GITTI AND PARTNERS

CLIENT ALERT 4/2020

SHAREHOLDERS MEETINGS: EXTENDED DEADLINES AND FACILITATING MEASURES DUE TO THE COVID-19 OUTBREAK

A new law decree approved on March 16, 2020 by the Italian Government to address the emergency due to the covid-19 outbreak sets forth – *inter alia* – significant facilitating measures for holding corporate shareholders meetings.

In particular, the decree extends, automatically and for all interested companies, the deadline to convene the annual general meeting within 180 days after the end of the fiscal year. Such extension shall apply even in the absence of specific provisions in the articles of incorporation or particular reasons justifying the extension.

Non-listed companies

In order to ease the holding of shareholders meetings, in both ordinary and extraordinary meetings, the decree sets forth that the vote may be cast in electronic form or by correspondence and participants may attend the meetings by way of telecommunications means. In this latter regard, it will be possible to hold shareholders meeting exclusively by way of telecommunication means and the chairman, the secretary or the notary will not need to be physically present in the same place. This new provision confirms the guidelines issued last week by the Notarial Association of Milan, with principle no. 187, allowing shareholders meetings to be held by way of telephone conference, even if the chairman is not physically attending at the offices of the notary or in the place where the meeting is convened.

The above provisions will apply to all limited liability companies, corporations and cooperatives, regardless of conflicting provisions in the articles of incorporation.

In addition, limited liability companies will be entitled to allow voting by way of written resolutions or written consent, even if the relevant articles of incorporation do not allow such possibility.

Listed companies

Issuers of shares listed on regulated markets (i.e., MTA), multilateral trading facilities (AIM Italia, Euronext Growth, Access or Access+) or companies with shares widely distributed to the public may designate, pursuant to Article 135-undecies of Legislative Decree 58/1998, the representative of the shareholders.

The issuers can provide that the shareholders meetings shall be attended only by granting a proxy to the appointed representative.

Issuers of shares listed on regulated markets that do not provide for remote voting must designate a representative pursuant to Article 135-undecies of Legislative Decree No. 58 of 24 February 1998.

If, on the date of entry into force of the decree, shareholders' meetings have already been called without indication of the above provisions relating to representation or remote voting, issuers may postpone or reconvene such meetings.

The aforesaid provisions shall prevail on conflicting provisions of the by-laws or in the absence of specific provisions.

As a result of these provisions, listed companies must make available to shareholders, through publication on their websites, the forms necessary for the granting of voting proxies to the designated representatives, the forms for the exercise of remote voting as well as the manner in which these powers may be exercised.

The provisions of the decree will apply to all shareholders meetings convened within July 31, or any later date if the state of emergency due to the covid-19 emergency continues.

As a result of mentioned changes to the terms of approval of annual financial statements, the timeline for the approval of draft financial statements by companies that have not already done so must also be reconsidered.

DISCLAIMER

This Newsletter contains general information about the subject matter described above. The information is not a legal advice and should not be treated as such.

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