



## COVID-19: Amendments regarding the holding of General Meetings of Shareholders in the context of Covid-19

The holding of a general meeting of associates or shareholders (**GMS**) is to take place under special conditions during the state of emergency, according to Emergency Ordinance no. 62/2020 on the adoption of measures with effects for companies.

During the state of emergency, companies, whose operation is regulated under Law no.31/1990 (Companies Law), may convene a **GMS** either by publishing an announcement in Part IV of the Official Gazette and in newspapers, or by any means of distance communication that ensures the delivery of the announcement (registered post, courier, email, etc.).

The company **shall publish** the following on its website:

- information and documents pertaining to the items on the agenda
- its annual financial statements
- the annual report of the board of directors, as well as the reports of the management and supervisory board
- the report of the censors/financial auditors
- proposal for the distribution of dividends and the situation of dividends partially distributed during the fiscal year

In the event that the company does not have a website, the relevant information and documents are to be transmitted to the shareholders/associates by email or, on request, copies of the original documents are to be sent by post or courier.

**During the state of emergency, a **GMS** may take place** by correspondence or by means of direct remote communication, **even where the articles of incorporation neither provide for it nor prohibit it**. The body of the company with the competence to convene a **GMS** will decide on the exact method, or combination of methods, of conducting the meeting, as well as the method for exercising the right to vote.

In the case of a **GMS** held exclusively via correspondence, the rules involving the physical presence of shareholders/associates shall no longer apply. In this case, the directors and members of the board of directors or, as the case may be, the members of the board of directors and the members of the supervisory board or the administrator or administrators are not bound by the obligation to participate in the **GMS**.

**If shareholders/ associates participate in a **GMS** through a representative**, the originals of the corresponding powers of attorney are to be sent to or submitted at the address indicated in the convocation announcement by registered letter or postal or courier service (or by email in the case of powers of attorney signed by extended electronic signature), such that they are received by the company by the date of the meeting.

Furthermore, the deadline for the holding of a general meeting within 5 months of the end of the previous financial year is extended until 31 July 2020. According to the National Agency for Fiscal Administration press release of 14 April 2020, **the deadline for the submission of annual financial statements for the 2019 financial year, as well as for annual accounting reports closed on 31 December 2019, is to be extended to 31 July 2020.**

The provisions of the Emergency Ordinance also apply to general meetings of associates or shareholders convened prior to its entry into force, where the meeting is scheduled to take place on a date subsequent to the establishment of the state of emergency.

In the case of a **GMS held after the establishment of the state of emergency but before the Emergency Ordinance enters into force**, the decisions adopted at the meeting cannot be overturned on grounds of non-



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observance of the procedures for holding and exercising the right to vote if the meeting took place, with the agreement of all shareholders/associates, in one of the ways provided for under this ordinance, and if the right to vote was exercised in one of the ways provided for under this ordinance. The exercising of the right to vote is presumed to constitute an agreement for the holding of the general meeting of shareholders in this way.

The provisions of this emergency ordinance also apply to general meetings that are convened during the state of emergency but which take place after the state of emergency comes to an end, as well as to general meetings convened and held during the first 2 months after the state of emergency comes to an end.

*Source: Emergency Ordinance no. 62/2020 on the adoption of measures with effects for companies with a view to the holding of general meetings of statutory bodies, published in the Official Gazette no. 372 on 8 May 2020.*

This newsletter is a service of TPA.

Kind regards

**Your TPA Team**

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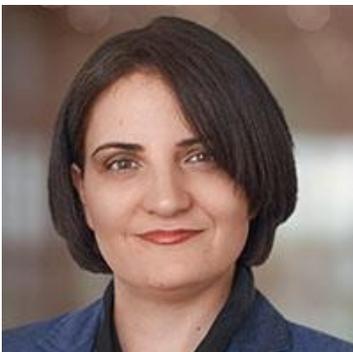
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