

**GUIDE FOR SPORT:
COVID-19 AND ITS IMPACT ON HOLDING AGMS**

Updated 11 May 2020 to include amendments to the Corporations Act 2001 (Cth) effective on 6 May 2020.

The [Corporations \(Coronavirus Economic Response\) Determination \(No. 1\) 2020](#) (**Determination**) makes important changes to the holding of company meetings under the Corporations Act). We provide this updated guide for Sports, outlining the new requirements for holding virtual AGMs, together with our suggestions on how to implement them. Sports registered as companies should familiarise themselves with these requirements effective from 6 May to 6 November 2020.

Incorporated Associations do not need to comply with the Determination but should refer to the new arrangements for guidance.

General

1. When preparing for a virtual AGM:
 - (a) a company must:
 - (i) give notice of the meeting electronically and outline any new arrangements; and
 - (ii) provide attendees with an opportunity to speak, vote and otherwise participate;
 - (b) consider what is permitted under the constitution including:
 - (i) whether there are additional requirements for using technology; and
 - (ii) whether it can be postponed, adjourned or cancelled;
 - (c) ensure sufficient notice of the AGM is provided;
 - (d) consider which format and technology is most appropriate to provide an opportunity to participate and vote; and
 - (e) engage early with the regulator if an extension of time is required or to address other compliance queries.

Timing

2. A company must hold its AGM within 5 months of the end of its financial year.
 - (a) ASIC has extended the period for companies with financial year end 31 December 2019, permitting AGMs to be held up to 31 July 2020.
 - (b) Associations should comply with the requirements of the State/Territory regulator - check websites for COVID-19 updates.

- (c) In Victoria, Associations must hold their AGM within 5 months of the end of the financial year and in New South Wales, within 6 months of the end of the financial year. Consumer Affairs Victoria and Fair Trading NSW may grant extensions for holding AGMs in exceptional circumstances, including due to COVID-19.

Notice

Delivery

3. Provide notice electronically by:
 - (a) attaching the notice to an email;
 - (b) outlining the notice information in the body of an email; or
 - (c) sending a link where members can view and download the notice.
4. Ensure notice is sent to each member's current email address.
5. For members without email, send a letter containing the URL to the notice or otherwise ensure that the member can access the notice online.
6. If notice has been given prior to 6 May 2020, a fresh notice outlining new arrangements must be given at least 7 days before the meeting.

Content

7. The notice should include clear instructions outlining:
 - (a) how to join the meeting;
 - (b) any new arrangements regarding speaking and general participation at the meeting;
 - (c) how votes will be taken, how to appoint a proxy and any other relevant procedural requirements; and
 - (d) provide helpline details if a member has technological difficulties.

Conducting the meeting

Using technology

8. Ensure the technology allows members a reasonable opportunity to participate at the meeting without being physically present at the same place including:
 - (a) the ability to ask questions;
 - (b) voting by a poll rather than a show of hands; and
 - (c) where practical, recording votes before the meeting.
9. Follow the same meeting procedures as you would for an in-person meeting (including quorum and proxies), except that attendees participate by technology.

10. Tools such as Zoom or Microsoft Teams can facilitate virtual meetings. [Vote Now](#), [Truevote](#) and [CorpVote](#) can facilitate electronic (real time) proxies and voting. Ensure you can record attendance at the meeting using these tools. Consider also giving members the opportunity to submit questions before the meeting.
11. Be aware, the Determination does not prohibit members from taking legal action in relation to the validity of a meeting. If you believe a member may challenge an AGM or the resolutions, seek legal advice before sending notice of the meeting.

Further questions

12. If you have any questions, please contact Amelia Lynch, Simon Merritt or Kate McGurk from Lander & Rogers' Sport & Leisure Team on 03 9269 9400.