

General Assemblies (1)

As part of CMA's pursuit to promote the investment awareness amongst persons who deal in securities activities, and as an emphasis on the importance of the general assemblies, particularly the ones related to investment evaluation and knowing the company's financial situations, approaches, and future decisions.

And in line with CMA pursuit to keep the persons who deal in securities activities informed of the matters relevant to the general assemblies in respect of types and competences at the present time, which is the time of announcing the financial statements, the CMA is pleased to present a set of topics. The topics will include simple explanation of matters related to the general assemblies. This topic discusses the meaning of general assemblies and their types.

General Assembly's Meaning

It is the highest authority in the company. It constitutes of all subscribed shareholders. It is the main link between the board of directors and shareholders.

Types of General Assemblies, and Procedures of their Convention

It is the assembly which convenes upon the founders' invitation within three months after the subscription.

Ordinary General Assembly

It is the assembly which convenes upon the board of directors' invitation within three months after the end on the financial year at the time and

place appointed in the company's contract. The board may call for a meeting whenever it deems necessary, and it should also invite the assembly to convene upon a reasoned request by shareholders who own 10% of the company's capital, or upon the auditors' request. This shall be within 15 days from the request date. The Ministry of Commerce and Industry shall invite the general assembly to convene within 15 days, if the board of directors does not call for a meeting for any reason in the cases which require the board's call for a meeting.

The Ministry shall take the required measures for holding the meeting instead of the board of directors. It may head the meeting, unless the assembly elects one of the shareholders for such purpose.

Extraordinary General Assembly

It is the assembly which convenes upon the board of directors' invitation or upon a reasoned request by shareholders who represent 15% of the company's issued capital, or by the request of the Ministry of Commerce and Industry. The board of directors shall invite the extraordinary general assembly within 30 days from the date of the request. If the board of directors does not invite the assembly to convene within such period, the Ministry shall call for a meeting within 15 days from the end date of the specified period.