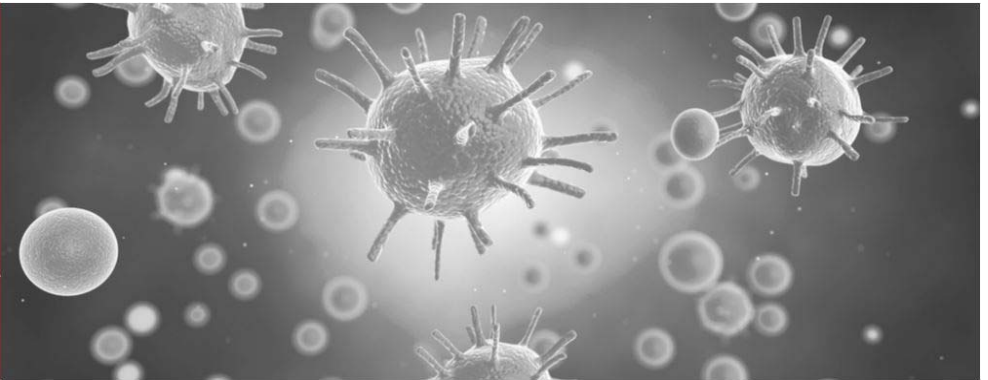


**CORONAVIRUS
ALERT****24/7**

Business support 24/7 during coronavirus pandemic

Shareholders' meetings/general meetings during coronavirus pandemic

Annual shareholders' meetings and general meetings are usually held at many companies in May and June. However, as we are currently facing an unprecedented event, i.e. the COVID-19 pandemic, we have analysed the regulations created for this purpose, including those in the Act on Special Arrangements to Prevent, Counteract and Combat COVID-19 (the "**Anti-Crisis Shield**") and the regulations on the functioning of corporate authorities, particularly shareholders' meetings and general meetings ("**Meetings**").

The new legal regulations provide for certain measures that make it easier for Meetings to be held, e.g.:

- the obligation to prepare financial statements and reports on the company's operations, approve them and include them in the repository of financial documents is deferred;
- accordingly, the obligation to convene and hold Meetings is also deferred;
- shareholders can take part in Meetings via electronic means of communication unless it is prohibited under the company's articles of association.

We would like to share some conclusions with you again – this time concerning the holding of Meetings – and again to offer you DZP's support in these difficult times. However, we would like to point out here that, due to dynamic regulatory changes, the following comments are valid as at **5 May 2020** and may need updating.

Deferred deadline for annual Meetings

The amended laws and the regulations issued under them provide that the deadlines for preparing and approving financial statements and the report on the company's operations are deferred for three months, so (assuming that the company's financial year coincides with the calendar year), the deadlines are as follows:

- for preparing the statements and the report: 30 June 2020;
- for the Meeting to approve the statements and the report: 30 September 2020.

In view of the above, the deadline for holding annual Meetings to approve the statements and the report, which should be held within six months of the end of the financial year under general regulations, is also deferred for three months.

The deadline for sending financial statements to the repository of financial documents has also changed. This should be done within 15 days after the Meeting which approved the financial statements.

Unfortunately, and importantly, the legislator has not yet postponed the deadline for selecting an entity to keep the register of shareholders of a joint-stock company, which requires the prior consent of the Meeting. Therefore, the Meeting is obliged to adopt a resolution in this respect by 30 June 2020.

Remote participation in Meetings

Another important change is that shareholders may participate in Meetings via electronic means of communication, unless it is prohibited under the company's articles of association. To this end, article 234(1) of the Code of Commercial Companies (the "CCC") for a limited liability company and article 406(5) of the CCC for a joint-stock company and a limited joint-stock partnership were amended.

In order to enable a shareholder to participate remotely in a Meeting, an entity authorised to do so under the CCC must adopt appropriate bylaws. These bylaws, and the organisation of the Meeting itself, should meet a number of statutory requirements to ensure that the Meeting is correct and to minimise the risk of corporate disputes on this basis.

It should be noted that Meetings being held virtually in their entirety is highly questionable. In particular, the following persons should participate in Meetings in person (physically): (i) the person opening the Meeting, (ii) the chairman of the Meeting, and (iii) the recording clerk, e.g. a notary in the case of the shareholders' meeting of a joint-stock company and a limited joint-stock partnership. Thus, it is reasonable for a Meeting to be convened and held physically at least in part and thus for a number of statutory requirements to be met aimed at ensuring an appropriate level of security for Meeting participants during the COVID-19 pandemic.

Physical meetings

Our analysis of the Anti-Crisis Shield and other regulations introduced to prevent the spread of COVID-19 and practice indicate that it is acceptable and possible under the current legal framework for a Meeting to be held in the traditional form with the participants being physically present.

However, regardless of the admissibility of a Meeting being held, due to the state of pandemic, we recommend – where possible – limiting the number of participants taking part in person (physically) in the Meeting and introducing a number of the preventive measures referred to in the said regulations.

DZP has the appropriate experience and competence to support our Clients in ensuring that a Meeting is held in accordance with applicable regulations and that maximum security for its participants is ensured. We will be pleased to support you if you are planning to hold a Meeting in the coming weeks.

We are at your disposal



Dr Bartosz Marcinkowski

Partner | Corporate and M&A Practice

E: Bartosz.Marcinkowski@dzp.pl



Robert Niczyporuk

Partner | Corporate and M&A Practice

E: Robert.Niczyporuk@dzp.pl



Dr Marek Świątkowski

Partner | Corporate and M&A Practice

E: Marek.Swiatkowski@dzp.pl



Julita Zimoch-Tuchołka

Partner | Corporate and M&A Practice

E: Julita.Zimoch-Tucholka@dzp.pl



Andrzej Foltyn

Partner | Capital Markets and Financial Institutions Practice

E: Andrzej.Foltyn@dzp.pl