

United Arab Emirates

Securities & Commodities Authority

Date: 29/01/2024

To - Public joint stock companies,

**RE: Circular on the Annual General Assembly Meetings of Public Joint Stock Companies for 2024**

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Giving the imminent date of holding the general assemblies for public joint stock companies, this circular has been issued to remind and confirm some of the provisions included in the Federal Decree- Law No. (32) of 2021 on Commercial Companies (that will be referred to hereinafter as the Decree-Law) and the Chairman of the Authority's Board of Directors' Decision No. (3/Chairman) of 2020 Concerning Approval of Joint Stock Companies Governance Guide, particularly the following: -

**First: General Provisions:**

- 1- The invitation to attend the general assembly meeting shall not be published in newspapers except after obtaining the Authority's approval on publication and providing the Authority with a copy of (the draft announcement of the invitation / the draft announcement of opening the candidacy for the membership of the board of directors if there is election of the board members) according to the forms published on the Authority's website: <https://www.sca.gov.ae/ar/corporate-governance.aspx>, emphasizing on the necessity that the invitation announcement draft for the general assembly presented to the Authority shall include the meeting agenda, and in particular specifying the proposed profits to be distributed to shareholders and the proportion and amount thereof and the distribution dates (in the absence of a distribution proposal, the same shall be mentioned in the invitation). In the event that the quorum is not complete, and an invitation for

convening a second meeting is addressed, the dates for the proposed profit distribution to the shareholders of the company must be reset.

- 2- The notification of the company general assembly invitation shall be sent to the market wherein it is listed, before notifying the shareholders thereof by publication in newspapers.
- 3- The general assembly invitation shall be sent, after obtaining the Authority's approval, to all shareholders, in accordance with the following rules:
  - A. The general assembly meeting invitation shall be announced at least (21) twenty-one days before the date specified for the meeting according to the provision of article (174) of the Companies Law, even if the articles of association stipulate a shorter period.
  - B. The announcement of the meeting invitation shall be published on the website of the company and the financial market wherein the company's shares are listed.
  - C. The shareholders shall be notified with registered letters or via modern technology means as stated in the articles of association.
- 4- The announcement of the general assembly meeting invitation shall include the agenda, place, time, and date of the first meeting and the second meeting in the event that the quorum is not reached for the validly the first meeting, determining the parties having the right to attend the meeting, the permissibility of being represented by someone he chooses by virtue of attested special power of attorney, the shareholder's right to discuss the matters listed in the general assembly meeting's agenda and to ask the board of directors and the auditor questions, along with mentioning the quorum required for validity of the held general assembly meeting and the decisions made therein, and determining the parties who are entitled to the dividends if any.

- 5- The assembly shall be chaired by the company's chairman of the board of directors, and if he is absent, the assembly shall be chaired by the deputy chairman, and if they are absent, the assembly shall be chaired by any member of the board of directors who is selected by the board of directors for this position. If the board of directors does not select a member to do so, the assembly shall be chaired by any person selected by the general assembly. The assembly shall also appoint a rapporteur for the meetings and a vote collector. If the assembly is held for considering a matter related to the chairman of the meeting, the assembly shall select, from the shareholders, a person who shall act as the chairman of the meeting while this matter is discussed.
- 6- Each shareholder shall have the right to attend the general assembly and shall have the votes that are equivalent to his shares. A person who is entitled to attend the general assembly may authorize a person chosen by him as this person shall not be one of the members of the board of directors or one of the employees of the company or a brokerage company or the employees thereof, under a special power of attorney established in writing that shall expressly state that the attorney is entitled to attend the general assembly meetings and vote on its decisions. The attorney of several shareholders shall not have this capacity as for more than (5%) of the company's issued capital. The incompetent or incapable persons shall be represented by their legal representatives.
- 7- The shareholder's signature in the power of attorney mentioned in the above clause shall be the signature approved by/ before one of the following authorities, and the company shall take the required procedures for verifying this.
- A. The notary public.
  - B. A chamber of commerce or an economic department in the State.

