

# Orange Egypt for Telecommunications S.A.E

## Articles of Association

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## Part One

### Articles of Association

#### Article (1)

The Company has been founded in accordance with the provisions of the applicable laws in the Arab Republic of Egypt and subject to the provisions of Law 8 of 1997 on the Investment Guarantees and Incentives and Law No. 159 of 1981 governing Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies and its Executive Regulations and in compliance with provisions of Law No. 95 of 1992 on Capital Market and its Executive Regulations and the Following Articles of Association as an Egyptian Stock Company, under the terms and conditions stipulated hereinafter.

#### Article (2)

The name of this Company is:

Orange Egypt for Telecommunications S.A.E

### An Egyptian Joint Stock Company

#### Article (3)

The Company purpose:

The execution, management, operation, development and maintenance of a network Mobile GSM Telephones in cooperation with the Egyptian Telecommunication Agency, and after obtaining the approval of the Minister of Communication. The service shall cover subscribers in Egypt and abroad pursuant to the license obtained in this respect. The Company has the right to carry out all importation exportation activities related to its objectives and carry out whatever works are needed including networks etc...

Providing all kinds of engineering, training, administrative, production, marketing, consultation services (excluding legal consultation) and technical experience and technicians in all aspects especially in communication and information technology aspect in Egypt and abroad, and the Company may also carry out the following:

- Design, supply, execution, operation, maintenance, management and providing the required services for internal and external communication centers and telephone centrals with all its types, accessories, applications, mobile network telephones, all information networks, data/ vocal/ vision and information centers.
- Design, production, supply and developing computers programs and its applications with its different types, and programs, operating systems, compact systems and electronic contents with its different types of voice, image, data and data entry on the computers with electronic means and constructing of data bases and information technology systems and its operation and training.
- Providing marketing, distribution, advertising services and also providing cultural, health, financial information for the subscribers of mobile telephones through the internet, short message service and voice mail (VRS, WAP), and establishing and organizing voice and vision conferences.
- Selling, distributing dials and subscriptions for mobile telephones, scratch cards, mobile handsets, its necessities, accessories and its maintenance.
- Sell, distribute and deal in all kind of computers and laptops, their attachments, accessories, integral equipment, spare parts and conducting their necessary maintenance.
- Producing, manufacturing and selling magnetic, non-magnetic cards and all cards related to mobiles in addition to bills and printings productions.

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- Establishing an audio, video and written information transfer network and offering value added services after obtaining a license from the concerned authorities according to the rules and regulations applied in Egypt.

The Company may also carry out other projects or amend its activities within the framework of law 8 of 1997 on the Investment Guarantees and Incentives. The Company may also participate in other projects outside the scope of the law on Investment Guarantees and Incentives provided that such guarantees and incentives be granted to activities which fall within the scope of this law.

### Article (4)

The company's premises shall be at: Building B126B, Smart Village, KM 29 Cairo Alexandria Desert Road, Giza.

The location of the activity is located in the Arab Republic of Egypt, including the Sinai Peninsula.

And the Board of Directors may establish branches, offices or agencies for the Company abroad or in the Arab Republic of Egypt, including the Sinai Peninsula. where it shall obtain a prior approval from the authority.

Taking in account the Prime Mnister decision 350/2007 and the Presidential decision # 356/ 2008 and the Law # 14 of 2012.

### Article 5

The duration fixed for this Company shall be of 25 years, starting from the date of registration of the Company in the Commercial Register. Any extension or prolongation of the duration of the Company must be approved by the Extraordinary General Assembly of the Company, and shall be in the form of a resolution from the competent administrative body in accordance with the terms of the license.

## Part Two

### **Capital of the Company**

#### Article (6)

The authorized capital of the Company has been fixed at the amount of 20 billion (twenty billion) Egyptian Pounds.

The issued capital of the Company has been fixed at the amount of 16 226 876 610 (only sixteen billion two hundred twenty six million eight hundred and seventy-six thousand six hundred and ten) Egyptian Pounds distributed over 1 622 687 661 shares (only one billion and six hundred and twenty-two million six hundred eighty-seven thousand six hundred and sixty-one shares), the value of each share is 10 (Ten) Egyptian Pounds.

# Unofficial Translation

## Article (7)

The issued capital of the Company consists of 1 622 687 661 nominative shares (only one billion and six hundred and twenty-two million six hundred eighty-seven thousand six hundred and sixty-one shares). It has been subscribed to the capital of the Company as follows:

| Name                              | Nationality | Number of Shares | Par value      | Currency of Payment |
|-----------------------------------|-------------|------------------|----------------|---------------------|
| 1- Atlas Countries Support        | Belgium     | 1 622 048 639    | 16 220 486 390 | LE                  |
| 2- Public and closed subscription | --          | 639 022          | 6 390 220      | LE                  |
| Total                             |             | 1 622 687 661    | 16 226 876 610 |                     |

The percentage of the Egyptian participation is 0.04%, the percentage of the foreign participation is 99.96%, and the company's issued capital after the reduction is 16 226 876 610 (only sixteen billion two hundred twenty six million eight hundred and seventy-six thousand six hundred and ten) Egyptian Pounds is fully paid according to the notation in the commercial register, the company's issued capital was reduced according to the conclusion of the approved economic performance report dated October 20, 2019.

