

Special requirements for holding general meetings of shareholders during Covid-19 crisis period in Romania

The general meetings of shareholders of Romanian companies can take place under special conditions due to the current Covid-19 pandemic, as a result of the various implemented restrictions in the movement of population. New rules allow meetings to be held by means of distance communication platforms and provide for the postponement of the statutory term for holding ordinary general meetings of shareholders. New rules allow meetings to be held by means of distance communication platforms and provide for the postponement of the statutory term for holding ordinary general meetings of shareholders.

According to recent legislation in force as of 8 May 2020 (Emergency Ordinance no. 62/2020 for the adoption of certain measures for companies, in order for them to conduct meetings of statutory bodies, as published in the Romanian Official Gazette Part I no. 372/08.05.2020), new requirements for holding shareholders' meetings of Romanian companies have been put into place. The new rules apply also to general meetings of shareholders ("GMS") convened during the state of emergency, but which are held after the state of emergency ends, as well as to GMS convened and held within 2 (two) months as of the end of the state of emergency.

It has been decided that the deadline for the ordinary meetings held by companies as provided under the Companies Law (i.e., five months as of the end of the previous financial year) is to be extended until 31 July 2020 (in order to be in line with the same postponed deadline for submitting the financial statements for 2019).

- **New rules concerning convening of general meetings of shareholders**

Companies may convene GMS not only by publishing notices in Part IV of the Official Gazette and in newspapers, but also by any means of remote communication (i.e., classic or electronic mail), provided that each shareholder communicates to the directors of the company, in writing, an e-mail address or other contact details to which correspondence with the company may be received.

Companies should make available on their websites (or, alternatively, by e-mail, post or courier) information regarding the issues on the agenda, the annual financial statements, the annual report of the board of directors and, if the case, of the supervisory board report and the proposal on the distribution of dividends.

- **New rules on holding GMS**

GMS may be held by correspondence or by direct means of distance communication (e.g., teleconferencing, videoconferencing or a combination of several methods) even if the company's articles of association prohibit or do not mention this option.

The holding of a general meeting by teleconference or videoconference is possible, as long as the secrecy of the vote can be ensured. Also, should a secret vote be required for certain matters, the body competent to convene the meeting should ensure that the shareholders' vote is expressed in such a way as to remain secret.

Should the general meeting be held by correspondence, shareholders will communicate their vote by mail in the manner indicated in the convening notice so that the vote is received by the company by the date of the meeting.

- **Resolutions of GMS**

The resolutions of a general meeting, including all items on the approved agenda, will be signed, in handwriting, or with an extended electronic signature, by the chairperson of the board of directors/the director with full powers of representation/the chairperson of the board or by his/her proxy.

For any further information and assistance with respect to the above and any other **COVID-19** related legal matters, please do not hesitate to contact us at covidhelpdesk@peterkapartners.com.