- C. A bank or a licensed company in the State provided that the principal shall have an account with any of them.
  - D. The financial markets that are licensed in the State.
  - E. Any other authority that is licensed for carrying out authentication tasks.
- 8- Subject to clauses nos. 6 and 7 above, the power of attorney form shall include the shareholder's contact numbers and the contact numbers of the representative of the brokerage company or the authority that ratified the power of attorney.
- 9- The legal personality may authorize one of its representatives or managers under a decision issued by its board of directors or its attorney, to represent it in the company's general assembly meetings, and the authorized person shall have the powers decided under the authorization decision.
- 10- If one of the shareholders or their representatives withdraws from the general assembly meeting after the quorum is completed, that withdrawal shall not affect the validity of the general assembly convening, provided that the decision shall be issued according to the majority decided under the law of the remaining shares represented in the meeting.
- 11- The general assembly may not deliberate matters that are not listed in the agenda, except the serious facts that are discovered during the meeting. Upon a request by the authority or a shareholder or a number of shareholders holding at least (5%) of the company's capital, before commencement of discussing the general assembly's agenda, to list an additional clause or clauses to the assembly's agenda, the meeting chairman shall list the clause or clauses in the agenda, in accordance with the conditions contained in article (45) of the Governance Guide.

- 12- Adding a new clause to the general assembly's agenda shall be prohibited in the following cases:
- A. If making a decision concerning the new clause shall require issuance of a special decision by the general assembly as mentioned in article no. (46) of the Governance Guide.
  - B. If the new clause is related to the dismissal of all or part of the members of the board of directors.
- 13- Every shareholder attending the general assembly shall have the right to discuss the matters listed in the general assembly's agenda and ask the board of directors and the auditor questions, and the board members and the auditor shall answer to the question to the extent that shall not cause prejudice to the company's interest. The shareholder may resort to the general assembly if he sees that the answer to his question is insufficient, and the general assembly's decision shall be enforceable.
- 14- Minutes of the general assembly meeting shall be prepared, which shall include the names of the attending shareholders or their representatives, the number of shares held by them whether on their own behalf or on behalf of others, the number of votes given thereto, and the number of issued decisions and the number of votes approved or disapproved by it, along with a sufficient summary of the discussions that took place in the meeting. The minutes and the attendees list shall be signed by the assembly's chairman, rapporteur, the voices collector, and the accounts auditor. The Authority and the competent authority shall be provided with a photocopy of the assembly meeting minutes within **fifteen days** from the date of issuance thereof, and the company shall provide the relevant market with the results of the general assembly meeting as soon as the meeting ends and before the deliberation session on the following day after the assembly meeting date.

- 15- The Authority and the competent authority may authorize one or more supervisors on behalf of each of them to attend the companies' general assembly meeting, but neither of such supervisors shall have the right to vote and the supervisor shall establish his attendance in the general assembly meeting minutes.
- 16- If the company's general assembly did not manage to make decision concerning its accounts auditor in its annual meeting according to articles nos. (245, 246) of the Decree Law, the Authority shall have the right to appoint the company's accounts auditor for one financial year and to determine his fees.
- 17- If the company desires to amend the memorandum of association and the articles of association, a special decision shall be issued by the company's general assembly on amending the company's memorandum of association and the articles of association, after obtaining the Authority's approval. The competent authority shall be provided with a copy of that decision.
- 18- The company shall publish the suggested amendments along with the justifications of amendment of the articles of association, in the website of the company and the website of the relevant market, before the date of holding the general assembly meeting that will discuss such amendment, along with any reports, studies, or suggestions that need to be reviewed by the shareholders before the assembly meeting.
- 19- In the event that the assembly meeting's agenda includes a clause that needs a special decision, particularly those related to the company's capital restructuring, merger or acquisition, or the company's continuity or non-continuity, and the other important matters, it shall be required to provide the report and the detailed documents related to that clause as they should be attached to the invitation and the agenda.

