

Monday, 23 March 2020

Time to think about contingency plans for your next AGM

Companies planning their AGM or other General Meetings during the current pandemic, should be considering developing contingency plans, says the Law Council of Australia.

This follows the release of a [guidance note](#), developed by the Law Council in partnership with the Governance Institute of Australia and the Australasian Investor Relations Association.

Law Council President, Pauline Wright, says companies will need to make sure that arrangements for an AGM provide a reasonable opportunity for shareholders to participate in the meeting, including having a reasonable opportunity for shareholders to ask questions, make comments and to vote.

“While noting that each company’s situation will be different, having plans in place is imperative,” Ms Wright said.

“This includes checking relevant provisions of the company’s constitution and coordinating with share registries, making sure shareholders are kept regularly updated and are given the maximum opportunity to have their say,” Ms Wright said.

This guidance comes as the Federal Government announces that they will lessen the threats of actions that could push businesses into insolvency, an approach which is fully supported by the Law Council of Australia.

These measures include providing temporary flexibility in the *Corporations Act 2001* to provide targeted relief for companies from provisions of the Act to deal with unforeseen events that arise as a result of the Coronavirus health crisis.

“It is important that businesses have a safety net to make sure that once the crisis has passed, they can resume normal business operations,” Ms Wright said.

“We welcome these measures to assist otherwise profitable businesses that may find themselves facing financial distress during this time.”

“These changes will make sure that companies have the confidence to continue to trade and keep the economy going,” Ms Wright said.

The guidance note can be [found here](#).

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