



The General Authority for Investment and Free Zones

The Legal Services Guidebook for Ordinary and Extraordinary General Meetings of Corporations and Joint Stock Companies Boards of Directors

The Constituent General Meeting

I. Calling a constituent general meeting:

❖ Who calls the constituent general meeting?

- Upon an invitation to all founders or attorneys thereof, the company's constituent general meeting convenes within one month from the date on which subscription to the shares of a joint stock company is closed, or if the time limit specified for entering into a partnership limited by shares expires or the report of the committee concerned with valuating the in-kind shares is issued, whichever is earlier.

❖ Particulars to be included in the invitation to the constituent general meeting:

- The invitation should include the company's name; type; the amount of the capital; the date, time and place of the meeting; the quorum; and the matters to be discussed in such meeting.
- The invitation should specify a date for a second meeting in case the quorum has not been met in the first meeting, provided that the period between the two meetings does not exceed fifteen (15) days.
- The invitation to a constituent general meeting should be published in two (2) daily newspapers, at least one of which is in Arabic, no less than eight (8) days before the meeting is held. The invitation may be directed to the subscribers or the partners by virtue of registered letters to the address stated in the subscription certificates or in any other documents.

❖ The constituent general meeting scope of competence is to:

- Approve the valuation of the in-kind shares (if any);
- Approve the articles of association of the company;
- Approve the report made by the founders in respect of the company incorporation process and the expenditures required by that process;
- Approve the selection of the first BoD members or the general partner(s) to whom actual management is assigned in partnerships limited by shares, and the members of the Boards of Control of partnerships limited by shares; and
- Approve the selection of the auditor and the fees to be paid thereto in return for the first fiscal year of the company.

II. Holding a constituent general meeting:

❖ How can a constituent general meeting be valid?

- Each subscriber or stockholder has the right to attend the constituent general meeting, either in person or by proxy (the proxy will not be valid unless made to one of the subscribers or stockholders and evidenced by a written special power of attorney).
- The constituent general meeting is valid if attended by a number of subscribers and stockholders representing at least half of the issued capital. Should the first meeting lack quorum, the second meeting will be valid if attended by a number of subscribers and stockholders representing at least one-quarter of the issued capital.

❖ The chairmanship and the secretariat of the constituent general meeting:

- The chairmanship of the constituent general meeting is to be entrusted to the founder having the largest shareholding and accepting the chairmanship. In case of a tie, chairmanship will by means of a ballot be entrusted to any of the founders having the equally largest shareholding.
- The constituent general meeting will then select a secretariat and vote counters. The secretary will write down the minutes of the meeting comprising the attendance quorum; a comprehensive summary of the discussions and matters taking place during the meeting; the resolutions adopted at it; and the number of votes made either in favor of or against each resolution separately.
- The names of the attending stockholders and subscribers are to be written down in a special registry in which the fact of their attendance is to be recorded, whether such attendance is in person or by proxy. The said registry must be signed by the chairman, the secretariat, and the vote counters.

❖ Required quorum for resolutions to be adopted:

- A resolution of the constituent general meeting must be passed by a majority of those holding two-thirds of the shares or cash shareholdings, after having excluded those owned by the contributors of the in-kind shares, if the resolution is approving the valuation of the in-kind shares.
- The constituent general meeting resolution must be passed by the consent of the founders by a majority of partners representing at least two-thirds of the capital, if such resolution is amending the articles of association of the company.
- The constituent general meeting resolution is passed by the majority of the votes accorded to the shares and stockholdings of those attending the meeting, if such resolution relates to the founders report on the incorporation process and the expenditures required by that process.
- Approve the selection of the first BoD members or the general partner(s) to whom actual management is assigned in partnerships limited by shares, as well as the members of the Board of Control (BoC) of partnerships limited by shares; and
- Approve the selection of the auditor and the fees to be paid thereto in return for the first fiscal year of the company.



- Distinction must be drawn between the first constituent general meeting and the first general meeting of the shareholders. The former is held by the subscribers, is considered a phase in the incorporation process of joint stock companies and is held before the company has had any legal existence (this applies only to public subscription companies), while the latter only convenes after the company has gained legal existence as per the provisions of the law.

The Ordinary General Meeting

I. How to send an ordinary general meeting invitation?

- ❖ The notice whereby a general meeting is called and its time limits:
 - The notice whereby a general meeting is called must be published twice in two (2) daily newspapers at least one of which is in Arabic. The publishing of the notice in the second time must take place after the elapse of at least five (5) days from the date on which the first notice is published.
 - A company offering no shares for public subscription may satisfy itself by not publishing the said notice and just serving the notice of the call by means of registered mail on the shareholders at their addresses designated in the company's ledgers. The company may set a system for handing such notices over to the shareholders in return for a receipt.
 - Publishing or serving the notice of the call must take place at least twenty-one (21) days prior to the date specified for the first holding of the general meeting, and at least seven (7) days prior to the date specified for the second holding of the meeting in case the quorum of the first is not present.
 - The notices whereby a general meeting is called must include the following data: (i) the name of the company and the address of head office thereof; (ii) the legal structure of the company; (iii) the amount of both the authorized and issued capital of the company; (iv) the company's commercial registration number and place where the company has been entered in the Commercial Register; (v) the date, time and place where the general meeting convenes; (vi) an evidence on whether the meeting is ordinary or extraordinary; (vii) the meeting agenda; and (viii) the date, hour and place of convening the second meeting in case the required quorum is not met, should it be an ordinary general meeting.
 - GAFI, the Financial Regulatory Authority (FRA), the auditor and the legal representative of the Bondholder Group must be notified of a copy of the data and notices mentioned in the previous paragraph.

