated by the existing Statement of Principles.

4

ESG considerations

The number of climate-related resolutions remains broadly consistent with prior years. As was the case in 2024, only one FTSE 100 company was subject to a climate-related shareholder requisitioned resolution last year, although that resolution did gain 20.56% of votes in favour (up from 18.6% the prior year), in part due to support from some institutional shareholders.

Looking ahead, companies with significant US operations may have already received letters from US Attorneys General regarding the EU's implementation of the CSRD and CSDDD requesting that such companies do not follow "European ESG and DEI mandates". It remains to be seen how UK-listed multinationals will navigate these conflicting cross-border expectations in practice. Companies may face heightened scrutiny of their sustainability disclosures, an increased number of shareholder questions, and a more polarised environment around ESG related resolutions. Boards may be well-advised to prepare for more detailed explanations of how they reconcile mandatory EU reporting requirements with evolving expectations from certain US stakeholders, as well as consider how this tension may influence voting outcomes, engagement strategies and disclosure practices.

Where companies anticipate that their AGMs may be disrupted by protests, they should review their security arrangements and put appropriate procedures in place to seek to minimise the risk and impact of any potential disruption.

Finally, while the Investment Association's public register of significant votes against resolutions at AGMs is being discontinued, the Corporate Governance Code and investor expectations remain. It is expected that companies continue to engage with key stakeholders where significant votes against have been achieved and comply with the related disclosure obligations reflected in the Corporate Governance Code.

5

Remuneration

We expect executive remuneration to continue to be a key topic at AGMs in 2026. As we saw in 2025, we expect companies to consider increasing overall quantum of director remuneration, using time-based incentives in addition to, or instead of, performance-based ones and/or reducing bonus deferral levels (if their director shareholding requirement is met) and generally introducing a more nuanced approach to pay.

In line with guidance from the proxy advisors (the Investment Association, Glass Lewis, ISS, Pensions UK), effective shareholder engagement and a clear rationale will continue to be essential for garnering the necessary shareholder support for any new remuneration policy in 2026:

- The companies that had the highest levels of shareholder support in the 2025 AGM season were those that consulted early and widely with shareholders. Their remuneration resolutions tended to have high approval levels even in circumstances where a proxy advisor recommended a vote against.
- In its November 2025 letter to remuneration committee chairs, the Investment Association underlined its commitment to improved company/shareholder dialogue through two new initiatives (A) a directory of shareholder contacts to enable easy approaches to shareholders and (B) re-establishing collective meetings.
- There is still a reluctance to give blanket support for pay increases or US-style pay packages without a very clear rationale. In its updated voting guidelines, Pensions UK emphasised the need for transparency by companies and higher scrutiny by investors.

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

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Clifford Chance, 10 Upper Bank Street, London,
E14 5JJ

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