ZRVP Secures Final Victory for Electromontaj in a Dispute over General Shareholders' Meeting Resolutions. The Bucharest Court of Appeal Sets Important Precedents in Corporate Law

ZRVP successfully represented Electromontaj S.A., a leader in Romania's energy construction market, in a complex dispute initiated by a shareholder seeking to annul certain resolutions of the general meetings of shareholders. After nearly six years of litigation, the Bucharest Court of Appeals issued a final decision, granting the action for annulment only in part with respect to certain isolated claims and dismissing the remaining claims – thereby upholding the validity of Resolutions 1-3 of the Extraordinary General Shareholders' Meeting (EGSM) and Resolutions 1-5 and 9 of the Ordinary General Shareholders' Meeting (OGSM). The court confirmed, among other things, the legality of the company's articles of incorporation and the rules governing the organization and operation of the company's Board of Directors.

Beyond the favorable outcome for Electromontaj, the ruling helps clarify important aspects regarding the operation of companies, the rules governing the nullity of general meeting resolutions, the limits of judicial review, and the interpretation of corporate governance rules.

The decision provides useful guidance for companies and shareholders alike, as well as for the courts that resolve such disputes. Among the most important clarifications are:

→ The annulment of items added to the agenda after the deadline does not automatically result in the annulment of the entire GSM resolution. The court ruled that the nullity affects only the items added in violation of the statutory deadline, not the rest of the resolution: Under the regulations prior to the amendment of Article 117^1 of Law No. 31/1990 by Law No. 299/2024, when the initiative to amend the agenda rested with the Board of Directors, the applicable deadline was 30 days. The court further held that failure to comply with this deadline results in partial nullity, exclusively with respect to the agenda items added late, and not the nullity of the entire resolution, since the initial formalities for convening the meeting remain valid.

→ Failure to publish the notice of meeting on the company's website does not automatically lead to the annulment of the resolution adopted by the General Shareholders' Meeting. Nullity is contingent upon the existence of actual harm, and, in this case, the court found that the plaintiff was aware of the content of the notice of meeting, and thus no actual harm had occurred.

→ The court hearing an action to annul a GSM resolution may examine not only compliance with formal requirements (quorum, notice of meeting, etc.), but may also examine the merits of the decisions made.

→ lthough the approval of the articles of incorporation is effected by a single resolution, partial nullity may apply (only with respect to certain clauses in the articles of incorporation), without affecting the validity of the entire document.

„The decision confirms a key principle for corporate law practice: when a General Shareholders' Meeting resolution approves a document containing both provisions that comply with the law and provisions affected by nullity, the court may review the subject matter of that document and declare nullity only with respect to the provisions affected by the alleged violations, without invalidating the entire document. This ruling has a significant impact, confirming the applicability of the general principles of nullity to the annulment of general meeting resolutions as well. From a practical perspective, this approach provides greater stability for companies and avoids the disproportionate consequences that would result from the complete annulment of acts approved by general meeting resolutions due to irregularities affecting only certain adopted measures," said **Alina Tugearu**, a partner at ZRVP and the coordinator of the legal team that represented Electromontaj in this dispute.