## **Second: The Annual General Assemblies: -**

- 1- The Annual General Assembly meeting shall be held during the four months following the end of the fiscal year in accordance with the provision of article (173) of the Federal Decree Law No. (32) of 2021 on Commercial Companies, provided that the second meeting shall be held in the event that the quorum required for the first meeting is incomplete within the time mentioned above.
- 2- When holding the board of directors meeting to consider the general assembly invitation, the board of directors meeting shall be held at least thirty days before the date of holding the annual meeting of the general assembly. There should be an immediate disclosure to the shareholders under a detailed notification to the market or on the company's website immediately after the end of the board of directors meeting, of the board's decisions and the suggested date for holding the general assembly meeting.
- 3- The Authority shall be provided the following document with the request for approval of the annual general assembly invitation:
  - The draft announcement of opening candidacy for the board of directors' membership (if there is a clause on electing the board of directors' members).
  - The draft clauses of the articles of association that are to be amended (a table including the text before and after amendment and the amendment justifications) in the event that the general assembly invitation includes the issuance of a special decision on amending the clauses of the articles of association.
- 4- The integrated report.
  - The companies shall comply with disclosing the integrated report along with ensuring that the disclosure is published on the

website of the company and of the market within the first three months from the beginning of the company's financial year and before at least ten days from the date of holding the general assembly meeting, whichever is earlier, as stated in article no. (76) of the Governance Guide.

- The integrated report shall be disclosed on the company's page in the financial market's website, as the company shall directly upload the report (inclusive of the governance report) without obtaining the Authority's prior consent on the publication of the report. The board of directors of the public joint stock company and the external auditor shall be responsible for validity of the data contained in the report.

The integrated report shall include the following:

- A. The board of director's report.
- B. The accounts auditor's report.
- C. The annual financial statements and the notes thereon.
- D. The governance report.
- E. The sustainability report.
- F. The report of the Sharia supervisory authority, if any.

The reports mentioned in the above clause shall be disclosed in one report (the integrated report), and those reports may be disclosed separately.

- 5- The sustainability report (the environmental social disclosure, and governance), the companies shall meet the requirements related to the sustainability report as per the instructions issued by the financial markets in the State.
- 6- The governance report for the year 2023:
  - The company shall prepare the governance report for the year 2023 according to the form approved by the Authority (the attachment),



and the governance report shall be added within the company's integrated report, and the report shall include all the data and information as clarified in the report form attached to this Circular.

- If the companies fail to disclose the report within the due period or to include in the report the minimum required information as per the approved form, the procedures will be taken according to the regulations and rules applicable by the Authority.

7- The disclosure of the audited annual financial statements before obtaining the Authority's consent on publishing the invitation of the annual general assembly meeting.

- The annual and interim quarterly financial reports shall include a report on the management and analysis discussion according to the form attached to this Circular.
- Moreover, the annual and interim quarterly financial reports shall specify the persons who are responsible for the financial statements, with adding a note including the signature of the persons authorized to approve the financial statements and adding the following phrase in Arabic and English languages:

"To the best of our knowledge, the financial information included in the report fairly presents - in all its material aspects - the financial conditions, results of operation and cash flows of the company as of the periods in the periodic report"

8- The general assembly may not authorize the board of directors to appoint the accounts auditor or to determine his fees.

9- The accounts auditor appointed for the public joint stock company shall be approved by the Authority according to the rules mentioned in the Authority's Board of Directors' Decision No. (25) of 2015 concerning the Registration of Auditors of Public Shareholding Companies and Mutual

Funds, and he shall provide the company with a valid copy of a registration certificate or a registration renewal certificate from the register of the accounts auditors certified by the Authority.

