



JUHAYNA FOOD INDUSTRIES

ARTICLES OF
ASSOCIATION

CORPORATE GOVERNANCE
FRAMEWORK

Chapter 1

Incorporation of the Company

Decision no. 636 of 1994 regarding the incorporation of Juhayna Food Industries S.A.E

Article (1)

The undersigned have hereby agreed to incorporate an Egyptian joint stock company in accordance with the provisions of the effective laws in the Arab Republic of Egypt, Companies Law No. 159 of 1981 and its Executive Regulations and the Capital Market Law No. 95 of 1992 and its Executive Regulations, as well as the attached Statutes.

Article (2)

The name of the Company shall be: **Juhayna Food Products (S.A.E)**

Article 3: Amended by the decision of the Chairman of the General Authority for Investment and Free Zones no. 770 of 2004

Article 3

The objectives of the Company shall be:

- a) To carry out the production, manufacturing, filing and packing of all kinds of milk and dairy products and their derivatives, cheeses of all kinds, different kinds of fruit juices, beverages and frozen items.
- b) To prepare, manufacture, filing, package different kinds of foods products, and generally manufacturing of agricultural products. The company may undertake other projects and amend its objective in accordance with the provisions of the Investment law, and may contribute or participate in any way possible in other sub-projects, whether covered or not by the Investment law issued by Law No. 230 of 1989 as amended by Law no. 8 of 1997, provided that the approval of the General Authority for Investment is obtained.

Article (4)

The head office and legal domicile of the Company shall be situated in the city of Giza, The Board of Directors (the "**Board**") may decide to establish branches, offices or agencies of the Company in Egypt or abroad, which will require the prior approval of the General Authority for Investment.

Article (5)

The term of the Company shall be 25 years commencing from the date of acquiring its juristic personality.

The General Authority for Investment must approve any extension of the term of the Company then it shall be authorized by a decision by the competent Minister.

Chapter 2**The Capital of the Company**

Article (6,7) were amended by the decision of the Chairman of the General Authority for Investment and Free Zones no. 808/F dated 19/4/2012.

Article (6)

The authorized capital of the Company is 5,000,000,000 (five billion) Egyptian pounds and the issued capital of the Company shall be 706,053,811 (seven hundred and six million, fifty three thousand, eight hundred eleven) Egyptian pounds, divided into 706,053,811 shares each having a par value of EGP 1. The shareholders have paid the issued capital in full.

Article (7)

The Company's capital is divided into 706,053,811 (seven hundred and six million, fifty three thousand, eight hundred eleven) nominal shares, by virtue of the approval of the Financial Supervisory Authority according to its correspondence dated 17/1/2012 referring to the reduction of the issued and paid-in capital.

Name	Nationality	No. of Shares	Nominal Value in EGP	Settlement Currency
Pharon Investment Limited	British Virgin Islands	368,686,000	368,686,000	Egyptian Pound
Investec Africa Fund	South Africa	20,676,333	20,676,333	Egyptian Pound
Genesis Smaller Co FD	Great Britain	20,653,833	20,653,833	Egyptian Pound
Other Shareholders	Miscellaneous	296,037,645	296,037,645	Egyptian Pound
Total		706,053,811	706,053,811	Egyptian Pound

The percentage of Egyptian ownership is 17.5%

The issued capital was paid in full after the reduction as mentioned in the inscription of the Commercial Registry.

Article (8)

Certificates representing shares shall be issued from a ledger with serial numbers, and shall be signed by two (2) board members nominated by the Board and stamped with the Company's seal.

The share shall include, in particular, the Company's name, legal form, the address of its head office, its purpose/objectives in brief, its duration; the date, number and place of registration in the Commercial Registry, the value of capital, the type and number of shares constituting the capital and their characteristics, and the number of nominal shares, paid up amounts and the name of the shareholders thereof. The shares shall have coupons with serial numbers indicating the share number.

Article (9)

The remaining balance of each share if any shall be paid within a maximum of five (5) years from the incorporation date of the Company and according to the method determined by the Board or by the General Assembly, provided that such dates shall be announced at least fifteen (15) days, and the amounts paid shall be inscribed on the share certificates. Each share which has not been duly inscribed evidencing such payment shall be deemed null and void.

