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للأعمال القانون (ش.م.ح.)
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غرفة صناعة الأردن
Jordan Chamber of Industry

The Guidelines for Corporate Procedures in Accordance to Defense No. 5 of 2020 (COVID-19 Crisis)

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Introduction

Based on Defense Order No. 5 of 2020, issued under the provisions of the Defense Law No. 13 of 1992, we took the initiative to clarify the mechanism by which the meetings of the General Assembly of Public Shareholding Companies, Private Shareholding Companies, and Limited Liabilities Companies would be held during the period of fulfilling the National Defense Order in Jordan.

In accordance to the issued provisions of Defense order number (5) on 9th of April 2020, all scheduled dates at the companies controller department for the General Assembly meeting shall be cancelled, and all ordinary and extraordinary meetings of the General Assembly, Board Meetings and Board of Directors Meetings for Public Shareholding Companies, Private Shareholding Companies, and Limited Liabilities Companies shall be postponed until the imposition of the National Defense Law is over.

In the event of necessity and/or the interest of the national economy, the meetings may be held during the imposition of the Defense Law No. (13) of 1992, through sending a signed electronic request from the Chairman

of the Board of Directors or his deputy, in case of the chairman's absence or the manager of the company to the companies controller department stating the reasons to conduct a General Assembly Meeting from 15th of April 2020 until the 15th of May 2020, this period is subject to extension by the Minister of Industry and Trade based on the recommendations of the companies controller.

These meetings during the above-mentioned period should be held only by visual and electronic communication.

The procedures to conduct ordinary and Extra-ordinary General Assembly meetings, Board of Directors and Board Meetings shall be as outlined in this paper.



Invitation and Announcement of the Meetings

The announcement and invitations to hold meetings of the General Assembly; Ordinary and extraordinary meetings shall be issued at least one week prior to the date of their meeting through all the following means:

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Jordan Radio
and
Television
Corporation



The website
of the
company.



The Website of
the Companies
Controller
Department.

However, Private Shareholding and Limited Liability Companies are exempt from the announcement, if all shareholders attend the meeting whether in person or by proxy.



The content of the announcement and the invitations

Invitation of the Ordinary and Extra-ordinary General Assembly meeting shall include:

- The date and time of the meeting.
- The Meeting agenda of the and the topics to be discussed therein.
- A link to view all the documents or attachments of the meeting, as mentioned later.
- The available electronic mechanism to attend the meeting and vote on any decisions.

- The mechanism for asking questions and inquiries regarding the topics already stated in the agenda and how to respond to them.



The papers and documents to be uploaded to the company's website

- Proxy form and delegations prepared and certified by the company's Board of Directors.
- The statement of the company's chairman board of directors for the public shareholding companies in the case of ordinary general assembly meetings.
- Annual reports, financial statements and the auditor's report for the public shareholding companies in the case of the ordinary general assembly meetings.
- Proposed amendments on the company's bylaws if it was stated in the agenda and the invitation.



Presidency of the Meetings

The meeting will be chaired by a chairman of the Board of directors/Head of managing directors or his deputy in case of his absence



or the company manager who shall in his capacity, appoints a clerk for the meeting.



The Legal Quorum, the Right of Discussion and voting on Decisions

Public shareholding companies

The quorum of attending the ordinary and extraordinary general assembly meetings of the Public Shareholding Companies shall be legal if attended by shareholders representing in person or by proxy more than 50% of the company shares.

Also, if the purpose of the meeting is to liquidate or merge with other companies, the quorum shall be deemed legal by the presence of two-thirds of the company's shares.

With regard to the right to vote for public shareholding companies, it is through the shareholder who last appeared in the company records at the stock market and the Jordan Security Commission in its last closing on March 17, 2020. And in the event of the resumption of the work of Jordan security commission, it will be as per the records of the closing session before the meeting.

Also, decisions of the General Assembly shall be issued by:

- The majority of votes of the total shares represented for the ordinary general assembly meetings.
- The majority of 75% of the total shares represented for the extraordinary general assembly meetings.

Private shareholding companies

Unless the Company Memorandum of Association and the company article of associations stipulate otherwise, the quorum of attending the General Assembly meeting shall be legal, if attended by:

- Shareholders representing either in person or by proxy more than half (50+1) of those who are granted the right to vote, for the ordinary general assembly meeting.
- Shareholders representing 75% or more of the those who are granted the right to vote, for the extraordinary general assembly meeting.

With regard to the right to vote for private shareholding companies, voting is through shareholders who last appear and stated in the company's article of associations and



Memorandum of Association and certified by the Companies Controller Department.