- 10- The accounts auditor shall be appointed in accordance with the provisions of article (245) of the Decree Law, as the general assembly shall appoint an accounts auditor company for a renewable period of one year and the company's board of directors may not be authorized in this regard, provided that the auditor company shall not assume the auditing process of the company for more than (6) six consecutive financial years from the date of assuming its auditing tasks of the company and, in this case, the partner who is responsible for the auditing processes in the company shall be changed after (3) three financial years, and that company may be re-appointed for auditing the company's accounts after at least (2) two financial years from the date of expiration of the period of their appointment.
- 11- The public joint stock company shall comply with the mechanism of paying the remuneration of the chairman and members of the board of directors, provided that the policies of paying expenses, fees, additional bonuses, or a monthly salary for them, shall be approved by the company's general assembly as stated in article (29) of the Governance Guide stating that:
  - The remuneration of the chairman and members of the board of directors shall consist of a percentage of the net profit provided that such percentage shall not exceed (10%) of those profits in the financial year after deducting the depreciations and reserves.
  - The company may pay expenses, fees, additional bonuses, or a monthly salary to the member of its board of directors in accordance with the policies suggested by the candidacy & remunerations

committee that shall be reviewed by the company's board of directors and approved by the company's general assembly, if the member works in any committee, exerts special efforts, or performs additional tasks for serving the company along with his normal duties as a member of the board of directors. No attendance allowance shall be provided to the chairman and the members of the board of directors for attending the board meetings.

- The fines enforced against the company by the Authority or the competent authority - as a result of violations committed by the board of directors of the Companies Laws or of the company's articles of association during the elapsed financial year - shall be deducted from the remuneration of the chairman and the members of the board of directors. The general assembly may decide not to deduct such fines or some of them if it finds that those fines are not resulted from a default or a mistake committed by the board of directors.
- Moreover, the company shall disclose any expenses, fees, additional bonuses, or salaries paid by the company to the members of the board, to the annual general assembly for approving them.
- As exception from point (1) of clause (11), and as stated in article (171) of the Commercial Companies Law, and according to the rules issued by the Authority in this regard, a member of the board of directors may receive fees consisting of a lump sum not exceeding (AED 200,000) two hundred thousand dirhams at the of the financial year, as long as the company's articles of association allows this and after obtaining the general assembly's approval on payment of these fees in the following cases:
  - A. If the company does not achieve profits.

B. If the company achieves profits in the event that the portion of the member of the board of directors of those profits is less than (AED 200,000) two hundred thousand dirhams as, in this case, it is impermissible to combine the remuneration and the fees.

## 12- **The dividends.**

- The company's general assembly shall determine the percentage that may be distributed to the shareholders of the net profits after deducting the statutory reserve and the optional reserve. The company's articles of association may determine the annual, semi-annual, or quarterly dividends, and the company shall deposit the cash dividends for the registered shareholders on the tenth day from the day following the date of holding the general assembly meeting where those dividends were decided, so that the cash dividends payment to the shareholders shall be no later than thirty days from the date of issuance of the decision approving such dividends. The company shall deposit the cash dividends in the market's bank account, within the period and according to the mechanism specified by the market.
- In the event that the company achieves profits and if the board of directors recommends non-distribution of dividends to the shareholders, the board of directors shall provide the shareholders in the assembly with the justifications of the recommendation and it shall attach a copy thereof to the application filed before the Authority for approving the invitation to the assembly. The agenda shall include a clear clause on "the consideration of the approval on the board of director's recommendation on non-distribution of dividends to the shareholders based on the justifications provided by the board in its report to the shareholders".

- In the event that the company achieves profits for the financial year ended on 31/12/2023 and if there are accumulated losses for previous years, the accumulated losses shall be fully amortized before carrying out any distribution to the shareholders.
- When decreasing the capital by the accumulated losses value, the company shall:
  - A. Comply with the accumulated losses apparent value in the latest audited financial statements, unless the accumulated losses value has been decreased in following periodic financial statements.
  - B. Comply with using the reserves balances first in the losses amortization, and then the capital shall be decreased by the value of the remaining accumulated losses.