Payments in arrears shall be subject to an interest rate of seven percent (7%) per annum which shall be payable to the Company from the date of being due, in addition to any compensation arising therefrom.

The Board shall be entitled to sell those shares for the account of the shareholder in arrears and under his liability and responsibility, without the need of any official warning or legal actions, after taking the following procedures:

- (i) Serving the shareholder in arrears with a 60-day payment notice by virtue of a registered letter sent to the address recorded in the Company's Registers;
- (ii) Publishing those share numbers that have values in arrears in a daily newspaper; and
- (iii) Notifying the shareholder in arrears by virtue of a letter enclosing a copy of the announcement sent by registered mail, together with the edition number of the newspaper or gazette in which it was published, and the lapse of fifteen (15) days therefrom.

The certificates of shares sold in this manner must be cancelled with new certificates delivered to the new buyers in lieu of those cancelled, bearing the same numbers as the old certificates, and reflecting that they are replacement shares. The Stock Exchange must be notified with the abovementioned substitution pursuant to Article 6 of the Executive Regulations of Law No. 95 of 1992.

The Board shall deduct from the share sale price the amounts owed to the Company, i.e. the principal, interest and expenses and then calculate the surplus or deficit to be given to or claimed from the shareholder whose shares have been sold.

The Company's recourse to use such right stipulated under the previous paragraph in the aforementioned manner shall not impair its right to recourse to all other rights and guarantees of law stipulated by law, at the same time or any subsequent time.

Article (10)

The approval of the General Authority for Investment is required for any transfer of title of shares within the first two years of the company whether the transaction is in foreign exchange or a national currency. After the expiry of the two years, notifying the General Authority for Investment would be sufficient.

Article (11)

Transfer of title of listed shares shall be effected upon the completion of its listing registration with the Stock Exchange and upon registering the transaction with the Stock Exchange in respect of non-listed shares

The above shall be registered in a special record kept by the Company within one (1) week of being notified by the Stock Exchange or the shareholder, and after the submission of approval signed by the assignor and the assignee

Despite the transfer of the title and its documentation, the genuine subscribers and the consecutive assignees will be jointly liable with the assignor for the unpaid amounts of the share value until it is fully paid.

In all cases the joint liability shall be terminated after the expiry of two years calculated from the date of ownership.

If the transfer of the ownership of the share is in implementation of a judicial order, registration in the books of the Company or at the depository company shall be effected according to this order after submission of necessary evident documents.

In all cases, the share should show that the ownership has been transferred and the name of the new owner. The ownership of the shares shall also be transferred to its bearer once deposited, and the shares shall not be transferred to its bearer as nominal shares or vice versa.

Article (12)

Shareholders shall only be liable for the nominal value of each of the shares owned thereby. The liabilities of shareholders shall not be increased. All shares of the same type are subject to equal liabilities.

Article (13)

Ownership of a share shall imply the acceptance of the Company's Statutes and the resolutions of its General Assembly.

Article (14)

Each share shall be indivisible.

Article (15)

Heirs or creditors of a shareholder may not, for any reason, request the sealing of the Company's books, documents or property nor may they request its division or sale in whole by reason of its indivisibility.

Article (16)

All shares of the same type shall rank *pari passu* in distribution of the profits and assets of the Company upon liquidation.

Article (17)

Dividends due on each share shall be paid to the last owner whose name is recorded in the Company's Register, who shall have the sole right to receive all due sums, either in profits or assets of the Company.

Article (18)

Without prejudice to Article 33 of the law of Joint Stock Companies, Limited Partnerships and Limited Liability Companies issued by Law No. 159 of 1981 and its Executive Regulations, the capital may be increased by issuing new shares, which have the same nominal value of the original shares. In addition, the capital may be decreased in accordance with the aforementioned law and its Executive Regulations, provided that obtaining the approval of the General Authority for Investment, in addition to the decree of the company's ordinary General Assembly, pursuant to the provisions of the aforementioned law.

