

COVID-19: BILL TO ENABLE VIRTUAL SHAREHOLDER MEETINGS IN GERMANY

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German Corporate/M&A Alert

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Restrictions on public gatherings currently prevent German public companies from holding their shareholder meetings.

On 23 March, the German government published a draft bill amending German corporate law governing shareholder meetings. If enacted, stock corporations may, even without specific authorization in the articles:

- permit email voting or online attendance of shareholders;
- permit online attendance of members of the supervisory board; and
- livestream the meeting.

More importantly, stock corporations would, for the first time, be able to hold virtual shareholder meetings, excluding the right of shareholders to physically participate in the meeting, subject to the livestreaming of the meeting as well as the ability to electronically cast votes and submit questions. Furthermore, companies would be able to require that questions be submitted two days in advance and would have reasonable discretion to only answer selected questions after due consideration.

These special provisions would apply to shareholder meetings held in 2020, subject to an extension.

The draft bill, subject to amendments in the legislative process, is expected to come into effect in time to enable the imminent annual general meeting season to go forward. This will also permit timely yearly dividend payments, which are due after a company's annual general meeting.

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