❖ **Procedures to be followed during an ordinary general meeting:**

➤ **Capacity to attend the general meeting and the general meeting quorum:**

- Shareholders or stockholders have the right to attend the general meeting either in person or by proxy. A shareholder who is not a BoD member may not authorize any BoD member to attend the general meeting on his behalf. The said attendance must be taken on the record prepared for that purpose.
- The proxy may be one of the secretaries or the owners registered in accordance with the Law on Securities Depository and Central Registration.
- The Bondholder Group Legal Representative may attend the meeting.
- In respect of joint stock companies, the meeting must be attended by the BoD Members, who must not be less than three (3) members of whom is the chairman, the vice-chairman or one of the managing directors. In respect of partnerships limited by shares, the meeting must be attended by the manager or the managing partner(s) and the BoC.
- The auditor or any deputy thereof from among those accountants who participated with such auditor in the auditing process must attend the meeting.
- The Accountability State Authority (ASA) must attend the meeting, if the public property holds 25% of the company capital shares.
- GAFI and FRA may delegate a representative on their behalf to attend the meeting.
- The meeting may not be valid unless attended by shareholders representing the minimum quorum mentioned in the articles of association of the company. In respect of the ordinary general meeting, the said minimum quorum must not be less than one-quarter of the capital. Should there be a lack of quorum, the minutes on the foregoing must be taken. The meeting chairman, the secretary and a vote counter must sign on such minutes. The meeting chairman must also announce such meeting be adjourned to the date set for a second meeting.

- **The chairmanship and the secretariat of the ordinary general meeting:**
- The meeting must be chaired by the BoD chairman or one of the managing partners.
 - In case of calling the meeting upon the request of a person or an entity other than the BoD chairman, the BoD, the managing partners or the Companies General Department, as the case may be, the meeting must then be chaired by the person or the representative of the entity calling the meeting.
 - The meeting must be chaired by the Director General of the Companies General Department or the deputy delegated by such Director General in case the Committee stipulated in Article (18) of the Law calls the meeting.
 - The general meeting must elect the meeting chairman from among the attendees, where no provision in this regard is made.
 - The meeting chairman must designate at the start of the meeting the secretary and vote counters, provided that the general meeting approves their designation. The vote counters, in cooperation with the auditor, must take the attendance percentage, record it in an attendance sheet, and sign it. Then, the meeting chairman will announce such attendance sheet.
 - The names of the attending shareholders and stockholders must be taken on record, and the fact of their attendance whether in person or by proxy must be shown on record. The auditor and the vote counters must sign on the said record before the meeting starts.
- **Entities on whom the notice for convening the general meeting be served:**
- The following persons are to be notified at the same time at which the invitation of the meeting is sent:
- The auditor;
 - GAFI;
 - FRA; and
 - The Bondholder Group Legal Representative (if any).

❖ **Events in which the ordinary general meeting is called:**

- The BoD chairman or the managing partner(s), as the case may be, may call an ordinary general meeting within three (3) months following the end of the company's fiscal year or in any other case in which the company's articles of association necessitate calling the general meeting to convene.
- The BoD of joint stock companies, the managing partner(s), or the BoC in the partnerships limited by shares may decide to call an ordinary general meeting whenever necessary, if so requested by the auditor or a number of shareholders representing at least five percent (5%) of the company's capital, provided that the shareholders deposit their shares at the company's head office or at an accredited bank. The said request must be made by virtue of a registered letter with an acknowledgment of receipt or by the delivery thereof to the company's head office in return for a receipt. The reasons for calling the meeting and the matters requested to be proposed to the general meeting must also be clarified in the said request.
- The auditor may call an ordinary general meeting, should the BoD fail to do so, even though the foregoing was necessary and one (1) month elapsed since the occurrence of the incident or the start of the date on which calling the meeting should have been made.
- The Companies General Department may call the general meeting in the case indicated in the preceding paragraph and in case the number of the BoD members is less than the minimum quorum required to be present in order for the meeting to be valid, or in case the members satisfying the said minimum quorum refuse to attend the meeting.
- The liquidators may request the general meeting to convene during the liquidation period.
- The formed committee may look into the violations with which the BoD members are charged, if such violations appear to have been committed.

❖ **The ordinary general meeting scope of competence:**

- **Matters to be looked into by the general meeting in its annual meeting:**
 - ✚ Approving the auditor's report;
 - ✚ Approving the report of the BoD or the managing partner(s) on the company's business activity;
 - ✚ Ratifying the financial statements;
 - ✚ Approving the distribution of profits on the shareholders, the stockholders and the employees;
 - ✚ Fixing the remuneration and allowances of the BoD members;
 - ✚ Appointing and fixing the fees of the auditor, and determining the fiscal year for which such auditor is delegated; and
 - ✚ Electing the BoD members.