Article (19)

In the event of increasing the capital by issuing new shares pursuant to the provisions of Article No. 1 of Law No. 95 of 1992 and Article 7 in addition to the Articles from 17 to 23 of the Executive Regulations, the capital may also be reduced in accordance with the provisions of Law No. 159 of 1981 and its Executive Regulations.

Article (20)

In the event of increasing the capital, the extraordinary general meeting may grant priority rights in the subscription to the existing shareholders each one pro rata to the shares he owns provided that all the shareholders from the same rank shall be equal in all the rights.

It is allowed to declare some privileges to the shares existing before the capital increase in respect of

profits or net profits and the extraordinary general meeting is entitled to approve all or part of such privileges before the increase and this shall be as per the suggestion made by the board of directors supported by the auditor's report in such respect.

Chapter 3

Bonds

Article (21)

The Extraordinary General Meeting of the Company may issue financing bonds or debentures of any type.

The resolution adopted by the Extraordinary General Meeting of the Company shall include the value of the bonds or debentures, their issuance conditions, the possibility of converting them into shares, and the revenue secured by the bond or the debenture and its method of calculation. The aforementioned resolution may also include the total value of bonds or the debentures including their guarantees and insurances in addition to the delegation of the company's Board of Directors in order to set the terms of such bonds and debentures, in which such documents shall be issued within a period of time that expires maximum by the end of the fiscal year following the decision of the Extraordinary General Assembly to issue such documents.

Chapter 4

The Company's Management

Part One

Board of Directors

Article (22)

The Company shall be managed by a Board of Directors consisting of minimum (5) members and (11) members at most to be appointed by the General Meeting. Any number of experts may join the membership of the Board of Directors.

	Name	Nationality	Title
1	Safwan Ahmed Thabet	Egyptian	Chairman
2	Ahmed Amin Mahmoud El Abin	Egyptian	Member of the Board of Directors
3	Akil Hamed Beshir	Egyptian	Member of the Board of Directors
4	Seif ElDin Safwan Thabet	Egyptian	Member of the Board of Directors
5	Mohammed Abdallah El Doghiem (representing Pharon Investment limited)	Saudi Arabian	Member of the Board of Directors
6	Yasser Soliman El Malawany (representing Pharon Investment limited)	Egyptian	Member of the Board of Directors
7	Ayman Ismail Ahmed Soliman (representing Pharon Investment limited)	Egyptian	Member of the Board of Directors
8	Heba Safwan Thabet (representing Pharon Investment limited)	Egyptian	Member of the Board of Directors
9	Mariam Safwan Thabet (representing Pharon Investment limited)	Egyptian	Member of the Board of Directors

Article (23)

Board members shall be appointed for three (3) years. However, members of the first Board of Directors as referred to in the previous Article shall remain in place for a period of five (5) years.

The provisions of this Article shall in no way prejudice the right of a juristic person on the Board of Directors to change its representative on the Board of Directors, according to the manner stipulated in Articles 237 and 238 of the Executive Regulations of the Joint Stock Companies Law.

Article (24)

If there is a vacancy in the Board of Directors and there are no members to fill such vacancy, the Board of Directors may appoint members to fill any vacancies which may occur during the year, such appointment shall take place informed if the number of Board members falls below three (3).

Members appointed in the manner set forth in the previous paragraph shall assume office immediately, pending the approval of their appointment by the General Meeting for the remainder of the term of office of the member he/she is replacing.

Article (25)

The Board of Directors shall appoint a Chairman from amongst its members and may appoint a Deputy to replace him in his absence.

In case of absence of the Chairman and his Deputy, the Board of Directors shall appoint one of its members to temporarily carry out the duties of the Chairmanship.

Article (26)

The Board of Directors may appoint one Managing Director or more from amongst its members, whose powers and remunerations shall be determined by the Board of Directors. In that regard, The Board of Directors may form one or more committees from amongst its members and delegate thereto some of its functions, or the monitoring of the business of the Company and execution of the resolutions of the Board of Directors.

Article (27)

Whenever the Company's interests so require, the Board of Directors shall hold its meetings at the head office of the Company. The Board of Directors shall meet upon the invitation of the Chairman or at the request of one third (1/3) of its members and shall convene at least two times during each fiscal year.

