

## **General Assemblies (4)**

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.

Therefore, the CMA has started introducing series of awareness topics in order to raise awareness of investors, and as a continuation of such topics, the CMA introduces the fourth part of the general assemblies. It tackles the means of sending invitations for attending general assemblies, the quorum of their meetings, in addition to attendance and mechanism of voting and decision making in general assemblies' meetings.

### **Means of Sending Invitation to Attend General Assemblies**

1. Registered mail sent to all subscribers at least two weeks in advance of the date of meeting.
2. Announcement which shall be published twice, provided that the second announcement shall be published after at least 7 days from the date of the first announcement and at least 7 days prior to the convention of the meeting.
3. Invitation shall be delivered by hand to shareholders or their legal representatives at least one day ahead of the meeting, with copy of invitation to be signed for acknowledgement of receipt.
4. Invitation by email or fax, provided that the second invitation shall be sent after at least 7 days from the date of the first invitation and at least 7 days prior to the convention of the meeting.

### **Quorum of General Assemblies**

The Founders' general assembly meeting shall be valid only if attended by shareholders who are authorized to vote and represent more than half of

the subscribed shares. If the required quorum is not satisfied, the general assembly shall be called into a second session with the same agenda to be held within a minimum of 7 days but no later than 30 days from the date of the first meeting. The second meeting shall be valid and binding regardless of the number of attendees. The invitation of the second assembly meeting may not be required if the date of the second meeting has been fixed in the first meeting. The decisions shall be adopted by majority of shares represented in the meeting.

The extraordinary general assembly meeting shall not be valid unless it is attended by a number of shareholders representing three quarters of the company issued capital. If the required quorum is not satisfied, a second meeting shall be called which meeting shall be valid if attended by shareholders representing more than 50% of the issued capital. Decisions shall be adopted by a majority exceeding half the total of the issued capital of the company.

### **Attendance and Mechanism of Voting and Making Decisions in General Assemblies Meetings**

Any shareholder regardless of the number of his shares may attend the general assembly meeting and shall have a number of votes equal to the votes assigned to that class of shares. A shareholder may not vote for himself or on behalf of the person he represents on issues related to a personal benefit or to a dispute existing between him and the company. A shareholder may authorize another person to attend on his behalf by proxy or a special power of attorney prepared by the company for that purpose. Any person that may claim a right on the shares in conflict with the content of the shareholders' register of the company may apply to the court of summary affairs to issue an order depriving the disputed shares from voting for such period as determined by the court or until the subject matter of the dispute is concluded by the competent court, in accordance with the applicable procedures in the Civil and Commercial Pleadings Law.