- **The general meeting has also competence to:**
 - ✚ Suspend setting aside the legal reserve if such reserve reaches half of the issued capital;
 - ✚ Form reserves other than the legal and the statutory reserves;
 - ✚ Use the statutory reserve in such manner as would be fruitful to the company or the shareholders in case such reserve is not allocated for certain purposes stipulated under the company's articles of association;
 - ✚ Dispose of the reserves and provisions for purposes other than those for which they are appropriated;
 - ✚ Approve the distribution of a percentage of the net profits realized by the company due to the sale of a fixed asset or due to a compensation therefor, provided that such distribution would not result in the company being unable to restore its assets to their original status;
 - ✚ Look into the resolutions and recommendations of the Bondholder Group;
 - ✚ Give prior authorization to the founders and the BoD members to enter into commutative contracts with the company, provided that the prior authorization be made on a contract-by-contract basis;
 - ✚ Authorize the BoD to donate whenever such donation exceeds one thousand pounds (EGP 1,000);

- ✚ Dismiss the BoD or any member thereof, even if such matter has not been included in the agenda, and bring liability lawsuits against the BoD members in accordance with Article (160) of the Law;
- ✚ Dismiss the BoD members who repeatedly remain absent from the general meetings and the election of others;
- ✚ Impose fines on the BoD members who fail to attend the meeting without a legitimate excuse;
- ✚ Authorize the managing director to assume the position of the managing director in another company;
- ✚ Authorize the BoD member to carry out a technical or administrative work in another joint stock company on a permanent basis;
- ✚ Authorize the BoD member to carry on a business on his account or on account of third parties in any business field in which the company is engaged;
- ✚ Assume any management matter, should the BoD fail to decide thereon due to insufficient quorum;
- ✚ Ratify any act performed by the BoD;
- ✚ Issue recommendations in respect of the works falling within the scope of powers of the BoD;
- ✚ Look into replacing the auditor during the fiscal year for which he is delegated subject to the procedures stipulated under Article (103) of the Law;
- ✚ Look into dismissing the auditors or bringing a liability lawsuit against them in accordance with Article (106) of the Law;
- ✚ Look into the auditor's report, in case the auditor is not given access to discharge duties thereof;
- ✚ Appoint the liquidators, fix their fees and dismiss said liquidators;
- ✚ Extend the period set for the liquidation after having reviewed the liquidator's report;
- ✚ Look into the interim account to be submitted by the liquidator every six (6) months;
- ✚ Ratify the final account of the liquidation process; and
- ✚ Designate the place where the company's ledgers and documents be kept after the company is crossed out from the Commercial Register.

❖ **Documents to be placed at the shareholders' disposal prior to the annual ordinary general meeting:**

- The BoD or the managing partner(s), as the case may be, must place at the shareholders' disposal for review at least five (5) days prior to the holding of the ordinary general meeting a statement made by the auditors to the effect that:
 - The company has not granted a monetary loan of any kind to any of the BoD members or the managing partner(s) thereof, as the case may be, nor has it guaranteed any loan engaged in by any of them with third parties.
 - If the company is a credit company, the statement demonstrates whether the company in dealing with the BoD members or the managing partner(s), as the case may be, adopts the same terms and conditions adopted by the company in dealing with the public.
 - The statement demonstrates whether the loans and credits or guarantees stipulated in Article (96) of the Law are concluded without any violation of their provisions.

- The BoD or the managing partner(s), as the case may be, must, annually place at the shareholders' disposal a detailed statement for review during the general meeting called to look into the BoD's report, at least three (3) days prior to the holding of the meeting, at the head office of the company and at the place where the general meeting convenes. Such detailed statement including the following data:
 - All amounts obtained by the company's BoD chairman and every BoD member or managing partner(s), as the case may be, during the fiscal year, in whatever form such amounts are; together with a description of the particulars of each amount;
 - The in-kind benefits accorded to the company's BoD chairman and every BoD member or managing partner(s), as the case may be, in the fiscal year;
 - The amounts allocated to each of the current and former BoD members or managing partner(s), as case may be, as a pension, reserve or severance pay;
 - The remunerations and profit shares the BoD proposes to distribute to the BoD chairman and BoD members or managing partner(s), as the case may be;
 - The amounts already spent on advertisement of any kind together with the particulars of each of those amounts;
 - The transactions in which one of the BoD members or the managing partner(s) have an interest conflicting with that of the company; and

- The donations together with the particulars of each donated amount and the reasons therefor.
- The BoD or the managing partner(s) must place the following at the shareholders' disposal for review at the company's head office at least fifteen (15) days prior to the holding of the annual general meeting:
 - The names and the addresses of the BoD members, the managing partner(s), and the BoC members;
 - A statement on the matters proposed to the general meeting for discussion and the text of the draft resolutions required to be adopted;
 - The report of the BoD or the managing partner(s), as the case may be, submitted to the meeting;
 - A statement on the names of the candidate applying for the BoD membership, their ages, experiences, jobs which they assumed during the last three (3) years, whether they occupy certain positions in the same company, and the shares they hold in the company;
 - The financial statements;
 - The auditor's report; and
 - In case the shareholders, holding the legally prescribed percentage, request including certain matters in the agenda, such matters and the draft resolutions in connection therewith will be placed at the shareholders' disposal at least seven (7) days prior to the holding of the general meeting.
- ❖ **Voting on the ordinary general meeting resolutions:**
 - Voting at the general meeting must be in the manner provided for in the articles of association.
 - The electronic systems may be used to display the agenda items and to be voted thereon, if the company's articles of association so stipulate.
 - Voting will be by secret ballot, should the resolution be relating to:
 1. The election of the BoD members;
 2. The dismissal of the BoD members; or
 3. Bringing a liability lawsuit against the BoD members, or
 4. If the BoD chairman or a number of shareholders representing at least one-tenth of the votes present at the meeting so request.
 - The cumulative voting may be used, if so provided for in the company's articles of association.

- BoD members may not take part in voting on general meeting resolutions in connection with:
 1. Fixing their salaries and remuneration.
 2. Discharging their liability for the management
- Resolutions of the ordinary general meeting must be passed by an absolute majority of the votes granted to the shares represented at the meeting.