The Board of Directors may also convene outside the head office of the Company, whether in the Arab Republic of Egypt or outside the Arab Republic of Egypt.

Article (28)

A Board member shall be entitled, whenever it is necessary, to delegate another Board member to represent him at Board meetings

Article (29)

A meeting of the Board of Directors shall not be duly convened unless attended by at least half of the members of the Board of Directors.

Article (30)

Board of Directors resolutions shall be taken in accordance with the quorum required by the law or the Executive Regulations.

Article (31)

With due regard to provisions of Articles 96 through 101 of the law of Shareholder Companies, Limited Partnerships and Limited Liability Companies and its Executive Regulations, the Board shall have the broadest powers to manage the Company (with the exception of those matters explicitly reserved by the Statutes of the Company for the General Assembly). Without limitation to these powers, the Board may carry out all actions, formulate the regulations relating to administrative, financial and personnel affairs, and the financial management thereof, and may also establish special regulations pertaining to the organization of its work, meetings and the delegation of authorities and responsibilities.

Article (32)

The Chairman shall represent the Company before judiciary.

Article (33)

The Chairman and Managing Director shall have the right to sign severally or jointly on behalf of the Company. The Board shall have the right to appoint several managers, authorized attorneys, and authorize them to sign jointly or severally on behalf of the Company.

Article (34)

The Board members shall not incur any personal liability in connection with the liabilities of the Company in carrying out their duties and functions within the scope of their mandate.

Article (35)

The Board's remuneration shall consist of the percentage provided for in Article 55 of these Statutes.

Article (36)

The Board of Directors of the Company shall form an Assistant Administrative Committee to be constituted from amongst the employees, in which Egyptians and foreigners shall be represented, once the number of employees reaches 2500

The said Committee shall undertake the study of all matters relating to labor programs in the Company, as well as the increase and development of production, taking into consideration sound economic management and optimum utilization of the available resources, as well as the study of all other matters referred to it by the Board of Directors or the Managing Director. The Committee shall present its recommendations and the results of its studies to the Board of Directors.

Article (37)

The said Committee shall appoint, from amongst its members, a Chairman. In the event of his absence, the Committee shall appoint a member to temporarily carry out the functions of the Chairmanship. The Committee meeting shall be attended by the Managing Director or whomever he authorizes from the Board members, as well as a number of responsible managers of the Company to be selected by the Board of Directors, who shall not have a vote in the deliberations of the Committee.

Article (38)

The Board of Directors shall set out the rules and conditions for the selection of the members of the Assistant Administrative Committee, the membership period, the method of renewal, the mechanism of work and remuneration of its members. The Committee shall convene at least once every two (2) months. In order to be valid, the meeting must be attended by at least one third (1/3) of the Committee members

Resolutions shall be issued after being approved by a majority vote of the members and representatives present, and in the event of a tie, the Chairman, or the member carrying out the duties of the Chairman, shall have the casting vote.

Article (39)

The Committee shall submit an annual report to the Board of Directors during the fiscal year of the Company. The report shall indicate the subjects referred to the Committee, its recommendations in this respect and any proposals it deems appropriate to put before the Board of Directors, the adoption of which would serve the best interests of the Company.

Chapter 5

General Assembly

Article (40) was amended by the decree of the Chairman of the General Authority for Investment and Free Zones no. 390/E dated 24/4/2010.

Article (40)

The General Meeting shall represent all of the shareholders and may only convene in the city of Giza or the 6th of October.

Article (41)

Each shareholder shall be entitled to attend the General Meeting of the shareholders, either in his capacity or by proxy. A proxy, in order to be valid, must be in writing and the representative must be a shareholder. A shareholder may not represent by proxy a number of votes exceeding ten percent (10%) of the nominal shares of the capital of the Company and twenty percent (20%) of the shares represented in the meeting.

The Board must be represented at the General Assembly by not less than the valid quorum of the Board, except for those cases in which the number of the Board members falls below the valid quorum. Board members may not be absent from the General Assembly without an acceptable reason.

