

General Assemblies (3)

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 as a continuation of the awareness-related topics introduced by the CMA to raise investors awareness, the third part of the general assemblies' topic introduced here tackles the competences of such assemblies.

Competences of the Constituent Assembly

- Approving the procedures of the company's incorporation after assuring their correctness and compliance with the company's memorandum of association.
- Approving the evaluation of the in kind shares, if any, as provided for in Article 11 of the Decree Law No. 25 of 2012 on issuance of the Companies' Law.
- Electing the first board of directors.
- Choosing the auditor and specifying his fees.
- Appointing members of the Sharia Supervisory Board for Companies that operate according to Islamic Sharia provisions.
- Announcing the final incorporation of the company.

Competences of the ordinary General Assembly

- Board of director's report about the company's activities and its financial position for the ended financial year.
- Auditor's report on the company financial statements.

- Report of any violations noted and observed by the supervisory bodies, for which the company was penalized.
- The company's financial statements.
- Board of director's proposals about dividends distribution.
- Clearance of the board members.
- Electing or removal of the board members, and specifying their remunerations.
- Appointing the company's auditor and specifying his fees, or authorizing the board to do the same.
- Appointing Sharia Supervisory Board for companies that operate according to Islamic Sharia provisions, and hearing the report of such Board.
- Report of the transactions undertaken or to be undertaken with related parties as defined according to the International Accounting Standards.
- The assembly may issue a decision of removal of a chairman, a member or more of the board or dissolution of the company's board and electing a new board based on proposal submitted by a number of shareholders who own not less than quarter of the company's issued capital.

Competences of the Extraordinary General Assembly

- Amending the company's memorandum of association.
- Selling the entire project which the company was established for, or dispose of such project in any other area.
- Dissolution, liquidation, conversion or division of the company.
- Increasing or reducing the company's capital.