

31 July 2020

AIRA welcomes extension of virtual AGM relief measures

The Australasian Investor Relations Association (AIRA) today welcomed the Federal Government's extension of temporary measures giving businesses and boards legal certainty for a further six months.

AIRA Chief Executive Ian Matheson said the extension allowing businesses to convene virtual annual general meetings and sign documents electronically was a vital second reprieve to aid businesses through the ongoing health crisis.

"The extension will support nearly 1000 listed companies with their annual general meetings and allow millions of shareholders to participate in company meetings online.

"These companies were in an impossible position to meet their legal obligations in respect of communicating with shareholders and convening meetings.

"With the COVID-19 crisis deepening in Victoria and NSW on high alert, the extension gives these companies certainty and flexibility to navigate a pandemic that is far from over and a recession that is just beginning to take effect," Mr Matheson.

AIRA was a leading advocate for the introduction and extension of the temporary measures first introduced in May 2020 and were set to conclude in November 2020.

"The temporary measures introduced in May have been enormously successful.

"We've seen a 36% increase in the number of people attending company meetings and observed greater levels of shareholder participation. Businesses have also saved money on printing and venue hire during a period when every dollar is precious.

"The next step is permanent reform. The coronavirus crisis will eventually subside, but Australia's corporate legislation will remain outdated.

"Digital investor communications and virtual AGMs must become a permanent feature of the Corporations Act.

"This will not only help businesses through the current unprecedented period, but also thrive on the other side, whenever that may be," Mr Matheson said.

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Media contact: Paul Higgins

E: Paul.Higgins@newgatecomms.com.au | **M:** +61 423 901 304
