

JOINT SUPPLEMENTARY STATEMENT ISSUED BY THE REGISTRARS ASSOCIATION OF SPAIN AND THE SPANISH NATIONAL SECURITIES MARKET COMMISSION IN RELATION TO GENERAL SHAREHOLDERS' MEETINGS OF LISTED COMPANIES CONVENED WHILE THE RESTRICTIONS OR RECOMMENDATIONS RESULTING FROM THE HEALTH CRISIS REMAIN IN FORCE

28 April 2020

Upon lifting of the state of alarm declared as a result of the health crisis caused by COVID-19, a stage known as “de-escalation” is envisaged during which restrictions or recommendations issued by public authorities relating to the mobility of people or meetings with more than a certain number of persons could remain in force in all or part of the national territory.

These restrictions or recommendations may differ from those currently in force but, depending on their scope, it remains necessary for entities to implement measures that enable holding general shareholders' meetings in a manner that is compatible with such measures.

In this context, and while these restrictions or recommendations remain in force, the provisions of Article 41(1)(c) and (d), of Spanish Royal Decree-Law 8/2020, of 17 March (RD-Law 8/2020), remain applicable. Furthermore, and according to the CNMV statement of 10 March 2020¹, flexibility must be allowed to boards of directors of listed companies, within the applicable legal framework, in order to adopt measures and solutions that help preserve people's health and to avoid the spread of the virus, even if they are not expressly provided for in their articles of association, general meeting rules and regulations or in the calls to the meeting, provided that the exercise of shareholders' rights to be informed, to attend and to vote, as well as equality of treatment among those who are in the same position, is effectively guaranteed.

In line with the foregoing, it is considered admissible and even advisable that the convening managing body take into account in the call notice itself the existence of restrictions or recommendations of

¹ <http://www.cnmv.es/Portal/verDoc.axd?t={410f574a-4778-462f-8785-45a6abb8213a}>.

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public authorities, as well as the possibility of the restrictions or recommendations no longer being applicable when the general shareholders' meeting takes place, indicating in the call to the meeting the rules applicable for the holding of the general shareholders' meeting in both cases. When this solution is chosen, it is considered appropriate that the call also envisages the publication of a supplementary announcement that specifies the regime for the holding of the meeting, at least five calendar days prior to the date of the meeting.

In any event, the implementation of any measures and solutions, according to the specific scope of the restrictions or recommendations, should be carefully assessed by the board of directors. Furthermore, the exercise of the aforementioned rights of shareholders to be informed, to attend, to vote and to be treated equally should be effectively guaranteed.

In the case of the latter right, provided for in Article 514 of the Spanish Corporate Enterprises Act, it should be borne in mind that potential restrictions or recommendations of public authorities with regard to the mobility of persons or meetings with more than a certain number of persons affecting all or part of the national territory could *de facto* limit the right of all or part of the shareholders to attend, in person or by proxy, the general shareholders' meeting at the place where the meeting will be held. Therefore, in view of these circumstances, and in order to prevent discriminatory situations from arising, the board of directors could decide to hold the meeting exclusively by telematic means, under the terms provided for in Article 41(1)(d) of Spanish RD-Law 8/2020.