13- The compliance with listing in the annual general assembly's agenda the matters stated below in accordance with the provision of article (179) of the Commercial Companies Law: -

- The board of directors' report on the company's activity and financial position during the year, the accounts auditor's report, and the report of the internal Sharia supervisory committee (if the company practices its activity according to the provisions of Islamic Sharia), and the ratification of them.
- The company's budget and the profits and losses account.
- The election of the board of directors' members when required.
- The appointment of the members of the internal Sharia supervisory committee (if the company practices its activity according to the provisions of Islamic Sharia).
- The appointment of the accounts auditors and the determination of their fees.

- The board of directors' suggestions on the dividend distribution whether by cash dividends or bonus shares (the dividend type and value and the dividend ratio of the capital shall be specified).
  - The board of directors' suggestion concerning the board of directors' members' remuneration and the determination of its value.
  - Discharging the members of the board of directors or not discharging them, dismissing them and filing the liability lawsuit against them as the case may be.
  - Discharging the accounts auditors or not discharging them, dismissing them and filing the liability lawsuit against them as the case may be.
- 14- The report of the board of directors, the report of the accounts auditor, and the annual financial statements provided to the general assembly, shall include the details of any transactions done or to be done by the relevant parties who are:
- The chairman and members of the company's board of directors, and their relatives.
  - The members of the senior executive management, and their relatives.
  - The company's employees.
  - The companies where any of the above persons is a shareholder holding at least 30% of its capital.
  - The company's parent company or the affiliated, sister, or allied companies.
  - The major shareholders in the company (every shareholder who owns 5% or more of the company's shares or the voting rights therein).
  - The chairman and members of the board of directors of the company's parent company or the affiliated, sister, or allied companies.
  - The companies where either the chairman or the members of the company's board of directors or the members of the company's senior

executive management, are members in the board of directors thereof or are one of the senior executive officers therein.

- 15- In the event of entering into transactions with relevant parties, the value of which exceeds (5%) of the issued capital, the same shall be evaluated by an evaluator approved by the SCA, before being submitted to the general assembly. In such case, the company shall submit to the SCA an application for approving the evaluator who will carry out the evaluation process, along with his commercial license and an acknowledgment by the evaluator of his previous tasks in this field and that there is no interests conflict in carrying out his task of evaluation of those transactions. The company's board of directors shall verify that there is no conflict of interest between the evaluator of those transactions and the relevant parties, whatever their type. The SCA shall, after reviewing the evaluator's previous tasks and his resume, be entitled to approve his appointment as an evaluator for that transaction or it shall request the company to nominate another evaluator. Moreover, the relevant party may not participate in the voting on the general assembly resolution issued concerning that transaction.
- 16- The general assembly meeting shall not be valid unless attended by shareholders who possess or represent by proxy (or who have voted by remote electronic voting) not less than (50%) of the company's capital unless the company articles of association specifies a higher percentage. If that quorum is not met in the first meeting, the general assembly shall convene a second meeting after a period of not less than (5) five days and no later than (15) fifteen days from the first meeting date and the adjourned meeting shall be deemed valid regardless the number of the attendants.

- 17- Subject to the provisions stated in article (146) of the Federal Decree- Law No. (32) of 2021 on Commercial Companies, the company's articles of association shall specify the method of voting on the general assembly resolutions. However, the voting shall be confidential if it is related to the election or dismissal of the Board members or holding them accountable. Voting at general assembly meetings may be done using the electronic voting mechanism, provided that the controls and conditions issued by the SCA in this regard are adhered to, as the general assembly resolutions shall be issued by the majority of the shares represented in the meeting or any larger majority as specified by the articles of association in the resolutions made in the normal matters.
- 18- Subject to the provision of Article (180) of the Decree- Law, the board members may not participate in the voting on the general assembly resolutions related to discharging them from the responsibility for their management or that are related to a benefit for them, interests conflict or a dispute existing between them and the company.
- 19- As for the matters having a special nature (such as increasing or decreasing the company capital, amending the article of association and other matters that shall be executed under a special resolution issued by the general assembly after the SCA's approval), a resolution named "the special resolution" shall be issued therein as this is the resolution issued by the majority of the votes of the shareholders who possess no less than the three quarters of the shares represented in the general assembly meeting of the joint stock company.
- 20- The general assembly resolutions issued according to the provisions of this law and the company articles of association shall be binding on all shareholders whether they are present, personally or remotely, in the



meeting where those resolutions are issued, or are absent and whether they accept or object to those resolutions.