❖ **Ratification of the minutes of the general meetings**

The company will head to GAFI to have the minutes of ordinary general meetings ratified within maximum of one month from the date of holding the general meeting.

i. Required documents:

- A request printed out on the company letterhead, signed by the company's chairman/ manager or company's agent authorized by the virtue of a power of attorney, and addressed to the Director General of the General Department for Legal Affairs of Corporations;
- The relevant minutes of meeting printed out on the company letterhead, sealed by the company's seal and signed by the BoD chairman, secretary, vote counter, and company auditor, provided that the minutes of the meeting must include the acknowledgment stipulated in GAFI CEO Decision No. 480 of 2016, as follows:

"I _____, as the meeting chairman, hereby acknowledge that I am fully liable for the trueness of the content of these minutes of meeting, including any data, facts and procedures followed in calling such meeting, vis-à-vis third parties, the company's shareholders, and GAFI";
- The BoD members and shareholders/partners attendance sheets signed by the vote counter, the secretary, the company's auditor, and the meeting chairman, and sealed by the seals of the company as well as the auditor;
- The proxies' attendance (if any);
- An evidence to the effect that invitations have been sent to the administrative bodies, the shareholders/partners, and the auditor;
- An evidence to the effect that the financial statements, the auditor's report, and the BoD's report have been served on the shareholders and the administrative bodies;
- An evidence to the effect that the shares of the shareholders attending the meeting have been frozen three (3) days prior to the meeting;

- The company's articles of association as amended;
 - A recent (maximum 3 months old) official copy of the commercial registry;
 - A certificate to be issued from a central depository and registration company for the joint stock companies and partnerships limited by shares;
 - The financial statements in case of being looked into in the meeting + BoD's report;
 - The minutes of the last general meeting, in which the appointment or renewal of appointment of the company's auditor has been looked into;
 - The contact information form prepared by GAFI and available at the Investor Service Centers (ISCs); and
 - In respect of companies operating in Sinai, such companies must fill in and submit the service application form + the documents required to be furnished to Sinai Development Authority.
- **Documents required in particular cases**
 - If the minutes of the meeting include matters relating to the election, re-appointment, or resignation of the company's BoD members, the following must be submitted:
 1. The acknowledgments of acceptance of appointment of the new BoD members + copies of their IDs;
 2. The nomination letter of the judicial person (if any);
 3. Background checks on foreign members (if any);
 4. BoD member(s) resignation approved by the BoD chairman and sealed by the company's seal; and
 5. A photocopy of the death certificate of the relevant BoD member.
 - If the minutes of the meeting include matters relating to replacing/dismissing the auditor, the following must be submitted:
 1. The auditor's notice of resignation printed out on his office's letterhead and bearing his seal and signature;
 2. A photocopy of the death certificate of the auditor;
 3. An evidence to the effect that a dismissal memorandum has been sent, ten (10) days prior to the meeting, to the auditor intended to be dismissed, attached with a copy of the said memorandum;

4. The acknowledgement of acceptance of appointment of the company's new auditor printed out on his office's letterhead and bearing his seal and signature + an evidence on his registration at the Register of Accountants.

ii. Service fees:

- EGP 300 per copy of the minutes of the meeting.
- EGP 300 in return for having the minutes of the meeting authenticated by the Ministry of Foreign Affairs Office.

iii. Steps:

- Head to the General Department for Legal Affairs of Corporations at any ISC branch available in the different Republic governorates to submit an application for the ratification of the minutes of the ordinary general meeting together with the documents required to have the minutes of meeting ratified.

Joint Stock Companies Boards of Directors (BoDs)

❖ **Formation of the BoD & Membership Term:**

- The company's articles of association may stipulate that a minimum percentage of capital must be represented in the membership of the BoD, provided that such percentage does not exceed one seat per each ten percent (10%) of the company's shares.
- The BoD must appoint from among its members a chairman. It may also appoint a vice-chairman who will replace the chairman in case the latter is absent.
- The BoD may appoint a CEO if the company's articles of association so provide.
- The company must be represented before the Judiciary by the BoD chairman or the CEO of the company as per the articles of association of the company.
- The term of membership of the BoD will be three (3) years, and must be counted as from the date on which the resolution of the general meeting selecting the BoD members was passed, up to the date of completion of works of the first meeting held to consider the financial statements in which the end of membership term exists.
- Membership of the BoD may be renewed. Renewal of the membership must be deemed as a new appointment to which all terms and conditions of the appointment for the first time must apply.
- The juridical person may be a member in the BoD, provided that such person must appoint a representative thereof in the BoD from among the natural persons.

❖ **Calling a BoD meeting:**

➤ **Joint stock companies BoD will convene if:**

- Called by the BoD chairman;
- Called by a majority of the BoD members, in case the BoD chairman position is vacant; and if
- Called by one-third of the BoD members, subject to the following:
 1. The one-third of the BoD members has submitted a written request to the BoD chairman to call a meeting, and the latter failed to do so within ten (10) days;
 2. The said BoD members notified GAFI, at least three (3) business days before calling the meeting, with the suggested date of meeting, its place

and time, as well as the subject matters presented to the BoD by virtue of a registered letter with an acknowledgment of receipt; and

3. The aforementioned BoD members invited all BoD members in accordance with the applicable procedures and rules of the company in respect of calling BoD meetings within at least three (3) business days before holding the meeting.

❖ **The BoD meeting, quorum and resolutions:**

- The BoD meeting must be held at the company's head office.
- The BoD meeting may be held outside the company's head office in accordance with the articles of association of the company.
- The BoD meeting may be held by modern communication technology, if so provided for in the articles of association of the company, subject to the rules issued in this regard.
- The BoD meeting will not be valid unless attended by at least half of the members thereof, including the chairman, provided that the number of the attendees is not be less than three (3) or is the number stipulated in the articles of association, whichever is greater.
- The resolutions of the BoD must be passed by the majority of the attendees unless a special majority percentage is stipulated under the company's articles of association in this respect.
- The minutes of the BoD meetings must be recorded regularly after each meeting in a special book signed by the BoD chairman and the meeting secretary.
- The book mentioned in the previous item must be kept in the company's head office. It must include the names of the attending and absent BoD members. Names of those who are not a BoD members who attended must be recorded in such book.

