

Decrease of quorum for general meeting in JSC

On 19 March 2015 the Verkhovna Rada amended the Law of Ukraine on joint stock companies. The amendments affected the quorum for general meetings of shareholders, the procedure for payment of dividends, and also the mechanism of election of candidates to the bodies of a joint stock company. The amendments came into force on 27 March 2015.

Thus, decrease of quorum for general meetings of shareholders in a joint stock company from 60% to 50% + 1 share was introduced for all joint stock companies, not only for those in which the state has corporate rights in the charter capital and 50 and more per cent of shares are owned by the state.

Also, changes were introduced to the mechanism of payment of dividends. Now, if no payment of dividends takes place within the term prescribed by the law or the general meeting of shareholders, the shareholder becomes entitled to apply to the notary for executive endorsement on the documents under which debt collection is made on the uncontested basis.

In addition, it was specified that the rights of shareholders in relation to submission of proposals to the agenda of the general meetings and also in relation to proposals of new candidates to the bodies of the company and procedure of their submission cannot be altered by the charter of a joint stock company. In case of early termination of powers of one or several members of the supervisory board and until appointment of all of its members the meetings of the supervisory board are authorized if more than half of its members are authorized.