## Article (8)

The share certificates shall be extracted from a book having slips, and shall be given serial numbers, to be duly signed by two members of the Board of Directors to be designated by the Board, and shall bear the seal of the Company.

The share must indicate the name of the Company, its legal form, its head office address, a summary of its objectives, its duration, the date, number and office of registration in the Commercial Register, the value of the capital thereof, the number of the shares thereon distributed, the kinds of shares, the characteristics thereof, the nominal value of the shares, the portion of this value which was paid thereof and the name of the owner in case of nominal shares.

The shares shall have coupons serially numbered and indication the number of the respective share.

Should the Company elect to subscribe in the Central Depository System at the Egyptian Company for off-set and central deposits, it may choose not to print shares and any dealings shall take place in a record maintained by a portfolio company for each shareholder independently. When the Company calls for General Assemblies or whenever necessary it may request the Egyptian Company to provide a collective report on shares of the Shareholders. Such report shall be considered the share register of the Company.

## Article (9)

Payment of the balance of the value of each share must be made within a maximum of ten years from the date of the establishment of the Company in accordance with the time limits and following the method determined by the Ordinary General Assembly provided those time limits are announced at least fifteen days prior to the deadline dates.

The amounts paid shall be marked onto the shares certificates. Each share which was not marked to evidence payment shall immediately be suspended from negotiations.

If the Company is a member of the central depository system, the report issued and approved by a portfolio management companies must indicate the amounts paid and the amounts due. Any statement of account not containing accurate information shall be considered null and void and any transaction therein shall be declared void.

## Unofficial Translation

Each amount due and payable in settlement of the balance of the value of the share and which becomes overdue shall be charged interest in favor of the Company at the rate of 7% per annum from date of this amount having become due in addition to other damages. The Board of Directors of the Company shall have the right to sell these shares for account of the non-paying shareholder under his obligation and responsibility without need for notice or judicial procedures, after having undertaken the following procedures:

- Requested payment from the non-paying Shareholder by registered mail at this address indicated in the registers of the Company giving the Shareholder a sixty days period for payment and sixty days having expired thereupon.
- Announced in one of the daily newspapers or in the investment bulletin the numbers of the shares whose owners have not duly paid the value thereof.
- Informed the Shareholder, by registered mail with a copy of the advertisement and the issue of the newspaper or bulletin where it was published and the lapse of fifteen days thereafter. The share certificates thus sold shall be canceled while delivering new certificates to the purchasers instead. Such new shares shall bear the same numbers which were indicated on the old certificates, while pointing out that they are substitutes to the canceled certificates. The Stock Exchange Market where the shares of the Company are registered shall be informed accordingly, subject to the stipulations of Article 6 of the Executive Regulations of law 95 of 1992.

If the Company is a member of the central depository system, the Portfolio Management Companies must cancel the records of shares which were sold and must notify the Egyptian Company for off set and central deposit accordingly. New records must be issued for the buyers indicating that such new records are replacement of old ones.

The Board of Directors of the Company shall deduct from the sale price whatever may be due to the Company in terms of capital, interests and expenses. Accounts shall be settled with the Shareholder whose shares have been sold. This Shareholder shall be asked to pay the difference in case of the occurrence of a deficit. All the above shall not prejudice the right of the Company to make any further claims under any other applicable laws whether simultaneously or at any other time.

### Article (10)

Payment of the balance of the value of each share must be made within a maximum of ten years from the date of the establishment of the Company in accordance with the time limits and following the method determined by the Ordinary General Assembly provided those time limits are announced at least fifteen days prior to the deadline dates.

### Article (11)

Without prejudice to Articles 59 to 63 of the Executive Regulations of law 95 of 1992, on Capital Markets, the ownership [of the shares shall be transferred by completing the negotiation process at the stock Exchange, or by registration of the operation – in case the shares are not registered at this Stock Exchange. Such operation shall be enclosed in a special register held by the Company, within one week from the date of notification of the Company, whether by the Stock Exchange or by the party concerned. Despite the transfer of ownership, the original subscribers and the successive transferors shall be jointly responsible, along with their assignees, for any amounts remaining from the value of the assigned shares until full payment of the value of shares. In all cases, the joint liability shall lapse with the expiry of two years from the date of transfer of ownership, subject to producing evidential documents, if the transfer of the ownership of the shares is the result of a judicial order or judgment which has been registered in the books.

In all cases, the shares shall be initiated to indicate the transfer of the ownership with indication of the name of the transfer thereof.

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If the Company is a member of the central depository system, the Egyptian Company for off-set, settlement and central deposit shall replace the Company in fulfilling all obligations provided for pursuant to this Article. The portfolio Management Companies shall undertake all the obligations of the Stock Exchange pursuant to Article 103 of the Executive Regulations of law 95 of 1992.

