



## **NEW PROPOSED LEGISLATION ON VIRTUAL GENERAL MEETINGS**

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Due to the COVID-19 situation, Danish companies have been permitted to conduct their general meetings as purely virtual meetings for a limited period. While Danish company law does permit virtual general meetings, it is a requirement that shareholders are also permitted to attend the meeting in person, unless specific provisions are included in the articles of association of the company, which is rarely the case.

However, the temporary legislation introduced as a consequence of the COVID-19 situation has permitted companies to hold their general meetings by virtual means only, regardless of any provisions of the articles of association. As a result, companies with a large ownership base that would otherwise not be permitted to gather for the general meeting have been able to conduct essential business, such as the approval of the annual report, election of board members and distribution of profits, that are vital to the companies.

As a consequence of the ongoing situation, it has been proposed to allow Danish companies to continue to hold general meetings as virtual meetings only. The decision is made by the central governing body, i.e. typically the board of directors, or, in companies without a board of directors, by the executive management. General principles of Danish company law will continue to apply, including the equal rights of the shareholders to attend, and it is therefore extremely important that companies planning to hold virtual general meetings only have the appropriate systems in place. The exact scope and duration of the extension will be set out in an executive order.

Accordingly, it is to be expected that many Danish companies with a large shareholder base will make use of the right to hold only virtual general meetings in the spring of 2021, when most Danish annual general meetings are traditionally held.

**If you have any questions or require further information regarding any of the above,  
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