Summary of rules on share capital increase in listed companies, together with some general insights on potential obligations related to new shares subscription derived from local and EU capital markets statutory regulations for selected CEE countries and Turkey.*

Country	(1) Corporate Approval to increase share capital	(2) Virtual Meetings	(3) Type of share offer available	(4) Court Registration of capital increases	(5) Authorized Capital and limitations	(6) Reporting Obligations	(7) Tender Offer Rules	(8) Prospectus
Poland 	Requires shareholders' approval by 75% votes present at the meeting in case of issue of shares with preemptive rights and 80% of votes present in case of other type of offerings.	EGM should be convened by an announcement on the company's website made at least 26 days before the date of EGM. If the AoA allow so, shareholders may participate in the EGM and vote using electronic means of communication. Additionally, shareholders may participate in EGM and vote by a proxy. PoA may be granted in electronic form (no qualified e-signature is required). A proxy may represent more than one shareholder in EGM.	Share issuances may be through: a) private placement – by offering new shares to a particular investor; b) offering new shares exclusively on a preemptive basis; or c) public offering (to any investors on a non-preemptive basis).	Share capital increase requires an entry to the register of companies (KRS) (kept by registry court). Some registry courts are still working, though significant delays in registration are expected. It is possible though to conduct the offering before share capital registration by using right to shares (or PDA) – an instrument which is equivalent to shares if and when issued.	The Management Board of the issuer may issue shares pursuant to a shareholder approval (see column (1)) via any of the types of share offer available (see column (3)) provided that (a) sufficient headroom exists under the authorization within the relevant time period (see below) and (b) the shareholder approval received the relevant majority vote with respect to the type of offer proposed (see column (1)). The MB may be authorized to issue shares for up to 3 years within the limit not exceeding 75% of existing share capital. The issue price of the shares may not be lower than their nominal value. Shareholders may impose additional price limits, such as approval of the issue price by the Supervisory Board, setting issue price range or by making reference to market averages.	Acquisition of shares giving at least 5%, 10%, 15%, 20%, 25%, 33%, 33⅓%, 50%, 75% or 90% of total votes requires large shareholding notification to be made by a shareholder to the company and the regulator (PFSA).	If the subscriber of newly issued shares upon such subscription exceeds (directly/indirectly/acting in concert) the threshold of 33% or 66% total votes it will be obliged to announce a tender offer for the sale of shares of the company in a number that will allow reaching respectively the threshold of 66% or 100% of votes in the company.	As a general rule, a prospectus is required (approved by the home member state of the issuer) for (i) any public offering (addressed to more than one entity) or (ii) admission of newly issued shares to trading on a regulated market. In **all EU countries** there are common exemptions under the Prospectus Regulation with respect to (i) public offers and (ii) admissions to trading. Examples of(i): offering of shares to qualified investors or to less than 150 investors in a given EU country is exempted from the prospectus requirement. Examples of (ii): *"securities fungible with securities already admitted to trading on the same regulated market, provided that they represent, over a period of 12 months, less than 20% of the number of securities already admitted to trading on the same regulated market".*

* The material provides for a general overview and cannot be treated as a comprehensive and exhaustive set of rules on share capital increase in each jurisdiction.