### Article (12)

The Shareholder shall only be liable for the value of each of his shares. His liabilities and obligations may not be increased. All shares of the same category and kind will be subject of the same liabilities.

### Article (13)

The ownership of the share shall imply the acceptance of the Articles of Association of the Company and the resolutions of its General Assembly.

### Article (14)

Shares of the Company shall be indivisible.

### Article (15)

The heirs or creditors of the Shareholder may not, under any circumstances, request to impose seals on the company's books, documents or assets. Neither shall they be entitled to request the division of the Company or sale in full due to the impossibility of division. They shall not be entitled to interfere in any way whatsoever, in the management and administration of the Company. In availing themselves of their rights, they shall have to rely on the inventory lists of the Company on its final accounts and on the resolutions of the General Assembly of the Company.

### Article (16)

Each share shall entitle its owner the same rights of another shareholder owning a share of the same kind with respect to the profits and ownership of the assets of the Company upon liquidation.

### Article (17)

Dividends due on the share shall be paid to the last registered shareholder in the Company's Register or the person whose name is registered in the registers of central depository with one of the central depository companies with whom the Company's capital is deposited; and only he shall have the right to receive the amounts due on the share, be they dividends or a share in the Company's assets. As for dividends due to bearer shares, such dividends are to be paid against the coupon for which the dividends are due even if separated from the share itself.

### Article (18)

The increase of the capital shall take place by the issuance of new shares, in accordance with the provision of Article 1 and 7 of Law No. 95 of 1992, as well as Articles 17 to 33 of the Executive regulations of this Law. It shall also be permissible to reduce the capital of the Company, in accordance with the provisions of Law 159 of 1981 and its Executive Regulations.

In case of the increase of the capital by cash shares, the old Shareholders shall have priority right as to subscription to the increase shares in pro-rate of the number of shares owned by each of them, provided all the Shareholders of the same level benefit equally from these rights. However, the Extraordinary General Assembly may at the request of the Board of Directors, and for those reasons approved by the

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Auditor, offer the shares of increase, in total or in part to public subscription directly without applying the old Shareholders priority rights.

The Extraordinary General Assembly may resolve to grant some privileges for the share which existed, prior to the increase of the capital, whether in the profits or in the liquidation proceeds or both on the basis of a proposal of the Board of Directors, duly supported by the report of the Auditor to this effect.

The old Shareholders shall be notified of the issuance of the shares of increase. Should any priority rights exist on them, such notification shall take place by publication or by registered mail as the case may be in accordance with the Executive Resolutions of Law 159 of 1981, while granting the old Shareholders a time limit of no less than thirty days from date of opening the subscription according to the provisions of Article 31 and 33 of the Executives Regulations of Law 95 of 1992.

### Article (19)

It is not permissible to amend the rights, privileges or restrictions related to any kind of shares except by a resolution from the Extraordinary General Assembly, and after the approval of a special assembly which would encompass the Shareholders of the kind of shares affected by the amendment and by a majority of the votes represented at the meeting and representing two-thirds of the capital represented by these shares.

Invitation for this special Assembly to meet shall be done in accordance with the rules applicable on the Extraordinary General Assembly.

## Part Three

### **Bonds and Finance Deeds**

### Article (20)

Without prejudice to the provisions of Article 49-52 of Law 159 of 1981, on Joint Stock Companies, Partnerships limited by shares and Limited Liability Companies and its Executive Regulations, and Articles 34 to 39 of the Executive Regulations of Law 95 of 1992, the Company's Extraordinary General Assembly may resolve the issuance of bonds or finance deeds to face the financial requirements of the Company, or to finance certain and particular activity of operation, subject to the full payment of the issued capital and provided the value of those bonds and financial deeds would not exceed the net assets of the Company as may be determined by the Auditor, and according to the last Balance Sheet approved by the General Assembly.

The resolution of the Company's Extraordinary General Assembly shall indicate the value of the bonds or deeds, their issuance terms and conditions, and the extent of their transferability into shares, the return yielded by the bond or deed, and the basis of the calculation thereof. The said resolution may also include the total value of the bonds or deeds, and what those are granted in terms of guarantees and securities while empowering the Board of Directors of the Company to determine the other terms and conditions related to the bonds and deeds. Those securities must be issued within a period no later than the end of the financial year following the resolution of the Extraordinary Assembly issuing them.

## Part Four

### **Management of the Company**

# Unofficial Translation

## Chapter One

### The Company's Board of Directors

#### Article (21)

The Company shall be managed by a Board of Directors consisting of three (3) members at least and a maximum number of eleven (11) members appointed by the General Meeting of the Shareholders. A corporate entity may be represented by several representatives in the Board of Directors.

#### Article (22)

The Members of the Board of Directors shall be appointed for a period of three years.

However, the Board of Directors appointed under the previous Article shall undertake its duties for a period of five years.

Without prejudice to the right of the corporate person to replace his representative at the Board as indicated under the Articles Nos. 237 and 238 of the Executive Regulations of the Joint Stock Companies Law.