✚ **Ratification of BoD minutes of meeting:**

➤ **I. Required documents:**

- A request printed out on the company letterhead addressed to the Director General of the General Department for Legal Affairs of Corporations and signed by the BoD chairman/ the company manager, or a person as authorized by a duly executed power of attorney;
- The minutes of meeting printed on the company letterhead and sealed by the company's seal, signed by the secretary and the meeting chairman, and

at the end of it, it must include the wording of GAFI CEO Decree No. 480 of 2016;

- The attendance sheet of the BoD members signed by the secretary and the meeting chairman and sealed by the company's seal;
- The authorizations made in respect of attending the meeting, if any;
- The company's articles of association and amendments thereof;
- A recent (maximum 3 months old) official copy of the commercial registry;
- A certificate of the company engaged in central depository and registration of securities, for joint stock companies and partnerships limited by shares; and
- In respect of companies operating in Sinai, such companies must fill in and submit the service application form + the documents required to be furnished to Sinai Development Authority.

✓ **Documents required in special cases:**

- If the minutes of the meeting include the appointment of BoD members, the following must be submitted:
 1. The acknowledgment of acceptance of appointment of the BoD members + a copy of their IDs;
 2. The nomination letter of the juridical person;
 3. Background checks on foreign members;
 4. The resignation of the BoD member(s), approved by the BoD chairman and sealed by the company's seal; and
 5. A photocopy of the death certificate of the BoD member.
- In the event of original capital completion, a bank or auditor certificate after the completion must be submitted, if the resolution provides for the completion of the 75% of the said capital.
- In the event of completion of 75% of capital increase, a bank certificate indicating the payment, or the prior approval of the Economic Performance Sector must be submitted.

➤ **II. Service fees:**

- EGP 300 per one copy of the minutes of the meeting.
- EGP 300 for the authentication by the Ministry of Foreign Affairs, if such service is so requested.



➤ **III. Steps:**

- Go to the General Department for Legal Affairs of Corporations at the Investor Service Center (ISC), or any of its branches in A.R.E. to submit the application of ratification of minutes of meeting, with the documents required for the authentication of the minutes of meeting attached to it.

The Extraordinary General Meeting

Procedures of Calling and Convening the Extraordinary General Meeting of Joint Stock Companies, Partnerships Limited by Shares, Limited Liability Companies in Accordance with the Provisions of Law No. 159 of 1981

1. Those who have the right to call the extraordinary general meeting:

a. In respect of joint stock companies and partnerships Limited by Shares, and

- In pursuance of the provisions of Article (70) of Law No. 159 of 1981, Item (a), and Article (226) of the Executive Regulations thereof,
- The BoD or the managing partner(s) may call the extraordinary general meeting.
- The BoD must call the meeting, if a number of shareholders representing at least ten percent (10%) of the capital so request, provided that the shares thereof be deposited at the company's office or one of the accredited banks. The said shares must not be withdrawn except after the general meeting ends. If the BoD fails to call the (extraordinary) general meeting within a month from the date on which the request is submitted, those submitting the request may apply to GAFI, which will call the meeting.

b. In respect of limited liability companies,

Those who have the right to call the meeting are as follows:

- The manager of the limited liability company has the right to call the extraordinary general meeting.
- Partners who hold at least one-quarter of the capital may call the extraordinary general meeting, in accordance with the provision of Article (126) of Law No. 159 of 1981.

2. Data to be included in the call of (the general meeting):

- The call must include the data mentioned in Article (202) of the Executive Regulations of Law No. 159 of 1981. The meeting's agenda must include a comprehensive description of the subject matters listed therein without having to refer to any other papers.

3. Time and method of serving a notice whereby the meeting is called:

- In pursuance of the provision of Article (203) of the Executive Regulations of Law No. 159 of 1981,
- The notice whereby the general meeting is called must be published twice in two (2) daily newspapers at least one of which is in Arabic. The publishing of

the notice in the second time must take place after the elapse of at least five (5) days from the date of publishing the first notice. The companies offering no shares for public subscription may satisfy themselves by not publishing the notice of calling the meeting and just serving the notice of the call by means of a registered mail on the shareholders at their addresses designated in the company's ledgers.

- The company may set a system for handing such notices over to the shareholders in return for a receipt. Publishing or serving the notice of the call must take place at least twenty-one (21) days prior to the date specified for holding the general meeting, and at least seven (7) days prior to the date specified for the second holding of the meeting.
- In pursuance of the provision of Article (229) of the Executive Regulations of Law No. 159 of 1981, if the minimum limit is not met during the first meeting of the general meeting, a call for a second meeting must be made and be held within thirty (30) days following the first meeting.

4. Entities on whom the Notice for Convening the General Meeting be Served:

- In pursuance of the provision of Article (204) of the Executive Regulations of Law 159 of 1981, GAFI, the auditor and the Bondholder Group Legal Representative must be notified of a copy of the data and notices served by the company on the shareholders in order to attend the general meeting, on the same date of publishing or serving such notice.