In all circumstances, a General Assembly shall be valid if attended by at least three (3) Board members, one of whom must be the Chairman, vice chairman or one of the Managing Directors, provided the meeting fulfills the other conditions required by the Law and its Executive Regulations.

Article (42)

Shareholders wishing to attend the General Assembly shall have to present proof of having deposited their shares at the Company's head office or any accredited bank at least three (3) complete days before the General Assembly convenes.

It is not permitted to transfer the ownership of any share(s) in the Company's Register, starting from the date of the invitation and until after the closing date of the General Assembly.

Article (43) was amended by the decree of the Chairman of the General Authority for Investment and Free Zones no. 239/E dated 11/3/2000.

Article (43)

The ordinary general assembly of shareholders (the "**Ordinary General Assembly**") shall convene annually at the invitation of the Chairman, at the place and time fixed in the invitation, within a maximum of three (3) months following the end of the Company's fiscal year.

However, the Board may call the General Assembly to convene whenever necessary.

Furthermore, the Board shall call the General Assembly to convene if the auditor or a number of shareholders representing at least five percent (5%) of the capital of the Company so requests, at the place, date and time fixed in the invitation, provided that they shall indicate the reasons for their request and deposit their shares at the head office of the Company or an accredited bank. These shares may not be withdrawn except after the conclusion of the General Assembly.

The auditor or the Administrative Authority may call the Ordinary General Assembly in the event the Board is remiss in convening the required meeting and one (1) month has elapsed from the date of such occurrence or the date when invitations to the meeting should have been made.

The Administrative Authority may invite the General Assembly to convene if the number of Board members falls below the minimum quorum required for the Board to convene or the members completing such quorum refuse to attend. In any case, the invitation expenses shall be borne by the Company.

Article (44)

The annual Ordinary General Meeting shall convene particularly to consider the following matters:

- (1) Electing or dismissing Board members and considering discharging them from liability;
- (2) Reviewing the activities of the Board of Directors and discharging it from its responsibility;
- (3) Approving the balance sheet and profit and loss account;
- (4) Approving the report of the Board in relation to the Company's activities;
- (5) Approving the distribution of dividends and determining the remuneration and allowances of the members of the Board;
- (6) Appointing the auditor and determining his fees and considering his/her dismissal; and
- (7) All matters that wish to be submitted to the General Assembly by the Board, the Administrative Authority or shareholders owning 5% of the capital of the Company;

Article (45) was amended by the decree of the Chairman of the General Authority for Investment and Free Zones no. 239/E dated 11/3/2000.

Article (45)

The Board shall prepare the Company's balance sheet, profit and loss account, a report on the Company's activities during the fiscal year and its financial status within a maximum of three (3) months effective the date of the end of the company's financial statements, all in accordance with the terms, conditions and information stipulated under the Executive Regulations of the Capital Market Law No. 95 of 1992.

The Board shall publish the financial statements, a comprehensive summary of its report and the full wording of the auditor's report, at least fifteen (15) days before convening the General Assembly, the Board may send a copy of the papers indicated in the first paragraph to each shareholder by registered mail against receipt, at least two fifteen (15) days before the convening date of the General Assembly.

The Company shall publish a comprehensive summary of the semiannual reports and the annual financial statements in the two most widespread daily newspapers, in which one of them should be at least in Arabic.

Article (46)

The invitation to convene the General Assembly shall be published twice in two (2) daily newspapers, provided that the second publication shall be made following at least five (5) days from the first publishing.

Alternatively, the invitation may be sent to the shareholders by international courier or registered mail at their address recorded in the Company's Register or delivered to shareholders by hand against signature.

A copy of the documents published or notified to the shareholders shall be sent to both the Financial Supervisory Authority, the General Authority for Investment and Free Zones and the representative of the group of bondholders, at the same time of publication or notification to the shareholders, as set by article 45 and article 46.

Article (47)

The Ordinary General Assembly shall not be validly convened unless attended by a number of shareholders representing at least one-quarter (1/4) of the issued capital of the Company is present or represented. If the minimum quorum is not present at the first meeting, the Ordinary General Assembly shall then be convened for a second meeting within thirty (30) days following the first meeting.