#### Article (23)

The Board of Directors shall be entitled –if there shall be no Members to replace the original Member- to appoint Members in the positions that shall become vacant during the year. This appointment shall have to be done in case of the number of the Members thereof would become less than four Members.

The Members appointed as stated under the previous paragraph shall undertake and perform their duties immediately until the meeting of the General Assembly which will either resolve their appointment or the appointment of other Members to replace them.

#### Article (24)

The Board of Directors shall appoint out of its own Members, a Chairman. It may appoint a Deputy Chairman who shall replace the Chairman during his absence. In case of the absence of both the Chairman and his Deputy, the Board of Directors shall appoint a Member who shall perform the duties of the Chairman temporarily.

#### Article (25)

The Board of Directors shall be entitled to appoint, out of its own Members, one Managing Director or more. The Board shall determine his duties and remuneration of such Director. The Board shall also be entitled to constitute, from amongst its own Members, one committee or more to which it would entrust some of its duties and competencies, or entrust it with the control and supervision of the progress of work in the Company, together with the implementation of the Board of Directors decisions.

#### Article 26

The Board must be convened at least four times during each fiscal year. The Board shall be convened at the head office of the Company, as often as the interests of the Company so require, upon the invitation of the Chairman or upon the request of one third of its members. The invitations shall be served to all the Board members either by mail, by hand, by fax or by e-mail, at least eight days prior to the meeting. The invitation should be accompanied by the meeting agenda and the memos related to the subjects to be discussed in the meeting. Any Board member may request to add any item to the meeting agenda. In case of urgency, the invitation for the meeting can be sent at least forty eight hours prior to the meeting.



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The Board may be convened outside the Company's head office, provided that all members are present or represented thereat and it is convened in the Arab Republic of Egypt. The Board may also be convened outside of Egypt, in the cases viewed by the Board, provided that all its members are present or represented at that meeting. the Board may also convene by conference call or video conference, provided that all its members are present or represented at that meeting and the meeting minutes is recorded in the company's records. The Board may also take decisions by circulation upon the approval of all members.

### Article (27)

A Board member may, in case of necessity, delegate another Board member to be his proxy at the meeting. In this case, such Board member shall have two votes. The foregoing shall not prejudice the right of a juristic person to delegate one of its representatives in the Board to attend on behalf of one or more of its representatives.

### Article (28)

Meetings of the Board shall not be valid unless attended by the majority of its members, provided at least three members among them the Chairman or Vice Chairman attend. The multiple representatives of the corporate entity will be taken into consideration while calculating the legal quorum for the Board meetings.

### Article (29)

The resolutions of the Board of Directors shall be issued by the majority of the votes of the Members present and represented in the meeting.

### Article (30)

Subject to the provisions of the Articles from 96 to 101 of the Law on Joint Stock Companies, Partnership Limited by Shares and Limited Liability Companies, and the Executive Regulations thereof, the Board of Directors shall be empowered with the widest authority as to the management of the Company with the exception of matters which have been expressly reserved for the General Assembly by the Company's Articles of Association. Without determining this authority, it may directly perform all legal acts, and lay down the rules and regulations related to administrative and financial affairs in addition to affairs related to staff and their financial treatment. The Board of Directors shall also set down special rules and regulations organizing its duties, meetings and distribution of responsibilities.

### Article (31)

The Chairman of the Board of Directors of the Company shall represent the Company vis-à-vis judicial and third party.

### Article (32)

The Board of Directors shall determine the powers of the directors to sign on behalf of the Company, and the Board of Directors shall be entitled to appoint several managers or delegated agents and to also grant the power to sign on behalf of the Company, severally or jointly.

### Article (33)

The Members of the Board of Directors shall not bear any responsibility in relation to the Company's liabilities as a result of their performance of their duties within the limits of their mandate.

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## Article (34)

The Remuneration of the Board of directors consists of the percentage rate provided under Article 55 of these Articles of Association, and of the attendance allowance the value of which shall be annually determined by the General Assembly.

## Chapter Two

### The Auxiliary Administrative Committee

## Article (35)

The Board of Directors shall constitute an auxiliary administrative committee from amongst the staff members, in which shall be represented both Egyptians and foreigners.

The said committee shall be in charge of the study of all subjects or issues related to the study of the personnel programs in the Company, the appraisal and development of production, while taking into consideration the sound and viable economic administration and management, and the optimum use of available resources, in addition to the other subjects or issues which shall be referred thereto by the Board of Directors or by the Managing Director. The said committee shall put up its recommendations and results of its studies to the Board of Directors.

The representation of the union of employees in the Board of Directors shall be considered participation in the Management of the Company for purposes of Article 250 and 254 of the Executive Regulations of Law 159 of 1981.

## Article (36)

The Committee shall appoint, from amongst its Members, a Chairman. In case of the Chairman's absence, the Committee shall appoint the Member who is to undertake and perform the Chairmanship duties temporarily. The meetings of the Committee shall be attended by the Managing Director or whoever he shall delegate from amongst the Members of the Board of Directors, together with a number of responsible Managers of the Company to be selected by the Board of Directors, without their having an operatively countable vote in the deliberations.