5. Items of meeting agenda:

- In pursuance of the provision of Article (206) of the Executive Regulations of Law 159 of 1981, the entity calling the general meeting must list the items of the meeting agenda, however, the shareholders owning (10%) of the company's shares may, by virtue of a registered letter to be sent to the company's BoD in return for a receipt, request to include certain matters on the ordinary general meeting agenda, provided that the request clarifies the resolution requested to be adopted by the meeting and the reasons therefor. Such shareholders must attach to the said request an evidence that they have deposited their shares at the company's office or at an accredited bank (an evidence that the shares are frozen), and must undertake not to withdraw such shares except after the general meeting considering the request ends.
- The request must be submitted at least ten (10) days prior to the date scheduled for the first holding of the general meeting.
- In all cases, the general meeting may not discuss any matters other than the matters listed in the agenda.

6. Place and time of the extraordinary general meeting:

- The company may, at any time, call the extraordinary general meeting to convene, provided that the meeting is held in the place specified in the company's articles of incorporation or the articles of association, as the case may be, and the time specified in the invitation.

7. Quorum required to give validity to the extraordinary general meeting:

- In pursuance of the provision of Article (70) of Law 159 of 1981 and Article (229) of the Executive Regulations of Law 159 of 1981, an extraordinary general meeting of a joint stock company may not be valid unless attended by shareholders representing at least half of the capital (unless the company's articles of association stipulate a higher percentage).
- Should such minimum quorum be not present during the first meeting, a call for another meeting, which must be held within thirty (30) days from the first meeting, must be made. The second meeting must be deemed valid if attended

by a number of shareholders representing at least one-quarter of the capital (unless the company's articles of association stipulate a higher percentage).

- An extraordinary general meeting of a limited liability company may not be valid unless attended by partners representing at least half of the capital (unless the company's articles of association stipulate a higher percentage), subject to the provision of Article (127) of Law 159 of 1981 that stipulates that the company's articles of incorporation may not be amended, nor its capital be increased or reduced, nor half of its capital be lost, except with the approval of the numerical majority of partners holding three-quarters of the capital.

8. shareholders who have the right to attend the extraordinary general meeting

a) In respect of joint stock companies.

- In pursuance of the provision of Article (59) of Law 159 of 1981, each shareholder has the right to attend the general meeting either in person or by proxy. In order for attendance by proxy to be valid, it must be duly executed by virtue of a power of attorney or a written authorization. The company's articles of association may specify a higher limit for the number of votes to be owned by the shareholder, whether such shareholder is attending the said meeting in person or by proxy, subject to the provision of Article (208) of the Executive Regulations of Law 159 of 1981.
- The BoD must be represented at the general meeting by no less than the quorum required for the BoD meeting to be valid. However, the meeting will be valid if attended by three (3) members of the BoD, among whom the chairman, the deputy chairman or a managing director, subject to the provision of Article (60) of Law 159 of 1981.
- The auditor or any accountant delegated by the auditor must attend the meetings, subject to the provision of Article (210) of the Executive Regulations of Law 159 of 1981.
- In all cases, a shareholder, other than the members of the BoD, may not delegate one of the members of the BoD to attend the general meeting on such shareholder's behalf.

b) The limited liability company (LLC):

- Each partner has the right to attend the general meeting either in person or by delegating another partner, who is not a manager, unless the LLC's articles of incorporation otherwise stipulate, subject to the provision of Article (126) of Law 159 of 1981.

- The general meeting must be attended by at least one of the managers, subject to the provision of Article (286) of the Executive Regulations of Law 159 of 1981.

9. The extraordinary general meeting scope of competence:

- In pursuance of the provision of Article (68) of Law 159 of 1981 and Article (227) of the Executive Regulations of the Law, the extraordinary general meeting has competence to:
 - Amend the articles of association of joint stock companies and partnerships limited by shares in addition to LLC's articles of incorporation;
 - Increase or decrease of the authorized capital;
 - Approve capital increase by preference shares;
 - Add objects that are ancillary to, associated with or close to the main object of the company;
 - For reasons acceptable by the appropriate authority, upon a proposal approved by the extraordinary general meeting, change the main object of the company;
 - Change of the legal structure of the company;
 - Decide whether to keep the company operating, despite losses or liquidation;
 - Extend or shorten the term of the company;
 - Dissolute the company prior to the expiry of the term thereof;
 - Change the percentage of loss that would lead to the mandatory dissolution of the company;
 - Merge or split up the company;
 - Amend the rights, preference and restrictions relating to the classes of shares; and
 - Change of the legal structure of the company (be it a partnership limited by shares or a limited liability company).
- In all cases, shareholders or partners' liabilities must not increase. Any resolution passed by the general meeting in a way that would affect the shareholders' rights conferred by virtue of such shareholder's capacity, as a partner, will be void.

When approving amendments at the extraordinary general meeting, the following special cases must be taken into account:

Amendment of the company's name:

- The joint stock company must have a commercial name derived from the object for which the company has been founded. The commercial name of the company

may include the name or surname of one or more of the founders thereof (Article 2 of Law 159 of 1981, as amended).

- The name of a partnership limited by shares must be derived from one name or more of the general partners exclusively (Article 3 of Law 159 of 1981, as amended).
- The name of an LLC may be a special and derived from the object thereof. It may include one or more of the partner(s) names (Article 4 of Law 159 of 1981, as amended).
- The company's name must not be confused with other companies' names, and must be verified by virtue of a certificate of non-confusion obtained from the appropriate Commercial Register (Article 44 and 73 of the Executive Regulations of Law 159 of 1981).

Amendment of the object:

- The original object of the company may not be changed unless for reasons acceptable by GAFI (Article 68 of Law 159 of 1981 as amended).
- The controls related to a company's object will apply when a company is being incorporated and such company has its object be amended (Article 10 of Law 159 of 1981, as amended).