The invitation to the first meeting may suffice if it sets the time of a second meeting. The second meeting shall be deemed valid irrespective of the number of shares represented therein.

The resolutions of the General Assembly shall be taken by an absolute majority of the shares present or represented in the meeting.

Article (48)

The Extraordinary General Assembly shall be concerned with amending the Articles of Incorporation of the Company, taking into consideration the following:

- (a) The obligations of the shareholders shall not be increased and any resolution issued by the Extraordinary General Assembly which is bound to affect the basic rights of the shareholders as derived from their capacity as shareholders, shall be null and void;
- (b) The Extraordinary General Assembly may add new activities to the Company's original objectives; and
- (c) The Extraordinary General Assembly may consider the extension or reduction of the term of the Company, dissolve it before the expiry of its term or change the percentage of loss resulting in its compulsory dissolution or merger.

If the Company's losses amount to one-half (1/2) of the Issued Capital, the Board shall invite the Extraordinary General Assembly to consider the dissolution or continuation of the Company. Any amendment to these Statutes shall not be valid unless approved by the General Authority for Investment.

Article (49)

With due regard to the provisions pertaining to the Ordinary General Meeting, the following provisions shall apply to the Extraordinary General Meeting:

- (a) The Extraordinary General Meeting shall convene upon the invitation of the Board of Directors and shall issue an invitation to the meeting for serious reasons if so requested by a number of shareholders representing at least ten percent (10%) of the capital, and on the condition that the applicants deposit their shares at the head office of the Company or an accredited bank. These shares shall not be withdrawn except after the conclusion of the Meeting.

If the Board of Directors fails to invite the assembly to meet within one (1) month from the date of application, the applicants shall be entitled to apply to the General Authority for Investment, which shall send the invitations to all other shareholders to convene the meeting.

- (b) The convening of the Extraordinary General Meeting shall only be valid if attended by shareholders representing half (1/2) of the Company's capital. If this minimum is not formed at the first meeting, the Extraordinary General Meeting shall then be convened for a second meeting within thirty (30) days following the date of the first meeting. The second meeting shall be considered valid if attended by a number of shareholders representing at least one-quarter (1/4) of the capital.
 - (c) Resolutions of the Extraordinary General Meeting shall be issued by a majority vote of at least two-thirds (2/3) of the shares represented in the meeting, unless the resolution relates to the increase or decrease of capital, the liquidation of the Company before the expiry of its term, a change of the original purpose or its amalgamation, in which case the resolution shall only be
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valid if issued with a majority of at least three-quarters (3/4) of the shares represented in the meeting.

Article (50)

The Ordinary and Extraordinary General assembly shall only deliberate on those matters listed on the agenda. However, it may deliberate on serious matters arising during the meeting.

With due regard to the provisions of the law of Shareholder Companies, Limited Partnerships and Limited Liability Companies and its Executive Regulations, and the provisions of these Statutes, the resolution adopted by the General Assembly shall be binding on all shareholders, whether attending or absent in the meeting during which these resolutions are issued or if the attending members have disagreed. The Board is required to implement the resolutions of the General Assembly.

Article (51)

The names of the attending shareholders, whether they are present in person or by proxy, shall be recorded in a special Shareholders Attendance Register. This Register shall be signed by the auditor, the two vote-counters and the shareholders before the commencement of the meeting.

Every shareholder attending the General Assembly shall be entitled to discuss the items listed in the agenda and question the Board members and auditors in connection therewith.

Questions must be submitted in writing to the head office of the Company by registered mail or handed over against receipt at least three (3) days before the General Assembly convenes.

The Board shall reply to the shareholders questions and inquiries to the extent the interest of the Company or public interest is not endangered. If a shareholder considers the reply as being insufficient, he shall seek decision from the General Assembly, the resolution of which shall then be binding.

Voting in the General Assembly shall be conducted by the manner suggested by the Chairman as approved by the meeting. Voting shall also be by secret ballot if the resolution is relevant to the election or dismissal of the Board members, bringing a civil liability case against Board members or if the Chairman or the shareholders representing at least ten percent (10%) of the votes of members present at the meeting so requested.