- 21- The general assembly shall be entitled to dismiss the chairman of the Board, any member in the Board, or all Board members, and in such case, the general assembly shall authorize whoever it deems appropriate to be the chairman of the general assembly meeting, take the procedures of opening the candidacy, and invite the general assembly to elect new members of the Board instead of the dismissed members. The dismissed members may not be re-nominated for Board membership before passage of three years from issuance of the dismissal resolution, in accordance with the provisions of articles (143) and (144) of the Companies Law and both of the SCA and the competent authority shall be notified thereof.

### **Third: Procedures for Board Members election**

The following procedures shall apply to all local listed public joint stock companies, including banks and companies licensed by the Central Bank.

1. Announcement of the opening of Board membership candidacy, along with the invitation of the General Assembly, according to the following steps:
  - Submitting an application for obtaining the SCA approval on the draft announcement of candidacy opening along with the General Assembly invitation before publication according to the form available on the SCA website (<https://www.sca.gov.ae/ar/corporate-governance.aspx>), at **least 25 days** before the date of convening the General Assembly.
  - Publishing the candidacy-opening announcement along with the General Assembly invitation in two local daily newspapers, one of which, at least, is published in Arabic, and in registered letters, or through modern technological means in accordance with what is

stipulated in the company's articles of association, at least twenty-one (21) days before the date of convening the General Assembly, even if the articles of association stipulate a shorter period.

- The Board membership candidacy shall remain open for ten days from the announcement date.
- Publishing the candidates' names and their information related to candidacy on the company's bulletin board, the company website and the market website in the International Information Network (Internet), at least two days before the date set for the company General Assembly meeting.
- After closing the candidacy, the candidate shall not waive its candidacy for another person.
- Refraining from including a new clause to amend the articles of association to increase the number of members of the Board of Directors after opening the candidacy.
- The SCA and Market shall be provided with names of candidates in the day following the candidacy closing.
- In the event that the competent local authority, to which the company is subject to in one of the State emirates, requires a pre-approval of the names of the candidates before the election process, then these companies must observe the time periods referred to above so that the necessary approvals are obtained from those authorities in a timely manner in order to publish the names of the approved candidates at least **two days** before the date set for the company General Assembly meeting, with a reference to that matter in the announcement of the candidacy opening.
- Each person desiring to be a candidate shall submit an application to the company, attaching thereto the following documents:

- a. Curriculum Vitae, indicating the practical experiences, educational qualifications, the capacity under which he desires to be a candidate (Executive, Non-Executive, Independent);
  - b. A written acknowledgment of acceptance of the candidacy and complying and commitment to the provisions of the Companies Law, the decisions issued in implementation thereof, the Company Articles of Association, and that it will exert the due care of a prudent professional person during the performance of his duties;
  - c. A statement of the names of companies and corporations which it works for or serves as a member of the boards of directors therein, as well as any other works it performs directly or indirectly that constitutes a competition to the Company;
  - d. In case of the legal person representatives, an official letter from such legal person shall be submitted, containing names of its candidates for Board membership;
  - e. A criminal status certificate issued or approved by one of the official authorities in the United Arab Emirates or outside if the candidate resides outside the State, provided that it is attested in accordance with the procedures followed in the State.
- If all documents mentioned in the above- mentioned clause are not submitted during the period of opening candidacy for membership in the company's Board of Directors, the candidacy application will be considered null and void.
  - The SCA shall be provided with the Candidacy and Remuneration Committee approval on List of candidates' names, by ensuring application of the provisions of Articles concerning the controls for candidacy for membership in the Board of Directors and the conditions for membership therein, contained in the Chairman of

the Authority's Board of Directors' Decision No. (3/ Chairman) of 2020 Concerning Approval of Joint Stock Companies Governance Guide, at least two days before the company's general assembly meeting (acknowledgment form is attached).

