

On the obligation to convene an Annual (ordinary) general meeting

Introduction

All companies are required to convene an annual meeting during the period from March 1 to June 30 (in the case of joint-stock companies, the meeting may be convened earlier than March 1).

In a company with one member or shareholder, such an obligation is also present, but decisions on issues within the competence of the annual meeting can be made by a written decision of the sole member/shareholder of the company. Furthermore, this requirement does not apply to separated subdivisions of the company (including foreign ones) - branches and representative offices.

Limited Liability Companies

The term for convening the Annual meeting:

According to the article 37 of the Law of the Republic of Armenia "On limited liability companies" (hereinafter referred to as the "**LLC Law**"), the ordinary meeting must be held at least once a year. The ordinary meeting approving the annual results of the company's activities (hereinafter referred to as the "**Annual meeting**") must be convened within the terms specified by the charter of the given company, but **no earlier than 2 months and no later than 6 months after the end of the financial year**. In other words, the Annual meeting must be convened at any time from March 1

to June 30 or within the period specified by the Charter of the company, which cannot be earlier than March 1 or later than June 30.

Exclusive powers of the Annual meeting:

Article 36 of the LLC Law defines the exclusive powers of the general meeting of the company, among which the exclusive powers of the annual meeting are:

1. approving of annual reports and annual balance sheet. Meanwhile, in the event that the company has a revision committee, the Annual Meeting does not have the right to approve the annual reports and balance sheets of the company in the absence of the conclusions of the revision committee (reviser) of the company.

2. making a decision on the distribution of the profit of the company between the company participants.

In this regard, if the Annual Meeting makes a decision on the distribution of the profit of the company between its participants, the decision of the Annual Meeting must also indicate the amount of profit and dividends to be distributed between the participants.

Joint Stock Companies

The term for convening the Annual meeting:

According to the regulations of the article 66 of the Law of the Republic of Armenia "On joint stock companies" (hereinafter referred to as the "**JSC Law**"), the company is required to annually convene an annual meeting of shareholders, which must be convened within the term specified by the company charter, but **no later than within six months after the end of the each financial year**. Hence, the Annual meeting must be convened every year before 30 June.

Moreover, in the event that the Annual Meeting has not been held within the specified period, then an extraordinary meeting may **only be convened to discuss the question of liquidation of the company or issues reserved for the Annual meeting**. No other issues can be discussed at an extraordinary meeting convened on these issues, except for the cases of reduction of the charter capital due to the decisions made on the issues reserved for the Annual meeting.

Exclusive powers of the Annual meeting:

According to the article 67 of the JSC Law, the powers of the Annual meeting are:

1. in the presence of a board, approval of the number of board members, election of board members, early termination of their powers. Issues of the approval of the number of board members and election of board members are discussed exclusively at Annual meetings.

2. in the presence of a control committee, the election of the members of the control

committee (controller) of the company and early termination of their (his or her) powers, provided that these powers are reserved for the meeting.

2. approval of the company's annual reports, balance sheets, profit and loss statement, distribution of profits and losses, adoption of the decision on the payment of annual dividends and approval of the amount of annual dividends. In the event that the company has a board, the annual reports and annual financial statements of the company are subject to prior approval by the board at least 30 days before the date of convening the Annual meeting.

As in the case of LLCs, similarly in the case of joint stock companies, in the event that the company has an control committee, the reliability of the annual reports and annual financial statements submitted for approval at the Annual meeting must be confirmed by the conclusion of the control committee (controller) of the Company.

In addition, in the case of open joint-stock companies, the announcement of convening an Annual meeting is subject to mandatory publication on the official website of public notifications of the Republic of Armenia, available at <http://www.azdarar.am>.