The Board members are not allowed to participate in voting in connection with the resolutions of the General Assembly regarding the determination of their salaries and remuneration or clearing them of a liability related to management.

Article (52)

The Minutes of the General Assembly shall be recorded, including the attendance of the shareholders, whether they are present in person or by proxy, the existence of a quorum, the presence of the

representatives of the Administrative Authority and the legal representative of the group of the bondholders. The minutes shall also include a comprehensive summary of all the proceedings and resolutions of the General Assembly, the number of votes approving or opposing the resolutions adopted by the General Assembly and whatever the shareholders require to be included in the minutes.

The minutes of the General Meeting shall be drafted regularly in a special registry after every session and the minute shall be signed by the president of the session and the secretary and the auditor.

A copy of the minutes shall be sent within 1 (one) month from the convening date of the meeting to the General Authority for Investment.

Article (53)

Without prejudice to the rights of other *bona fide* parties, any resolution issued by the General Assembly in violation of the provisions of the law or the Statutes of the Company shall be null and void.

Furthermore, any resolution issued in favor of or prejudicing the interests of a specific category of shareholders or for purposes of procuring a special benefit for the Board members or others without taking the Company's interest into consideration may be revoked.

Only those shareholders who have opposed the resolution in the minutes of the meeting or those who did not attend for an acceptable reason may demand the revocation of same. The General Authority for Investment may act on behalf of the shareholders in demanding the revocation if serious reasons are submitted thereto.

Consequently, upon the issuance of a revocation ruling, the resolution shall be considered null and void for all shareholders. The Board must publish a summary of the revocation ruling in one of the daily newspapers and the Investment Gazette. The right to claim the nullification of a resolution expires within one (1) year from the date of issuing the resolution. Initiating a legal claim before the court shall not result in the suspension of implementing the resolution unless ordered so by the court.

Chapter 6

The Auditor

Article (54)

With due regard to the provisions of Articles 103 through 109 of the law of Shareholder Companies, Limited Partnerships and Limited Liability Companies and its Executive Regulations, the Company shall have one or more auditors who shall fulfill the conditions provided by the Law for Practicing the Accountancy and Auditing Professions. The auditor shall be appointed by the General Assembly, which shall also determine his fees. As an exception to the foregoing, the Founders have appointed Mr. Mohamed Abdallah Helal and Mr. Hosam Mohamed Helal residing at 87 Ramses Str, Cairo as the first auditors of the Company. The auditor shall be responsible for the accuracy of the statements contained in his report in his capacity as the agent for all the shareholders. Each shareholder may, during the General Assembly, discuss the auditor's report and request clarification of its contents.

Chapter 7

The Fiscal Year, the Inventory ,Final Account

The Reserve , Profits Distribution

Article (55)

The Company's fiscal year shall commence on 1 January and end on 31 December of each year. However, the first fiscal year shall cover the period commencing from the date of incorporation of the Company until the end of the following fiscal year.

Article (56) was amended by the decree of the Chairman of the General Authority for Investment and Free Zones no. 239/E dated 11/3/2000.

Article (56)

The Board of Directors shall prepare a balance sheet and profits calculations and the loses for every fiscal year with appropriate time frame that allows the shareholders General Assembly to commence within a maximum of three months from the date of the end of the Company's financial statements, including all the data stated by the aforementioned law of Shareholder Companies, Limited Partnerships and Limited Liability Companies, and its Executive Regulations, in addition to the regulations determined by the General Authority for Investment and Free Zones in accordance with the provisions of the Law, whereas the Board shall prepare a report on the Company's activities during the fiscal year and its financial status of the same year.

Article (57) was amended by the decree of the Chairman of the General Authority for Investment and Free Zones no. 982/E dated 6/7/2009.