Also, decisions of the General Assembly shall be taken as follow:

- For the ordinary general assembly meeting, decisions are passed with the casting vote of the majority of the shareholders.
- For the extraordinary general assembly meeting, decisions are issued by a majority of at least 75% of the votes of the shareholders.

Limited Liability Companies

The quorum of attending the General Assembly meeting for Limited Liability Companies shall be legal if attended by:

- Shareholders representing in person or by proxy more than half of the company's capital for the ordinary general assembly meetings.
- Shareholders representing in person or by proxy at least 75% of the shares representing the company's capital for the extraordinary general assembly meetings.

With regard to the right to vote for Limited Liability companies, voting is through shareholders who are stated in the company's Memorandum of Association and

certified by the companies' controller department.

The decisions shall be issued by the General Assembly, as follows:

- For the ordinary general assembly meeting, decisions are taken by the majority of the shares represent the capital either in person or by proxy
- For the extraordinary general assembly meeting, decisions are taken by the majority of not less than 75% of the shares represents the capital either in person or by proxy.



Procedures should be undertaken to hold general assembly meetings

1. Shareholders have to upload the certified proxy form by the BoD, and any necessary identification documents needed to ensure the legality of attending the meeting on the company's website prior to the date of the meeting, and to be confirmed and approved by the chair of the meeting before the meeting session.

2. After verifying the number of attending shareholders in person or by proxy and ensuring the completion of the legal quorum of the meeting, the chair of the session shall



announce the procedures and move to the topics stated in the previously sent meeting agenda for decision making and casting votes.

3. The announcement of the results of the vote by the chair of the session, stating the number of votes that agreed with the decision, the votes the opposed it and the votes that didn't appear in the record.

4. The minutes of the meeting shall be signed by the meeting chair and meeting clerk who shall confirm the validity of the facts contained in it and the legality of the meeting.

5. A signed copy of the minutes of the meeting shall be sent to the companies' controller to keep it in the company's record at the companies' controller department.

6. The meeting shall be cancelled if the quorum is not completed and the company shall resend a request to the companies' controller for a new meeting.

7. The companies controller has to attend the general assembly meeting for the public shareholding companies and his attendance is mandatory, whereas the companies controller might attend the general assembly

meeting for the private shareholding companies and limited liability but it is not mandatory.

8. An invitation to the company's auditor to attend the meeting taking into consideration that he is exempted from reciting out the financial reports.

9. An invitation to any other supervisory bodies should be taken into consideration if the company's objectives require so.

10. all the decisions passed by the general assembly is binding to all shareholders whether they attended the meeting or not, provided that those decisions are passed in compliance with the abovementioned instructions.

11. Regarding the inquiries and questions from the shareholders, the following is required:

- All inquiries and questions should be addressed by the shareholders on the company's website before the set date of the meeting and the company shall answer all the questions and inquiries and state so in the minutes of the meeting.



- Questions are not entitled during the meeting except for the shareholder holding in person or by proxy shares of at least 10% of the company's shares when the meeting is held and taking place.

Note: Any publication or disclosure required by the companies' law number (22) of 1997 regarding the budgets and/or financial statements shall be postponed until after the effectiveness of the defense law no. (13) of 1992.



Procedures for holding board meetings and board of directors

Procedures of holding Board of directors and board of management meetings:

- 1.The meeting takes place through any means of visual and audio communication
- 2.In the absence of the chairman of the board of directors/ head of the board of management his deputy shall send an invitation to the board members to attend the meeting stating the timing, date, and agenda of the meeting through any available means of communication including the electronic ones.

3.The legal quorum of the meeting shall be with the attendance of the majority of the board members taking into account any special provisions stated in the company's bylaws.

4. Decisions are issued in the presence of the absolute majority of the board members who attended the meeting.

5. In case of a tie in the votes the side in which chairman voted with shall have preponderance.

6. The minutes of meetings shall be certified by the board secretary or by the chairman and vice-chairman in the absence of the secretary,



Companies controller procedures for the implementation of Defense Order No. (5)

The companies controller shall set the mechanism for receiving the companies requests, minutes of meeting and necessary documents for the general assembly, the board of directors, as well as issuing the certificate and needed document using the available electronic means until the

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activation of the electronic portal of the companies controller department.

The Companies Controller shall also issue a memorandum to all companies stating the required documents to hold the general assembly meetings through the visual and audio communication and providing the companies controller department by email with the following documents:

1. A written request, includes:
 - Reasons to hold meetings
 - The time and date of the meeting.
 - The mobile number and e-mail used by the company for the meeting.
 - Annual budgets and financial statements of the ordinary general assembly meetings.

And any other documents for extraordinary meetings as appropriate.

2. The meeting agenda, the invitation form and the means of visual and audio communication to be used for the meeting.



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