Czech Republic 	Requires shareholders' approval by 66% of votes present at the meeting in each share class.	EGM should be convened by an announcement at least 30 days before the date of EGM. The announcement shall be sent to all shareholders and be published on the company's website. The decision on the share capital increase adopted at EGM requires certification by the notarial deed issued by any notary present at such EGM. If the AoA allow so, shareholders may also participate in EGM and vote by technical means (correspondence voting). Additionally, shareholders may also participate in EGM, and vote, by a proxy. A proxy may represent more than one shareholder at EGM, subject to no conflict of interests.	Share issue may be performed through: a) private placement – by offering new shares to the particular addressee; b) offering new shares exclusively to current shareholders having the preemptive rights (rights issue); or c) public offering. Generally, shareholders have a preemptive with respect to any share issue. Such right may be restricted/ excluded only the important interest of the company (e.g. in case of need of immediate capital increase without which the company would not be able to operate). Shareholders may waive their preemptive rights either in writing with certified signatures or during the EGM, however, always in relation to a specific share issue	Share capital increase shall be registered with the Commercial Register (kept by respective registry court) without undue delay following (i) issuance of the shares and (ii) payment by the shareholder of at least 30% of their nominal value.	The share capital may be increased by the resolution of Board of Directors ("BoD") or Administrative Board ("AB") within the authorized share capital limits if such authorization is granted to the BoD/AB by EGM. In each case, the authorization by EGM is subject to 66% of votes present at the meeting in each share class. EGM may authorize BoD/ AB to increase the share capital by issuance of new shares for up to 5 years within the limit not exceeding 50% of existing share capital at the time of granting the authorization. Generally, exclusion or restriction of pre-emptive rights to a share issue is not permissible with respect to a share capital increase made under the authorization granted by EGM to BoD or AB. However, such exclusion or restriction may be permissible in certain very specific cases, (e.g. if the authorization would already contain the important interest of the company which calls for the exclusion/restriction of the preemptive right).	Acquisition of shares giving at least 1% (in case of share capital of the company of at least CZK 500 million), 3% (in case of share capital of the company of at least CZK 100 million), 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50% or 75% of total votes requires a notification by a shareholder to the company and the Czech National Bank. Notwithstanding the above, the proposal of the resolution on share capital increase must also be submitted to the organizer of a regulated market on which shares are admitted for trading as well as to the Czech National Bank.	If the subscriber of newly issued shares upon such subscription exceeds (directly/indirectly/ acting in concert) the threshold of 30% of total votes in the company under which it (directly/indirectly/ acting in concert) controls the company, it will be obliged to announce a tender offer for the sale of shares to all shareholders of the company whose shares are traded on the regulated market.	Prospectus related regulations as in all EU countries – please see "Poland" page above for more details.

Slovakia 	Requires shareholders' approval by 66% of votes present at the meeting in each share class.	EGM or AGM should be convened by an announcement at least 30 days before the date of EGM or AGM. The announcement shall be sent to all shareholders or made public in the press. The decision on the share capital increase adopted at EGM or AGM requires certification by notarial deed issued by any notary present at such EGM or AGM. If the AoA allows, shareholders may also participate in EGM and vote by technical means (correspondence voting or electronic means). Additionally, shareholders may also participate in EGM or AGM, and vote, by a proxy.	Preemptive only (unless this right is waived by approval of shareholder in general meeting when approving the increase with a majority of 66%. A proposal to waive preemption rights may only be made for serious reasons (meaning, e.g. the need for a strategic investor, the need to issue employee shares).	Share capital increase must be registered with the Commercial Register (kept by respective registry court) without undue delay following (i) issuance of the shares and (ii) payment by the shareholder of at least 30% of their nominal value.	Shares may be issued by resolution of Board of Directors ("BoD") within the authorized share capital limits if such authorization is granted to the BoD by EGM or AGM (see column (1)). EGM or AGM may authorize BoD to increase the share capital by issuance of new shares within the period up to 5 years. When authorizing the BoD to increase the share capital, the EGM or AGM may also waive preemption rights. The subscription price of the shares may not be lower than their nominal value.	Acquisition of shares giving at least 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of total votes requires a notification by a shareholder to the company.	Mandatory takeover bid upon acquisition of 33% in a listed company.	Prospectus related regulations as in all EU countries – please see "Poland" page above for more details.

