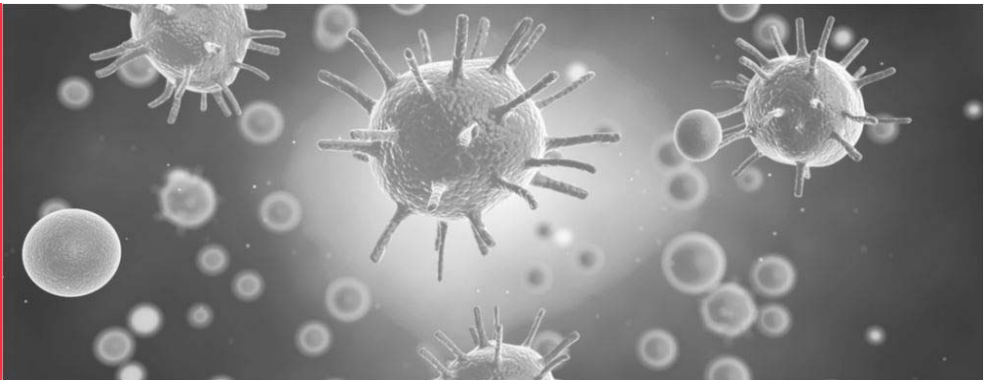


**CORONAVIRUS
ALERT****24/7****Business support 24/7 during coronavirus pandemic**

Changes in the functioning of company bodies and in the performance of public law obligations

Dear Sirs,

The solutions introduced under the amendment to the Act on Special Solutions Related to Preventing, Counteracting and Combating COVID-19, which form a package of the so-called anti-crisis shield, bring about many legal and organizational changes important for your business activity, especially with regard to functioning of company bodies.

Summary of major changes

In order to facilitate the operations of companies during the COVID-19 epidemic in the area of corporate law, it was proposed, among other things, to:

- extend the deadline for reporting beneficial owners to the Central Register of Beneficial Owners until 13 July 2020;
- enable shareholders' meetings or general meetings to be held by means of electronic communication;
- enable management board and supervisory board meetings to be held by means of distance communication and resolutions to be adopted in writing or through another member of the body without such manner of voting being specified in the articles of association;
- suspend the deadlines for filing applications for entry in the National Court Register (KRS);
- postpone the obligation to prepare financial statements, their approval and inclusion in the repository of financial documents (based on the Minister of Finance Regulation);
- postpone the obligation to convene and hold annual shareholders' meetings or general meetings (based on the Minister of Finance Regulation);
- extend the time limit for the audit of financial statements by one statutory auditor/audit firm from 5 to 10 years.

Extension of the time limit for reporting beneficial owners

The Act extended by 3 months the time limit for reporting beneficial owners to the Central Register of Beneficial Owners. Under the new regulation, this time limit passes on 13 July 2020 (previously this obligation was to be fulfilled by 13 April 2020). The remaining obligations of the obliged institutions and the manner of their performance have not changed and are described in the previous DZP alert available at: <https://www.dzp.pl/mailpic/inne/AlertENG.pdf>

Remote shareholder meetings/general meetings

A possibility of holding shareholders' meetings and general meetings by means of electronic communication was introduced.

If a meeting has already been convened but has not yet taken place, the Act provides for the possibility of changing its form to a remote meeting. To this end, the shareholders should be notified in accordance with the procedure laid down for convening meetings (announcement in MSiG or a letter or e-mail notification if the shareholders have given their prior consent). The notification must be made at least 4 days before the date of the meeting.

The meeting must provide for a two-way communication and the opportunity for participants to speak out, and to cast votes remotely by shareholders and their proxies.

The Act provides for the obligation to draw up by-laws which lay down the detailed rules of participation in the meetings.

Remote management and supervisory board meetings

A possibility was introduced of holding management and supervisory board meetings by means of direct distance communication, and to adopt resolutions by written vote or by authorizing another member to cast a vote.

The Act also provides that the appointment of the chairman and deputy chairman from among the supervisory board members, and the appointment of management board members by the supervisory board and their suspension may be carried out remotely, which may facilitate the management of the company during the epidemic.

The possibility of postponing the dates of annual meetings and publication of financial statements

According to current regulations, annual meetings should be held within 6 months of the end of the financial year (in the case of companies whose financial year coincides with the calendar year - by 30 June). The Minister of Finance Regulation issued on the basis of this Act postponed this date by 3 months.

As a result, the deadline for sending financial statements to the repository of financial documents has also changed. This should be done within 15 days of the meeting that approved the financial statements.

The Act also provides for an extension of the maximum period for the audit of the company's financial statements by the same statutory auditor/audit firm. This limit has been raised from 5 to 10 years.

Power of attorney to represent the company

Also the previous regulations make it possible to work out solutions to maintain the continuity of the company's operations. One of such solutions is for the company's representatives to grant a power of attorney. However, even despite the quarantine, members of the company's management board continue to be entitled to conclude contracts on the company's behalf and to represent the company in other matters (including performance of statutory obligations). In order to avoid paralysis of the company's operations, it is worth to consider using one of the following options:

- concluding the agreement by mail - sending by post or courier two counterparts of the agreement with the signature of a management board member (if the company is represented by one member) or management board members (if the company must be represented by more than one member (important: a declaration of intent is made by the company at the time the last the management board member sets his signature);

- appointing an attorney or granting a commercial proxy (*prokura*).

A commercial proxy requires a management board resolution (adopted unanimously, including at a meeting held remotely). Although the fact of appointing a proxy should be reported to the National Court Register, the proxy may perform the activities from the date of appointment.

If no resolution to appoint a proxy has been adopted, it will be necessary to appoint an attorney. We recommend that the power of attorney be granted (i) for specific type of activities (i.e. to perform actions / conclude agreements of a specific type) or (ii) for specific activities (to conclude a specific agreement). Granting such powers of attorney is safer than granting a general power of attorney (e.g. "to represent the company"), which may be challenged easier. If the company is represented by more than one management board member, the power of attorney must also be signed by the required number of board members.

It should also be borne in mind that signatures on two counterparts of the same document are fully admissible if it is difficult or impossible to sign one.

Bearing in mind the need to adapt to the introduced changes, we would like to offer you **legal solutions** which are addressed to all operating entrepreneurs, including capital companies. We can offer you our legal assistance in appointing a proxy and granting power of attorney. We are also at your disposal to prepare or give an opinion on the regulations of remote meetings. In addition, we can also prepare a draft remuneration policy for members of the Management Board and the Supervisory Board of companies listed on the WSE and ensure ongoing monitoring of changes in the dates of the AGM or the AGM and sending financial statements to a repository.

DZP's lawyers are daily answering dozens of clients' questions about safely conducting business during the Coronavirus epidemic in many areas, including labor law (examining the health of employees, guests and business partners, remote working, absence from work), personal data protection (procedures, questionnaires and forms about "what can be done and what must be asked"), contract law (force majeure, supply disruptions) and tax law, etc.

We are at your disposal in all legal issues related to the Coronavirus and its impact on your company's day-to-day operations, particularly as regards preparing appropriate documentation to maintain business continuity and legal and economic safety in the company after the end of the Coronavirus epidemic.

We are at your disposal

Please contact the lawyer you work with or one of our experts:



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