Article (57)

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

- (a) An amount equal to (5%) of the profits shall be deducted to form the legal reserve. This deduction shall cease when the reserve reaches (50%) of the issued capital of the Company. In the event that the reserve falls below such figure, deduction shall be resumed.
- (b) The Company's employees are entitled to ten percent (10%) of the distributed profits, in accordance with the rules adopted by the Board of the Company and approved by its General Assembly provided that the figure does not exceed the total annual wages of the employees.
- (c) An amount of (5%) of the profits shall be deducted for a primary distribution of profits among the Shareholders pro rata to the percentage of the paid amount of their shares. In case the profits of a given year were not enough for distribution, the aforementioned distribution shall not be claimed in the following years. In case the Company had incorporation shares, its profit shares shall be paid, up to (10%) of the remaining net profits.
- (d) 10% of the remaining distributable profit may be allocated for remuneration of the Board of Directors.
- (e) The remaining profits shall then be distributed amongst the shareholders as additional dividends or carried forward to the following year upon the suggestion of the Board or set aside to form an extraordinary reserve or for extra financial consumption.

The Ordinary General Assembly is entitled to distribute all or part of the dividends set out in the periodical financial statements, provided a supporting report was issued by the auditor.

Article (58)

The reserve shall be used in the best interest of the Company pursuant to a resolution adopted by the General Assembly, upon the suggestion of the Board.

Article (57)

Dividends shall be paid to the shareholders at the place and time specified by the Board, provided that payment shall be made within a maximum of one (1) month from the date of the resolution of the General Assembly authorizing the distribution.

Chapter 8

Disputes

Article (60)

Any resolution issued by the General Assembly shall not result in the nonsuit of the civil liability against the Board members because of faults committed whilst executing their tasks. However, if the liable action has been brought before the General Assembly in a report submitted by the Board or the auditor, then the right to initiate a legal claim shall cease after the lapse of one (1) year from the date the General Assembly approves the Board's report.

If the of members of the board of directors are charged with felony or a misdemeanor then the case will not be prescribed unless if the public prosecution prescribed.

Article (61)

Without prejudice to the rights of the shareholders stipulated by law, no legal proceedings concerning disputes that might affect the public interest and the joint interest of the Company, shall be initiated against the Board or against one or more of its members, unless issued in the name of all shareholders and by virtue of a resolution adopted by the General Assembly.

If any shareholder wishes to file a case in this regard, he/she must notify the Board at least one (1) month before the following General Assembly convenes. Such motion must be documented by the Board in the agenda of the meeting.

Chapter 9

The Dissolution and the Liquidation of the Company

Article (62)

The Company shall be dissolved before the expiry of its duration in the event of a loss of half (1/2) of its capital, unless otherwise decided by an Extraordinary General Assembly.

Article (63)

With due regard to the provisions of the law of Shareholder Companies, Limited Partnerships and Limited Liability Companies and its Executive Regulations, the General Assembly shall appoint one or more liquidators and determine their fees. A liquidator can be appointed from amongst the shareholders or others.

In the event of a court ruling ordering the dissolution or nullification of the Company, the court shall be required to define the method of liquidation and shall appoint the liquidator and determine his fees. The work of the liquidator shall not cease because of the death of shareholders, their bankruptcy,

insolvency or legal incapacity, even if the liquidator was appointed by them.

The authority of the Board shall cease upon the appointment of liquidators. The authority of the General Assembly shall survive during the liquidation period until clearance of the liquidators' liability.

Chapter 10

Final Provisions

Article (64)

With due regard to the provisions of Article 60 of Law No. 17 of 1983, the Board shall enter into a contract with a lawyer, who shall be accepted, at least, by the courts of appeal, to act as the Company's legal counsel according to such conditions and term as may be mutually agreed upon. The board of directors shall renew his contract or to replace him with someone else after the termination of his contract.

As an exception from the foregoing, the Founders have appointed Mr. Ismail Hussein El-Hodaiby, the attorney residing at 10 EL Gaza'aer Str, Agouza, Cairo, Egypt as the Company's legal counsel until the Board of Directors convenes and exercise its powers in this respect.

Article (65)

The expenses and fees paid for the incorporation of the Company shall be charged to the general expense account.

Article (66)

The provisions of the law no. 230 of 1989 and the law no. 95 of 1992 and the law of Limited Partnerships and its executive regulation concerning such matters for which no specific provision is included in these Statutes.

Article (65)

These Statutes shall be registered and published according to the law.