

THE WHAT, HOW, AND WHEN OF CORPORATE ASSEMBLIES

Assemblies are documents or shareholder meetings where partner decisions are made, the administration or direction of the company is outlined. They are the supreme body of the company used in all types of corporations.

Ordinary Assemblies:

These types of assemblies are held to make less relevant but necessary decisions for the proper functioning of the company. Such assemblies must be held *at least once a year* (to approve financial statements) and will include the following decisions:

1. Approval of annual financial statements.
2. Any changes to the Board of Directors or Administrators.
3. Any changes to the Commissioner or Managers.
4. Determine any payment to the Administrators.

* This type of assembly does *not* need to be formalized with a notary public for it to be valid. At least 50% of the capital shareholders must be present. Resolutions must be taken by at least 51% of those present.

Extraordinary Assemblies:

These types of assemblies are held to make the most relevant decisions for companies. If any of the follow acts were held in any assembly then it would be considered an Extraordinary Assembly:

1. Decide on the duration of the company.
2. Determine the termination or extinction of the company.
3. If partners want to increase or decrease the company's fixed capital.
4. There is a change of purpose or commercial activities carried out by the company.
5. There is a change of nationality of the company.
6. There is a decision between the partners regarding a merger with another company.
7. More shares are issued.
8. Bonds are issued.
9. Modification of the social contract.

Extraordinary Assemblies must be formalized before a notary public and, typically, at least 75% of the capital shareholders must be present and resolutions will be taken by a vote of at least 50% of the capital shareholders.