Hungary 	Generally, a capital increase requires shareholders' approval by a simple majority of votes present, provided that for the relevant decision to be effective each type and class of shares affected by the capital increase must approve the increase in a manner regulated in the AoA.	As a general rule, GM should be convened by an announcement at least 30 days before the date of GM. The announcement shall be published on the company's website. If the AoA allows so, shareholders may also participate in GM and vote by technical means (correspondence voting or electronic means). Additionally, shareholders may also participate in GM, and vote, by a proxy.	Share issuances may be through: a) private placements for non-cash consideration on a non-preemptive basis; b) private placements for cash consideration on a preemptive basis (subject to preemption rights of the existing shareholders, holders of convertible bonds and bonds with subscription rights); or c) public offering (to any investors on a preemptive basis in line with (b) above). Issue price of the new shares cannot be lower than their respective face value.	Share capital increase requires amendment of the AoA and must be registered with the Companies Register (kept by the relevant registry court) within 30 days from the effective date of the amendment of the AoA. Issuance of new shares by the company is subject to (i) registration of the capital increase by the relevant registry court and (ii) shares being fully paid-up at their issue price.	Shares may be issued by resolution of the Board of Directors ("BoD"), if such authorization is granted to the BoD by GM. Considerations relating to preemptive rights and issue in column (3) apply to the share issuances based on the decision of BoD accordingly. Authorization to BoD must (i) specify the maximum amount by which BoD is allowed to increase the company's registered share capital and (ii) must set a period up to 5 years during which BoD can increase the registered share capital.	Acquisition (directly or indirectly) of shares giving at least 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 75% 80%, 85%, 90%, 91%, 92%, 93%, 94%, 95%, 96%, 97%, 98% and 99% of total votes requires a notification by a shareholder to the company and the Hungarian National Bank.	Acquisition (directly/ indirectly/acting in concert) of more than (i) 33%, or, if there is no other shareholder holding more than 10% of the total votes, (ii) 25% of total votes, is subject to mandatory takeover bid.	Prospectus related regulations as in all EU countries – please see "Poland" page above for more details.

Romania 	**For cash contributions only:** requires EGM passing a decision in the presence of at least a quarter of total votes[1] and the vote of at least 66% of the present shareholders. **For in-kind contributions:** EGM with the presence of at least 85% of the subscribed share capital and the vote of at least 3/4 of votes.	EGM should be convened by an announcement made with at least 30 days in advance. Voting by correspondence must be ensured as an alternative and is often used. Issuers may use electronic means to allow for the participation of shareholders to the GMS if a relevant procedure was approved by the BoD and certain technical requirements are met. Voting by proxy is also allowed and often used, including electronically.	Any newly issued shares must be first offered to existing shareholders for a 30-day period. Any shares not subscribed by them can be either annulled, or offered to the public or to investors in a private placement. Preemption rights can be waived by the EGM if shareholders representing 85% of the share capital are present and the waiver is approved by 3/4 of total votes.	Share capital increase requires an entry to the Commercial Register.	If permitted by the constitutive act, the EGM can delegate powers to the BoD for approving an increase up to a certain amount, for a period of no more than 3 years. The same EGM can also waive preemption rights, with the mentioned quorum and majority requirements. The price for shares offered to the public or privately placed cannot be lower than the price offered for subscription to existing shareholders.	Transactions that lead to the shareholding quota being equal, less or more than 5%, 10%, 15%, 20%, 25%, 33%, 33⅓%, 50% and 75% of total votes requires notification to the company and the regulator (Romanian FSA).	If the subscriber of newly issued shares upon such subscription exceeds (directly/indirectly/acting in concert) the threshold of 33% of total votes it will be obliged to announce mandatory takeover offer for the purchase of all shares issued by the company.	Prospectus related regulations as in all EU countries – please see "Poland" page above for more details.

* Second calling requires a presence of at least 1/5 of the total votes.