## Article (37)

The Board of Directors shall undertake to lay down the rules, terms and conditions of the selection of the Members of the Auxiliary Administrative Committee, the membership duration, the renewal method, the operational system thereof, and the remuneration of its Members. The Committee shall convene at least once every two months, and meeting shall not be valid unless attended by at least one-third of its Members. The resolutions shall be adopted and issued at the majority of the votes of those present. In case of equal votes, the side with the Chairman or, whoever replaces him, shall prevail.

## Article (38)

The Committee shall lay down an annual report during the financial year of the Company which shall be submitted to the Board of Directors, indicating those subjects or issues which were referred thereto, together with its recommendations and proposals it deems submitted to the Board, the adoption of which shall achieve and realize the interests of the Company.

## Part Five

### The General Assembly

## Article (39)

### Property of the Corporate Governance

## Unofficial Translation

The General Assembly represents all the shareholders, and it may not be convened except in Cairo or Giza.

### Article (40)

Each Shareholder shall have the right to attend the Shareholders' General Assembly either personally or by proxy.

It is not permissible for the Shareholder, other than the Members of the Board of Directors, to delegate one of the Members of the Board of Directors to attend the General Assembly on his behalf.

For the proxy to be valid, it must be evidenced in a written power of attorney or written proxy,. The Shareholder may not be represented at the meeting of the General Assembly of the Company by proxy, by a number of votes exceeding 10% of the total nominal shares of the capital of the Company and not exceeding 20% of the shares represented at the meeting. And the Board of Directors must be represented at the General Assembly, in not less than the number which must be available for the validity of the Meetings thereof save in case where the number of the Members of the Board of Directors shall be less than that. The Members of the Board of Directors may not refrain from attending the meeting without valid excuses.

In all cases, the meeting shall not be nullified if attended by at least three of the Members of the Board of Directors amongst whom shall be the Chairman or his deputy or one of the Managing Directors, which shall be required by the Law and its Executives Regulations.

### Article (41)

A Shareholder who wishes to attend the General Assembly Meeting must prove that he/she has deposited their shares at the Head Office of the Company, or with one of the authorized Banks, prior to the Meeting of the General Assembly by at least three full days.

It shall not be permissible to enter any transfer of the ownership of the shares in the register of the Company as the date of publication of the invitation to the meeting, or dispatch of the same way determined in the present Articles of Association until the General Assembly is adjourned.

If the Company is a member of the Central Depository System, Shareholders wishing to attend the General Assembly must prove that they have lodged with the Company a report from a portfolio management company at least three days before the date of the General Assembly. Those Shareholders must also attach a certificate from the portfolio management company indicating that the shares in question have been frozen until the adjournment of the General Assembly.

### Article (42)

The Ordinary General Assembly of Shareholders shall meet every year at an invitation from the Chairman at the time and place determined in the call to convene publication, during (latest) the three months that follow the end of the Company's financial year.

The Board of Directors shall be entitled to invite the General Assembly to meet whenever that shall be necessary.

The Board of Directors must invite the Ordinary General Assembly to meet if this becomes required by the Auditor, or by a number of Shareholders representing at least 5% of the capital of the Company provided they would justify such request, and provided they would deposit their shares with the Head Office of the Company or with one of the authorized banks without having the right to withdraw these shares except after the dissolution of the Assembly.

If the Company is a Member of the Central Depository System, the Shareholders requesting the General Assembly shall lodge a record issued and approved by one of the portfolio management companies. Such record must be accompanied by a certificate from the portfolio management company indicating that the shares in question are frozen until the adjustment of the General Assembly. The Auditor or the competent

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administrative body shall be entitled to invite the General Assembly to meet in those cases where the Board of Directors would not do so despite its being necessary, and after the expiry of one month from the occurrence of the incident, or the inception of the date on which it becomes a must to address the invitation to convene. The competent administrative body shall also be entitled to invite the General Assembly to meet if the number of the Members of the Board of Directors would fall below the minimum limit which must be fulfilled to validate the meetings or if the Members completing that limit would refrain from attending, in all cases, and under all circumstances the expenses related to the invitation to meet shall be at the expense of the Company.

### Article (43)

The Annual Ordinary General Assembly shall meet, to look, into the following in particular:

- The election and dismissal of the Members of the Board of Directors.
- The control of the work of the Board of Directors and discharge them from responsibility.
- The ratification of the Balance Sheet and the Profit and Loss Account.
- The ratification of the Report of Directors as to the activity of the Company.
- The approval as to the distribution of profits and determination of the remuneration and allowances of the Members of the Board of Directors.
- The appointment of the Auditor and the determination of his fees.
- All that the Board of Directors of the competent administrative body or the Shareholders who own 5% of the capital, would deem necessary to submit to the General Assembly.

