

The Spanish Government has issued a [second Royal Decree -Law](#) including extraordinary urgent measures to address the social and economic impact of COVID19

Extraordinary measures applicable to legal persons governed by private law (Art 40).

a.- Less stringent requirements for holding meetings and adopting agreements applicable to certain legal entities (associations, civil law partnerships and trading companies, cooperatives and foundations), during the alert status period (Para. 1 and 2).

- Possibility, even when not contemplated in the statutes, that the meetings of companies' governing and managing bodies be held by videoconference after ensuring authenticity and the bilateral or plurilateral connection in real time with the image and sound of remote attendees.
- Possibility of voting in writing without need of a meeting of the governing or managing bodies.

b. Less stringent requirements regarding the terms for the preparation, audit and approval of the financial statements (Para. 3, 4 and 5)

- Preparation: the 3 months period after the closing date to prepare the financial statements is suspended until the end of the alert status, After the end of the alert status, the 3 months period is resumed for another 3 months term starting at that date.
- Audit: For statutory audits, should the financial statements be already prepared, the minimum period to perform the audit is extended for 2 months from the date of the end of the alert status. This is not foreseen for voluntary audits nor for financial statements prepared after the declaration of the alert status (the ICJCE is preparing a binding consultation to the ICAC on that issue).
- Approval: the annual shareholders general meeting to approve the financial statements shall meet during the three subsequent months after the end of the extended period to prepare the financial statements. This provision is only applicable to statutory audits. The RDL does not include less stringent measures applicable to voluntary audits nor audits (both statutory and voluntary) of financial statements prepared after the declaration of the alert status.

Extraordinary measures applicable to listed entities (public limited companies) regarding the operation of their governing bodies

Applicable during 2020 (Art 41 Para. 1) to entities with securities admitted to trade in a EU regulated market

- **Extension of terms:**
 - Up to six months (from the end of the financial year), to publish and send the annual financial report to the CNMV (Stock Exchange Regulator) and the auditor's report.
 - Up to four months, for the publication of the interim management report and half-year financial report.
 - Up to ten months (first 10 months after end of the financial year), for the celebration of the ordinary shareholders general meeting.

- **Less stringent requirements for holding the general meeting:**
 - Possibility of holding the general meeting by telematic means and using remote voting systems and anywhere in the national territory (requires including this provision in the call or in a complementary call to the meeting).
 - Alternate measures in case the general meeting could not be held in the place established in the call and the previous point measures could not be put in place.
- **Less stringent requirements to validate the agreements of the Board of Directors and, where appropriate, of the Audit Committee for the above purposes.** Possibility of adopting agreements in videoconference or conference call if they meet specific requirements stated in Art. 41, para. 2, of the RDL.