



CONSIDERATIONS OF THE CNMV ON GENERAL SHAREHOLDERS MEETINGS OF LISTED COMPANIES IN VIEW OF THE HEALTH SITUATION CAUSED BY COVID-19

10 March 2020

In light of the situation brought about by the COVID-19 virus and in response to various queries received in relation to ordinary general shareholders meetings of listed companies scheduled to take place in the next few months, the CNMV hereby circulates the following considerations:

1. It is considered very reasonable in the current circumstances, and in accordance with the rules of corporate law, to encourage shareholders to attend general meetings by proxy rather than in person. It is also deemed reasonable to maximise the use of remote attendance and remote voting mechanisms for shareholders, including by means of telepresence systems or real-time telematic connection or any other means provided for in articles of association or general shareholders meeting rules and regulations. If these means are available and effective, a fully telematic general shareholders meeting may even be feasible.

In this regard, several listed companies have decided not to issue invitations to attend to employees, suppliers and other non-shareholders this year, and to cancel social activities and minor incentives that traditionally encourage the attendance of shareholders and guests (cocktail receptions or pre- or post-receptions, presentation of small gifts on the occasion of the meeting, etc.).

2. The CMNV understands that in the current circumstances maximum flexibility must be afforded to boards of directors of listed companies 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 made, 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.

For example, it is considered reasonable to make it possible for directors or other persons required to be present at the general meeting who, for health reasons or due to possible travel restrictions, cannot attend in person, to attend by telephone or video conference.

As the situation is changing, the instructions and recommendations of the health authorities should be followed at all times, adapting these considerations as appropriate.

The CNMV Markets Directorate General is at the disposal of listed companies to clarify any doubts they may have in relation to this issue.