### Article (44)

The Board of Directors shall have to prepare for each financial year, and at a time- limit that would allow the Shareholder's General Assembly to meet, within latest three months from expiry thereof, the Financial Statements of the Company and a report about the operational activity of the Company during the financial year, and about its financial position at the end of the same year. All of those documents shall be under the rules, which shall be in accordance with the rules set out by the Executive Regulations of Law 95 of 1992 and Law 159 of 1981.

The Board of Directors may prepare during the financial year periodic statements, its duration is not less than three months.

The Board of Directors shall have to publish the Financial Statements , together with an adequate summary of its report and the full text of the Auditor's report in two daily newspapers at least within two months of the financial year end. It shall suffice for a copy of the documents indicated in the first paragraph to be sent to every shareholder by registered mail at least thirty days before the date of the General Assembly. A copy of the documents published or sent to the shareholders shall be sent to the Capital Market Authority Companies' Authority.

### Article (45)

The call to convene the General Assembly to meet must be published twice in two daily newspapers, on the understanding that the second time for publication would be after the expiry of at least five days from date of publication of the first notice.

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A copy of what is published or of what is notified to the Shareholders as indicated under the context of two Articles 45 and 46 shall be sent to the competent administrative body, to the Capital Market Authority and to the representative of the group of the bondholders simultaneously with publication or dispatch to the Shareholders.

### Article (46)

The meeting of the Ordinary General Assembly shall not be valid unless attended by Shareholders representing 50% of the nominal shares at least.

If this quorum could not be reached at the first meeting, it shall become necessary to invite the General Assembly to a second meeting to be held within the thirty days that follow the first meeting.

It may be sufficient to call to the first meeting to convene if the invitation to the meeting shall have determined therein the date and time of the second meeting, with the second meeting being valid, if the Shareholders represent 40% of the nominal share. The resolutions of the General Assembly shall be adopted and issued by the majority of the shares represented at the meeting.

### Article (47)

The Extraordinary General Assembly shall be in charge of amending the Statute or Articles of Association of the Company while taking the following into consideration:

- It is not permissible to increase the liabilities of the Shareholders. Any resolution adopted and issued from the General Assembly that would affect the basic rights of the Shareholder deriving from his right as partner shall be null and void.
- It is permissible to add new activities within the limit of the fields of activity indicated under Law No. 8 of 1997.
- The Extraordinary General Assembly shall be entitled to look into extending the duration of the Company or reducing it, or dissolving it prior to its term, or change the rate of loss which would result in mandatory dissolution of the Company or to merge the Company.

In case of the losses of the Company would reach half of the issued capital, the Board of Directors must invite the Extraordinary General Assembly, to meet in order to look into the dissolution or the continuation of the Company. No amendment as to the Statute or Articles of the Association of the Company shall be implemented except by resolution from the competent administrative body as to this amendment.

### Article (48)

- (a) The Shareholders' Extraordinary General Meeting shall be convened based on an invitation by the Board of Directors, and the Board of Directors must issue such invitation if so requested for serious grounds by a number of shareholders representing at least ten percent (10%) of the nominal share capital of the Company, and provided that (i) such shareholders shall deposit their shares at the headquarters of the Company or at a licensed bank, and that (ii) they may not withdraw said shares until the Shareholders' Extraordinary General Meeting is concluded. If the Board of Directors does not convene the Shareholders' Extraordinary General Meeting within one month from their request, the shareholders requesting the same may submit their request to the competent administrative authority, which shall issue the convening.
- (b) A meeting of the Shareholders' Extraordinary General Meeting is not valid unless attended at first meeting by shareholders representing at least 50% of the share capital, and if the minimum is not present at the first meeting, a second meeting shall be convened within thirty (30) days following the date of the first meeting, and the second meeting shall be considered valid if attended by a number of shareholders representing at least 30% of the share capital.

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- (c) Resolutions of the Shareholders' Extraordinary General Meeting shall be issued by at least a two-third majority of the shares represented at the meeting, unless the resolution pertains to the increase or decrease of capital, the liquidation of the Company before the lapse of its duration, the change of the Company's original purpose, or its merger, in which cases the decision shall be taken with at least a three-quarter majority of the shares represented at the meeting.

### Article (49)

The General Assembly may not deliberate upon subjects other than the subjects of issues indicated on the respective agenda. However, the Assembly shall have the right to deliberate upon grave issues or incidents which may be revealed during the meeting.

Subject to the provisions of the Law of Joint Stock Companies, Partnership Limited by Shares and Limited Liability Companies referred to, and its Executive Regulations as well as to the provisions of these Articles of Association, the resolution adopted and issued by the General Assembly shall be binding to all Shareholders, whether they were attending the meeting during these resolutions were passed, or were absent or in contravention, and the Board of Directors shall have to implement the resolutions of the General Assembly.

The Board of Directors of the Capital Market Authority, may, at the request of Shareholders owning at least 5% of the capital and for valid reasons, suspend a decision of the General Assembly which decisions were issued to the benefit of a certain category of Shareholders or to the detriments of those or to bring a particular benefit to the Members of the Board of Directors or others.

