

Rules for Meetings' Management in the Bankruptcy Procedures

1441 A.H/ 2019 AD

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General Provisions

Article (1):

Wherever contained herein, the following terms and phrases shall have the meaning ascribed to them under Article (1) of the Bankruptcy Law issued by Royal Decree No. (M/50) dated 28/5/1439H and Article (1) of the Implementing Regulation of the Bankruptcy Law, issued by the Council of Ministers' Resolution no (622) on 24/12/1439 A.H.

Article (2):

The Rules shall be applicable to the proposal voting meeting, the creditors' meeting, held according to Article (108) of the Law, the creditors' committee meeting, and the meeting of the deceased debtor's heirs and creditors.

Invitation to Meeting Convening and Managing it

Article (3):

- 1- The debtor invites the creditors and owners - as the case may be - to vote on the proposal.
- 2- The debtor manages the proposal voting meeting in the Protective Settlement and the Small Debtors' Protective Settlement Procedures.
- 3- The officeholder manages the proposal voting meeting in the Financial Restructuring and the Small Debtors' Financial Restructuring Procedures.

Article (4):

The officeholder manages the creditors' meeting held according to Article (108) of the Law. The officeholder may, as required, postpone the meeting for a period not to exceed fourteen (14) days of its original date.

Article (5):

- 1- The chairman of the creditors' committee shall invite the committee's members to the meeting, and the chairman may delegate – in writing – this task to any of the committee's members.

- 2- The chairman of the creditors' committee may – as requires- postpone the committee's meeting for a period not to exceed fourteen (14) days of its original date.

Article (6):

- 1- The court shall determine the person who is entitled to manage the meeting of the deceased debtor heirs and his Creditors.
- 2- Notification to attend the meeting in respect of heirs shall be restricted to the deceased debtor's heirs determined in the Heirship Affidavit.
- 3- Taking into consideration Article (82) of the Implementing Regulations, the court may – in the cases under its discretion- postpone the meeting of the deceased debtor's heirs and creditors.

Article (7):

If the person, whom the management of any of the meetings mentioned in Articles (3) and (4) of these Rules was assigned to, fails to be present, he is obliged to delegate - in writing- another person competent to manage the meeting.

Article (8):

- 1- The manager of any of the meetings mentioned in these Rules is obliged to carry out the necessary preparations to hold the meeting in accordance with its nature and number of attendees. The manager is obliged also to provide sufficient chances for the audience for effective participation and voting.
- 2- Any of the meetings mentioned in these Rules and their deliberation and voting on the decisions thereto may be done using modern technology.

Inviting third parties to attend the Meeting

Article (9):

The convener of any of the meetings mentioned in these Rules may -as required- invite other relevant persons to attend the meeting, provided that they have no right to vote.

Notification and Announcement

Article (10):

- 1- The small debtor is obliged to notify the creditors identified in the proposal of the voting date by at least twenty-one (21) days prior to such date.
- 2- The notification to hold any of the meetings mentioned in Articles (4), (5), and (6) of these Rules must be made before their due by at least fourteen (14) days. Shortening this period is permissible, as required and after receiving the court's approval.

Article (11):

Without prejudice to the obligations stated in the Law and the Regulation, the notification to hold any of the meetings mentioned in these Rules must include the purpose and the agenda of the meeting. The convener may announce the establishment of any of these meetings on the Bankruptcy Commission website.

Meeting Minutes

Article (12):

- 1- The manager of any of the meetings mentioned in these Rules is obliged to prepare the meeting minutes, provided that it must include the following:
 - a. Meeting's date, time, and venue.
 - b. The decisions on which the voting was made and the result of the vote for each decision.
 - c. The number of meeting's attendees of the creditors, the owners, or the deceased debtor's heirs, depending on the meeting type, with their names, status, rights' value in the vote, and their voting procedures on each decision, whether their voting was done in presence or on distance.
 - d. The result of the vote for each decision proposed in the meeting, and the number and percentage of the votes.
 - e. Showing whether or not the voters in the proposal voting meeting accept the proposal, depending on the procedure type.
 - f. Any other relevant information the manager considers appropriate to be added to the minutes.
- 2- The chairman of the creditors' committee is obliged to submit the meeting's minutes to the officeholder, within five (5) days of the committee's meeting date, and shall provide a statement of the expenses incurred by the members of

the creditors' committee to attend the meeting. The officeholder is obliged to carry out the necessary requirements to pay these expenses.

Depositing the Meeting Minutes

Article (13):

- 1- The officeholder is obliged – within (5) days of receiving the creditors' committee meeting minutes – to deposit it at the court.
- 2- The officeholder is obliged – within (5) days after the creditors' meeting held according to Article (108) of the Law is finished- to deposit the meeting minutes at the court.
- 3- The manager of the deceased debtor's heirs and creditors meeting is obliged – within five (5) days after the meeting is finished- to deposit the meeting minutes at the court.
- 4- The manager of any of the meetings mentioned in these Rules is obliged to notify all the voters of the meeting results once it finishes.

Final Provisions

Article (14):

These Rules shall be published in the Official Gazette and shall be considered valid from the date of publication.