

General Assemblies (6)

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 position, approaches, and future decisions, and in line with CMA's endeavor to achieve such purpose, the CMA has published several parts about this issue. The sixth and final part tackles the means of achieving effective participation in company's general assemblies by shareholders.

How can the company's shareholders achieve effective participation in company's general assemblies?

- Believing in the importance of the effective participation especially for having a share in the capital, and attending the meeting is part of supervision.
- Welling to effectively participate by perusing the agenda and reading the various reports, including the financial statements and the Board's report before the meeting.
- Participating in discussions.
- Being fully aware of their rights and duties.
- Practicing the voting right and participating in making decisions

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.