### Article (50)

The names of the Shareholders present in the meeting shall be entered into a special register evidencing their presence and attendance, and whether that is in person or by proxy. The Auditor and the Tellers shall sign this register before meeting start up and inception. Voting shall be merely confined to the owners of the nominal shares. The presence of the Shareholders, owners of shares to bearer shall also be entered, if any, into a special register also to be signed by the Auditor and Tellers before meeting.

Each Shareholder attending the General Assembly shall have the right to discuss the subjects included on the agenda and to question the Members of the Board of Directors and Auditors to their effect. It is a precondition to submit the questions in writing before the meeting of the General Assembly by at least three days at the Head Office of the Company, either by registered mail or by hand against receipt.

The Board of Directors must answer the questions of the Shareholders and their queries in as much as would not detriment the interest of the Company or Public interest. If the Shareholders deem that the answer is insufficient, he shall then refer to the General Assembly, whose resolution shall then be binding.

Voting at the General Assembly shall be according to the method which is suggested by the Chairman of the meeting and as agreed upon by the Assembly. Voting must be confidential, if the resolution is related to the election of the Members of the Board of Directors or to their dismissal, or to instituting a lawsuit against them, or if that would be required by the Chairman of the Board of Directors or by a number of Shareholders representing at least 10% of the votes present at the meeting.

It is not permissible for Members of the Board of Directors to vote as to the resolutions of the General Assembly regarding the issue of determining their salaries and remuneration or releasing them from responsibility as to Management.

### Article (51)

Minutes of the meeting shall be drawn. Such minutes shall include the evidence of presence and attendance, and the fulfillment of the quorum, as well as the evidence related to the presence and attendance of the representatives of the administrative bodies or the legal representative of the group of

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bondholders, together with a comprehensive summary of all the deliberations and discussions of the General Assembly, and the number of votes agreeing and disagreeing thereto, and all the Shareholders would like to include in the minutes. The minutes of the meetings of the General Assembly shall be drawn regularly after each session in a special register. The Chairman of the meeting, the Secretary, the Tellers and Auditor shall sign the minutes involved. A copy of the minutes of the meetings of the General Assembly must be sent to the competent administrative body during latest one month from date of its having been held.

### Article (52)

Without prejudice to the rights of the bona fide or good faith third parties, any resolution adopted and issued from the General Assembly in violation and contravention of the previous of the Law or the Regulations or Articles of Association of the Company shall be null and void.

It shall also be permissible to nullify any resolution issued in favor of a certain or particular category of Shareholders or issued detrimental to them, or to draw interest for the Members of the Board of Directors or others without consideration for the interest of the Company.

Only Shareholders who have objected to the resolution in the minutes of the session or meeting or those who were absent for valid reasons may request the nullification. The competent administrative body shall be entitled to represent them in requesting nullification if they have submitted substantial reasons for that.

As a result of this nullification, resolutions shall then be considered as null and void, in relation to all Shareholders, and the Board of Directors shall have to publish a summary of the verdict of nullification in one of the daily newspapers and in the investment bulletin.

The nullification lawsuit shall be time-barred one year from date of the promulgation of the resolution, and instituting lawsuit shall not result in suspending the implementation of the resolution unless the court shall order that.

### Article (52) bis

In consideration with Articles 149, 150, and 196 stated in the Executive Regulations of the law no. 159 of 1981 for Joint Stock Companies, Partnerships Limited by Shares and Limited Liability Companies, the Extraordinary General Assembly may, according to the Board of Directors suggestion, approve one or more of the following systems for motivating the Company's employees or managers or both:

- Grant free shares.
- Grant shares with special prices or with facilitated payment means.
- Promise to sell the shares after the expiry of a certain term (s) and the fulfillment of certain conditions according to the Company's promise of sale.

The General Assembly specifies the method of providing the concerned shares, for the application of any of these systems either through issuing new shares or through the purchase of the Company to its shares or through the transfer of the reserve fund or a part of it to purchase shares that its value increases the issued capital.

The Extraordinary General Assembly approval for one or more of the systems mentioned above shall be according to the regulations and procedures mentioned in the decisions of the Minister of Investment no. 282 of 2005, and those of the head of the Market Capital Authority no. 44 of 2006 issued in 20/4/2006 and any other decisions amended in this concern.

In all cases the Company may give the management of one or more of the systems that was approved by the Extraordinary General Assembly based on the decision of the Board of Directors to one of the following:

- Central depository licensed from the Market Capital Authority to practice such activity.

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- One of the companies in the field of securities.
- Shareholders union.

### Part Six

#### The Auditor

##### Article (53)

Subject to the provisions of Articles from 103 to 109 of the Law of Joint Stock Companies, Partnership Limited by Shares and Limited Liability Companies, and its Executive Regulations, the Company shall be entitled to have one or more Auditors, who shall meet the terms and conditions stipulated in the Accountancy and Auditing Profession Practice Law and who shall be appointed by the General Assembly which shall fix and determine his fees.

As an exception from the foregoing, the Founders have appointed Mr. Nader Al Helaly residing at 3 Al Higaz St., Mohandessin – Giza as first Auditor of the Company.