Extension of the company's term:

- In case of termination of the company's term, GAFI's approval must be obtained to extend the term; otherwise, the company must be placed under liquidation (Article 137 of Law 159 of 1981, as amended).

Authorized Capital Increase:

- By a resolution of the extraordinary general meeting, the authorized capital may be increased (Article 33 of Law 159 of 1981 and Article 86 of the Executive Regulations thereof).
- By a resolution of the extraordinary general meeting and the BoD, the issued capital may be increased within the limits of the authorized capital, on the condition that the issued capital is paid in full prior to the increase (Article 33 of Law 159 of 1981 and Article 88 of the Executive Regulations thereof).
- Capital increase by preference shares may not be effected unless upon the approval of the extraordinary general meeting by a majority vote of those holding three-quarters of the shares of the company before the increase, and upon the amendment of the articles of association of the company in accordance with the provisions stipulated in respect of the preference accorded to certain

classes of shares in terms of voting, profits and liquidation proceeds (Article 35 of Law 159 of 1981, as amended).

In case of cash increase

- In respect of joint stock companies and partnerships limited by shares, a bank certificate indicating payment of at least 10% of the increase must be submitted in case the capital has been fully paid prior to the increase, provided that at least 25% of the increase is paid within three (3) months from the date of adding the increase into the company's commercial registry (Article 32 of Law 159 of 1981).
- The issued capital may not be increased before being fully paid, unless by a resolution of the extraordinary general meeting, provided that the subscribers to the increase pay no less than the percentage determined to be paid from the issued capital before the increase thereof, and pay the remaining value in the same dates, in which the remaining value of the issued capital is to be paid (Article 33 of Law 159 of 1981).
- The approval of the FRA must be obtained in respect of the issue of the increase shares (Article 7 of the Executive Regulations of Law 95 of 1992).

In case of increase by an in-kind share, the following must be adopted:

- The capital increase by an in-kind share must be approved by the extraordinary general meeting (Article (93) of the Executive Regulations of Law No. 159 of 1981).
- The in-kind share of the capital increase of joint stock companies and partnerships limited by shares must be evaluated by an evaluation committee formed at GAFI (Article (93) of the Executive Regulations of Law No. 159 of 1981).
- The evaluation report of the in-kind shares must be approved by the extraordinary general meeting.
- In respect of limited liability companies, if the capital increase includes an in-kind share, such share must be evaluated by a licensed financial advisor. The report must include (i) a detailed description of the in-kind share; (ii) any guarantees thereon; (iii) any restrictions or rights in favor of a third party in respect of such in-kind share; (iv) the foundations upon which the value of such in-kind share is valuated, and (v) the value of the said in-kind share. Partners must give their signature to the effect that they have reviewed and approved the aforementioned report (Article (69) and (279) of the Executive Regulations of Law No. 159 of 1981).
- In respect of the capital increase by reserves and profits as well as the capital increase by payable cash debts, the prior approval of GAFI Economic Performance Sector must be obtained in respect of the resolution whereby the increase is effected. This is mandatory, so that all the reserves, profits or credit balance of the company are verified in accordance with GAFI applicable rules.
- In all the aforementioned cases of increase, the approval of the FRA in respect of the issue of the shares of the capital increase must be obtained (Article (7) of Law No. 95 of 1992).

Capital Decrease:

- The capital is decreased upon the resolution of the extraordinary general meeting, and the capital to be decreased may not be required to have been fully paid. (Article (105) and (106) of the Executive Regulations of Law No. 159 of 1981)

- Article (106) of the Executive Regulations of Law No. 159 of 1981 stipulate that a capital decrease is made by any of the following methods:
 - a. Decreasing the nominal value of the share;
 - b. Decreasing the number of shares, and, in which case, the number of shares each shareholder holds must be decreased on a pro-rata basis to the same percentage to which the capital is decreased; or
 - c. The company's purchase of some of its own shares "treasury shares", and, in which case, the capital must be decreased by an amount equal to the nominal value of the treasury shares.
- The capital decrease must be presented to the Economic Performance Sector, in order for the latter to verify whether the decrease resolution could be applied. The approval of the FRA to the issue of the decrease shares must be obtained. (Article (7) of Law No. 95 of 1992).

Ratification of the minutes of the extraordinary general meeting:

A company must submit the minutes of extraordinary general meeting to GAFI to have it ratified within maximum one (1) month from the date on which the meeting was held.

Required Documents:

- A request printed out on the company letterhead, signed by the BoD chairman/the company manager/the company's agent authorized by virtue of a power of attorney, addressed to the Director General of the General Department of Legal Affairs of Companies;
- A recent (maximum 3 months old) official original of the commercial registry;
- The original copy of the minutes of the meeting submitted for approval, signed by the meeting chairman, the auditor and the vote counters on each page respectively + the number of copies to be approved + an acknowledgment to the effect that documents are true and accurate + a written acknowledgment made by the meeting chairman and containing on its last page the following:

"I _____, as the meeting chairman, hereby acknowledge that I am fully liable for the trueness of the content of these minutes of meeting, including any data, facts and procedures followed in calling such meeting, vis-à-vis third parties, the company's shareholders, and GAFI";
- The attendance sheet of the BoD members, signed by the meeting chairman and secretary or the managers + the proxies' attendance (if any);
- An original copy of the shareholders/partners attendance sheet, as per the latest shareholding structure, including the latest resolution on Article (7) or the latest trading statement of Misr for Central Clearing, Depository and Registry ("MCDR Trading Statement", signed by the meeting chairman, the auditor, the secretary and the vote counters and bearing company's seal (genuine seal) + the proxies' attendance (if any);
- An evidence to the effect that invitations have been sent to and received by the shareholders or the partners, a photocopy of the invitation and the meeting agenda, provided that the invitation be sent

twenty-one (21) days prior to the meeting (excluding the sending day and the meeting day) + a photocopy of the investment gazette evidencing the company's incorporation + a photocopy of the previously issued amendments;

- The draft amended articles of association (if any);
- The service fees payment receipt;
- The original document containing the reasons warranting that the BoD call a meeting, provided that the said document is approved by GAFI;
- A copy of the applicant's personal ID; and
- Background checks on the non-Egyptian shareholders (or partners), the new BoD members and the managers.