Turkey	Unless a higher quorum is indicated under the articles of association (AoA), a capital increase requires the simple majority of shareholders with a meeting quorum of 25% in the first EGM. If this meeting quorum cannot be reached in the first meeting, a second meeting can be held without a meeting quorum If pre-emption rights are to be restricted, this requires the positive vote of 66.66% of the shareholders during a general assembly meeting. However, if a minimum of 50% of the shareholders are present during this general assembly meeting, such a resolution can be taken with simple majority.	EGM should be convened by an announcement on the company's website and an announcement on Public Disclosure Platform (KAP) at least 3 weeks before the date of general assembly meeting. The public company must ensure that any shareholder can attend the EGM and vote via electronic means of communication. Additionally, shareholders may participate in the EGM and vote by a proxy. Please note that a ministry official must also be present at any general assembly amending the AoA.	Share issuances may be through: a) issuing new shares to existing shareholders (preemptive share offering) b) offering new shares to shareholders free of charge through capital increase via internal resources (bonus issue) c) issuing new shares to prospective shareholders via public offering, private placement or sales to qualified investors, after the exhaustion of pre-emption rights or by restricting the preemption rights of the shareholders.	Share capital increases must be registered with the relevant trade registry and announced in the Turkish Trade Registry Gazette.	The BoD is authorized to issue new shares if such authorization was granted to the BoD in a previous general assembly (see column (1)). This approval is valid for 5 years and may not exceed five times the paid-up/ issued capital or equity (whichever is higher). The shareholder approval can be further combined with an approval to issue such shares on a non-preemptive basis (provided that the relevant majority was obtained (see column (1)). Therefore, if the AoA allows it, a capital increase (with/without restricting the pre-emption rights) can be carried out with a BoD resolution without convening a general assembly. However, in any case, an approval from the Capital Markets Board (CMB) is required to adopt the authorized share capital. Public/non-public Issuance of shares under nominal value/ market price are subject to limitations. Most notably, the share price in rights issues to qualified investors and/or through private placement by restricting preemptive rights must be within +/- 20% range of the market price average of preceding 10 days.	All material events must be disclosed on the Public Disclosure Platform. Furthermore, if a person's direct or indirect shareholding in a company exceeds or falls below 5%, 10%, 20%, 25%, 33%, 50%, 67% or 100%, such event must be disclosed in the Public Disclosure Platform. In addition, if the shareholder and the public company form a group of companies, the event must also be registered with the relevant trade registry and announced in the Turkish Trade Registry Gazette.	Direct or indirect acquisition of management control (acquiring/securing more than 50% of voting rights in any way incl. entering into voting agreements, or acquiring privileged shares granting rights to appoint the majority of the BoD members or rights to nominate the majority of the BoD as candidates to the general assembly) require a mandatory tender offering.	As a general rule any public offering to the domestic market requires a prospectus (*izahname*) in Turkish. There are also some exemptions for the prospectus requirement for domestic issuances, some examples include public offerings with a minimum nominal value of at least TL 250 thousand, public offerings to qualified investors, private placement.

Key contacts

Dr Jakub Celiński
Partner, Warsaw
M +48 507 042 590
jakub.celinski@dentons.com

Piotr Dulewicz
Partner, Warsaw
M +48 602 425 145
piotr.dulewicz@dentons.com

Petr Zákoucký
Partner, Prague
M +420 723 344 495
petr.zakoucky@dentons.com

Juraj Gyárfáš
Partner, Bratislava
M +421 917 864 002
juraj.gyarfas@dentons.com

Rob Irving
Partner, Budapest
M +36 30 210 2957
robert.irving@dentons.com

Anita Horváth
Partner, Budapest
M +36 70 458 5229
anita.horvath@dentons.com

Loredana Chitu
Partner, Bucharest
M +40 74 713 5815
loredana.chitu@dentons.com

Müfit Arapoğlu
Partner, Istanbul
M +90 531 161 31 90
marapoglu@baseak.com

Nikolas Colbridge
Partner, London
M +44 7769 248817
nikolas.colbridge@dentons.com

Cameron Half
Partner, London
M +44 7917 751592
cameron.half@dentons.com