The Auditor shall be questionable as to the validity of the details included in his report, in the capacity of agent for the group of Shareholders and each Shareholder shall be entitled, during the meeting of the General Assembly to discuss the Auditor's report and to ask him for clarifications as to its contents.

### Part Seven

#### The Company's Year – Inventory

#### The Financial Account Reserve Funds- Distribution of Profits

##### Article (54)

The financial year of the Company shall start from 1<sup>st</sup> January and shall end on 31<sup>st</sup> December of each and every year, on the understanding that the first year of the Company shall start from date of foundation until 31<sup>st</sup> December of the following year.

##### Article (55)

The net profits of the Company shall be distributed annually, after deduction of all general expenses and the other costs as follows:

- First, an amount equal to 5% of the profits, shall constitute the legal reserve. This deduction shall be discontinued whenever the total reserve would reach an amount equal to 20% of the issued capital of the Company. Whenever there is a decrease, then deduction shall have to be continued.
- Deduction of the amount that is necessary for the distribution of a first share of the profits, amounting to 5% to the Shareholders for what has been paid out of the value of their shares. If the profits for a particular year do not permit the distribution of this portion, such profits cannot be claimed from profits of the following years.
- 10% of those profits will be to the staff of the Company in cash, according to the rules and regulations set down by the Board of Directors of the Company and as approved by the General Assembly, and in such a way as not to exceed the total annual wages of the staff members.
- After the foregoing, an allocation of 5% of the rest shall be made for the remuneration of the Board of Directors.



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- The rest of the profits shall then be distributed to the Shareholders as an additional share in the profits, or shall then be retained as suggested by the Board of Directors to the next year, and shall then be used as extraordinary reserve or to constitute an extraordinary consumption funds.
- The General Assembly has the right to distribute all or part of the profit revealed by the financial periodic statements prepared by the Company provided that a report by the auditor is attached to it.

### Article (56)

The reserve shall be used by resolution from the General Assembly at proposal from the Board of Directors, for the optimum interest of the Company.

### Article (57)

The profits shall be paid to the Shareholders at the place and time determined by the Board of Directors provided that this would not exceed one month from date of the distribution determined by the resolution of the General Assembly.

## Part Eight

### **Disputes**

### Article (58)

Any resolution adopted and issued by the General Assembly shall not result in waving civil liability action against the Members of the Board of Directors, because of their errors in performing and implementing their functional duties and assignments, and in case the action dictating liability has been submitted to the General Assembly by report from the Board of Directors or by the Auditor, then this lawsuit shall be time-barred by the expiry of one year from date of issuance of the resolution of the General Assembly ratifying the report of the Board of Directors.

### Article (59)

Without prejudice to the Shareholder's right decreed by law, it is not permissible to file actions related to the public and joint interest of the Company against the Board of Directors, or against one or more than one of its Member, except by the group of Shareholders and by virtue of a resolution from the General Assembly. Each Shareholder, desirous to incite such action shall have to inform the Board of Directors before the meeting of the next General Assembly by at least one month, and the Board of Directors must include this such proposal on the agenda of the Assembly.

## Part Nine

### **The Dissolution and Liquidation of the Company**

### Article (60)

In case of the loss of half of the value of shareholders' equity , the Company shall then be dissolved prior to the expiry of its term, unless the Extraordinary General Assembly would resolve otherwise.

### Article (61)

Subject to the provisions of the Law on Joint Stock Companies, the Partnerships Limited by Shares, and the Limited Liability Companies referred to and its Executive Regulations, the General Assembly shall appoint one Receiver or Liquidator from amongst the Shareholders, partners or others and determine his fees. In case of the issuance of a judgment pronouncing the dissolution of the Company, or its nullification,

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the Court shall indicate the way of liquidation, while appointing the Receiver or Liquidator, and determining his fees.

The Receiver's or Liquidator's work shall not end up with the decease of the Shareholders their bankruptcy declaration, or their insolvency or their interdiction if even appointed by them.

The mandate of the Board of Directors shall end up with the appointment of the Receivers or Liquidators.

As for the authority of the General Assembly, it shall remain outstanding throughout the whole liquidation period until the discharge and release of the Receiver or Liquidators.

### **Part Ten**

#### **Conclusive Provisions**

##### **Article (62)**

Subject to the provisions of Article 60 of Law 17 of 1983 it is a must for the Board of Directors to retain one of the lawyers admitted before the Courts of Appeal, to work as Legal Advisor of the Company, under the terms and conditions and for the duration agreed upon. If the Legal Advisor's contract expires, the Board of Directors shall have to either renew it, or replace same immediately upon expiry of the contract.

##### **Article (63)**

The expenses and the fees disbursed and paid towards the foundation of the Company shall be deducted from the General Expenses Account.

##### **Article (64)**

The provisions of Law 8 of 1997, 159 of 1981 and 95 of 1992 and their Executive Regulations shall apply on matters not addressed specifically in these Articles of Association.

##### **Article (65)**

These Articles of Association shall be deposited and published according to the Law.