Note: In case of amendments whereby company's name, object, location is changed or its capital is redistributed, increased or decreased, a background check on the new and current non-Egyptian shareholders or partners must be submitted.

In the event that the company would like to change its project site, the following documents must be submitted:

- The deed of possession of the project site, and, in respect of the companies that would like to operate in Sinai Peninsula, such companies must fill in and submit the service application form together with the documents required to be furnished to Sinai Development Authority; and
- The auditor's acknowledgment of acceptance of appointment.

In the event that a shareholder/partner dies, the following documents must be submitted:

- In respect of joint stock companies and partnerships limited by shares, the death certificate, the decree of distribution and a certificate obtained from the Egyptian Stock Exchange authorizing the distribution of the deceased's shares to his heirs must be submitted; and
- In respect of limited liability companies, the death certificate, the decree of the distribution and a certificate obtained from the auditor authorizing the distribution of the inheritance in accordance with the decree of distribution and under the auditor's liability, must be submitted.

In the event of BoD restructuring (by amendment of the relevant article), the following documents must be submitted:

- Resignations of the senior BoD members together with an evidence on the admission of the new BoD members + the new BoD members' national ID cards; and
- The structure of the BoD and the ordinary general meeting which are competent to increase the issued capital of the company within the limits of the authorized capital.
- *Note:* By a resolution of the BoD, the issued capital of the company may be increased within the limits of the authorized capital, provided that the issued capital be paid in full prior to the increase. Companies whose securities are listed in one of the Egyptian stock exchanges are exempt from the foregoing. The issued capital of such companies must be

increased by a resolution passed by the majority of shares represented in the meeting (The first paragraph of Article (33) of Law No. 159 of 1981 and the amendments thereof as well as the last paragraph of Article (88) of the Executive Regulations of the same law).

In the event that the BoD minutes of meeting that adopt a resolution, whereby the issued capital would be increased within the limits of the authorized capital, is requested to be ratified, the following documents must be submitted:

- A request for ratification addressed to the Director General of the General Department for Legal Affairs of Companies;
- The BoD minutes of meeting to be ratified signed by the secretary and the BoD chairman, and including at its end the acknowledgment stipulated in GAFI CEO Decision No. 480 of 2016;
- The attendance sheet of the BoD members signed by the secretary and the vote counters;
- A bank certificate evidencing the payment of the required increase or a certificate from the Economic Performance Sector at GAFI evidencing the payment by means other than cash deposit;
- The proxies' attendance (if any);
- Acknowledgements of non-involvement in the cash increase, in case the legally prescribed time limits are not complied with;
- The articles of association, as amended;
- The amendment of Articles No. 6 & 7 of the articles of association;
- A copy of the personal ID of the authorized person; and
- A recent official original of the commercial registry dated after the date on which the meeting was held.

In case the increase resolution is adopted by the ordinary general meeting, the following documents must be submitted:

- A request for ratification addressed to the Director General of the General Department for Legal Affairs of Companies;
- The original minutes of ordinary general meeting, requested to be ratified, including the increase resolution and the amendment of

Articles No. 6 & 7 before and after the amendment thereof, and signed by the secretary, the vote counters, the auditor and the meeting chairman on each page respectively;

- An evidence to the effect that the publication procedures have been followed in accordance with Article (203) of the Executive Regulations of Law No. 159 of 1981;
- An evidence to the effect that the subscription prospectus has been conducted within the legally prescribed time limits and in accordance with Article (33) of the Executive Regulations of Law No. 95 of 1992;
- The approval of the FRA on the subscription prospectus (this applies only to companies whose securities are listed in Egyptian Stock Exchange and public subscription companies);
- The attendance sheet of the company's shareholders, in accordance with the latest statement of Misr for Central Clearing, Depository and Registry, signed by the secretary, the vote counters, the auditor and the chairman of the meeting;
- The attendance sheet of the BoD members matching the same date on which the meeting was held, provided that the date on which the meeting was held was entered in the Commercial Register and that the attendance sheet was signed by the secretary and the chairman of the meeting;
- The auditor's acknowledgments of acceptance of appointment;
- The statement of Misr for Central Clearing, Depository and Registry;
- The articles of association, as amended;
- The amendment of Articles No. 6 & 7 of the articles of association;
- A copy of the personal ID of the authorized person; and
- A recent official original of the commercial registry dated after the date on which the meeting was held.

Service Fees:

- EGP 300 per each copy being ratified whether this copy is of the minutes of the extraordinary or the ordinary general meeting, or the BoD minutes of meeting (In case of capital increase).
- EGP 300 in return for obtaining the authentication of the Ministry of Foreign Affairs Office, if so requested.
- EGP 300 in return for issuing a certificate addressed to the FRA to the effect that the capital be increased or decreased.

Steps:

- Head to the General Department of Legal Affairs of Companies at the ISC or any of the branches thereof all over the A.R.E. to submit the request for the ratification of minutes of the meeting together with the required documents to have such minutes of meeting ratified.

This document has been translated by GAFI Translation Department.