**2. Voting on the General Assembly resolutions relating to Board members election shall be made according to the following procedures:**

- General Assembly resolutions relating to election, dismissal or accountability of Board members shall be voted by cumulative secret voting. Voting may take place at General Assembly meetings using the electronic voting mechanism, provided that the controls and conditions issued by the SCA in this regard are adhered to, where the votes shall be calculated on the basis that "each shareholder shall have votes equivalent to the shares he owns", in accordance with article No. (146) of Commercial Companies law.
- An introductory profile about the candidates of Board membership shall be provided before the voting, giving shareholders a clear idea of the experiences and qualifications of the candidates.
- The voting process shall be carried out through a special voting card distributed to the present shareholders or their representatives at the meeting, provided that this card is prepared well in advance of the meeting, or through a computer program "voting system", or by electronic voting.
- If a shareholder votes more than the shares it owns, the excess votes will be reduced on pro rata basis among the candidates who votes for them.
- If a shareholder votes less than the shares it owns, it shall not be able to use its rest votes by adding them to a candidate.

- The candidates shall be arranged in descending order according to the number of votes obtained by each candidate, and the election of the candidates who obtained the largest number of votes shall be announced, taking into account the seats for independent members who must constitute at least a majority of the members of the Board according to the election rules and conditions.
- In the event that the company General Assembly is not able to take a decision regarding the election of the Board members in two consecutive meetings despite the availability of the quorum, the SCA shall refer the matter to the Board chairman and, after consulting with the competent authority and the bodies entrusted with overseeing the activity of that the company in the State, appoint a temporary board of directors for the company for a period not exceeding a fiscal year.

### **3. Representation of women on companies' boards of directors**

The company must comply with the requirements of Clause No. 3 of Article No. (9) of the Governance Guide, such that women's representation should not be less than one member in the composition of the Board of Directors. The circular issued in this regard can be viewed through the link (<https://www.sca.gov.ae/ar/corporate-governance.aspx>).

In the event that a female member is not nominated in the Board of Directors elections, the seat reserved for women will remain vacant. Another general assembly must be held to fill this vacancy.

### **Fourth: Disclosure in Arabic and English**

- Invitation to shareholders shall be published in daily newspapers, and the website of the financial market and the company in Arabic and English.

- In addition to the means stipulated in the Companies Law that have been explained above, modern means of communication such as text messages and e-mail may be used to direct the invitation, provided that the procedures set out in Clause Seven below shall be taken into account.
- If there is an election of the Board members, upon inviting the shareholders to a General Assembly meeting, the candidacy opening shall be announced in daily newspapers and posted on the website of the financial market and company in Arabic and English.
- Interpretation service into Arabic and English shall be provided during the General Assembly meeting.
- Copies of the corporate governance report and the integrated report must be available before the annual general meeting on the website of the financial market and the company in Arabic and English.
- The website of the financial market and the company must disclose the results and minutes of the general assembly meetings in Arabic and English.
- All company disclosures on the website of the financial market and the company must be in Arabic and English, including the disclosure of the date of the Board meeting and the results of the meeting.
- Electronic links shall be added on the company's website to download and browse the investor's rights guide and the guideline for women's candidacy and entry into boards of directors issued by the SCA in both Arabic and English and this link (<https://www.sca.gov.ae/ar/services/minority-investor-protection.aspx>) shall be added to the shareholders' invitation to the general assembly meeting.

**Fifth: Attending the General Assembly meeting using modern technical means**

**First: The general assembly meeting of a public joint stock company may be held using modern technology means for attending remotely without personal attendance, and the shareholder may participate in the deliberations of the meeting and vote on the decisions using modern technology means, in accordance with the following:**

1. The founding general assembly meeting, the annual general assembly meeting, and any general assembly meetings including special resolutions shall be held in person, with the option of using modern technology to attend remotely.
2. Obtaining the SCA's approval other General Assembly meetings are held other than those specified in Paragraph (2) of this clause.
3. The commitment of the meeting chairman to indicate the number of shares participating in the meeting through personal attendance, and through remote attendance upon announcing the completion of the quorum set for the meeting.
4. When voting on General Assembly resolutions, the collector shall be committed to indicating the number of votes participating through personal attendance, and through remote attendance on each General Assembly resolution.

**Second: When holding a general assembly meeting using modern technology for remote attendance, the company is committed to the following:**

- Provisions of the Commercial Companies Law regarding regulating the general assembly meeting of a public joint stock company, such as the announcement, quorum, voting mechanism on resolutions, and other provisions regulating those meetings.

- Including the registration mechanism for remote attendance in the announcement inviting shareholders to the General Assembly.
- Before the meeting, obtaining an acknowledgment from the shareholder of his approval to use remote attendance technology and his full knowledge of the mechanism for using this technology to attend and vote.
- The technology used for remote attendance shall include the following:
  - A. A mechanism for real-time visual communication (audio and video participation via an Internet application) to enable the shareholder to exercise his rights in real time, discuss the meeting items, submit and respond to his inquiries, and directly vote on every resolution.
  - B. A mechanism to verify the identity of the shareholder attending remotely, or his representative at the meeting, by matching the photo contained in the identification documents (ID card or passport) with the photo of the person present in real time before the start of the meeting, and keeping the supporting documents for a period of no less than (10) years, and submitting them to the SCA upon request.
  - C. A mechanism for recording and preserving the proceedings of the General Assembly meeting by recording them in audio and video (video) for a period of no less than (10) years, and submitting them to the SCA upon request.
- Ensuring that any technical glitch that may occur during the meeting is addressed to ensure the shareholder's continued presence and ability to discuss and vote.



- Re-voting on the resolution if it is not possible to collect the votes of the shareholders present remotely for a reason, defect, or technical malfunction that does not belong to the shareholder himself.

**Sixth: Announcement of General Assembly Invitation:**

Pursuant to the provisions of Article No. (172) of Decree-Law, which gave the authority to the SCA to determine the means of notifying shareholders of the General Assembly meeting and based on the provision of Article No. (41) of the Chairman of the Authority's Board of Directors' Decision No. (3/ Chairman) of 2020 Concerning Approval of Joint Stock Companies Governance Guide, companies can send general assembly invitations to the company shareholders through text messages (SMS) or e-mail, provided that the Articles of Association provides so.

**Seventh: Compliance with Decree-Law and governance guide and the amendments thereto:**

This circular is considered a reminder and confirmation of some of the provisions stipulated in Federal Decree- Law No. (32) of 2013 on Commercial Companies (and the Chairman of the Authority's Board of Directors' Decision No. (3/ Chairman) of 2020 Concerning Approval of Joint Stock Companies Governance Guide, as amended. Therefore, listed companies must comply with referring to the aforementioned legislations and following up on any amendments or updates issued subsequent to the issuance of this circular.

**Attachments: -**

- The Chairman of the Authority's Board of Directors' Resolution No. (02/ Chairman) of 2024 Amending he Chairman of the Authority's Board of Directors' Decision No. (3/ Chairman) of 2020 Concerning Approval of Joint Stock Companies Governance Guide, knowing that

the above-mentioned Resolution was published in the Official Gazette, Issue (767), issued on 15/01/2024.

- Invitation form to attend the annual general assembly meeting.
- An explanatory disclosure regarding the approval of proxies.
- Form for announcing the opening of candidacy.
- Form of the Candidacy and Remuneration Committee approval on List of candidates' names.
- Governance report template of 2023.
- Contact information update form.