
Law no. 21 of the year 1992
concerning the establishment of the company



Export Credit Guarantee Co. of Egypt

* The law was published in the Official Gazette – No. 21 on May' 21, 1992.

Law NO. 21 OF THE YEAR 1992
CONCERNING THE ESTABLISHMENT OF
THE EXPORT CREDIT GUARANTEE
COMPANY OF EGYPT (EGE)

In the name of the people;
The President of the Republic,
The People's Assembly has decreed the following law and it is promulgated
by us:

PART I
ESTABLISHMENT OF
THE COMPANY

Article 1: A company by the name: Export Credit Guarantee Co. of Egypt, shall be established and assume the form of an Egyptian joint stock company (SAE), with an autonomous juristic personality.

Article 2: The Company's registered Head Office shall be located in the city of Cairo.

The Company may establish branches inside the country or abroad, and may also designate for itself agents and correspondents at home and abroad, according to work needs.

Article 3 : The purpose of the Company shall be mainly to encourage and promote Egyptian exports and contribute toward strengthening the agricultural, industrial, commercial and services export sectors, through the guarantee of the export operations of national commodities and services against commercial and non-commercial risks as shall be determined by the guarantee policies approved by the Company's Board of Directors.

The Company shall have the right to undertake the different aspects of all activities regarded as complementing or connected with the main purpose of its establishment.

The Company, toward achieving its purpose, may participate in or contribute, in any form, to national or foreign organizations, establishments, or companies exercising activities similar to, complementing, or connected with the Company's activities, or which are bound to result in its realizing its purposes whether locally or abroad. The Company may also purchase them or participate in their establishment.

Article 4 : The Company may resort to a re-insurance covering its operations. It may also accept to re-insure operations undertaken by other institutions having similar activities and which aim at encouraging and promoting Egyptian exports.

Article 5 : The duration prescribed for the Company shall be fifty years effective from the date the present law comes into force.

1) CAPITAL

Article 6 : The Company's Authorized Capital shall be fifty million pounds, while the Issued Capital shall be ten million pounds distributed over one hundred thousand shares of equal value, the value of each share thereof being one hundred Egyptian pounds. The Founders have subscribed to the Company's Issued Capital in full, as follows:

NAME	PERCENTAGE OF PARTICIPATION IN THE CAPITAL
Export Development Bank of Egypt	55%
National Investment Bank	15%
Misr Insurance Company	10%
Al-Chark Insurance Companys	10%
Egyptian National Insurance Company	10%

The Founders shall pay one fourth of the nominal value of the shares subscribed to within thirty days from the date the present law comes into force, providing that the remainder of the value of shares be settled within three years from that date, at the latest, at the times and in the way to be determined by the Board of Directors.

Also, subject to the provisions of article 7 of the present law, banks and other juristic persons as well as individuals may - within one year from the date the present law comes into force - subscribe to the company's shares for up to 20% of the company's Issued Capital, deductible from the share of the Export Development Bank of Egypt. Subscription in this case shall take place on the basis of the nominal value of the share plus 1% to be charged by the said bank, as expenses. The shares subscribed to shall be appropriated in order of precedence of subscription applications. In case of oversubscription, the shares shall be distributed among the overlapping subscribers in the proportion of their respective subscriptions.

Article 7 : The Company's shares are nominal and indivisible. They shall be owned wholly by Egyptians, whether natural persons or public or private entities wholly owned by Egyptians.

2) BONDS

Article 8: The Company shall issue Export Guarantee Bonds, with preferential yield, to which the National Investment Bank shall subscribe in full. They shall be amortized at the expiry of the Company's duration, after fulfilling its obligations. These bonds shall be issued in slices whose value, date of issue, and rate of payable yield shall be determined by agreement between the Company and the Bank.

On founding the Company, the National Investment Bank shall contribute fifty million Egyptian pounds in subscription to the first issue of Export Guarantee Bonds, with an annual yield of 5%. The Company's Constituent Assembly shall determine the mode and date of payment.

PART II **FINANCIAL** **STRUCTURE OF THE** **COMPANY**

3) FINANCIAL SYSTEM OF THE COMPANY

Article 9 : Other financial sources of the company shall be made up of the following:

1. Resources as shall be appropriated for it by the State, and financial allocations included thereby in the general budget for the encouragement and promotion of exports, which are appropriated to meet the company's obligations as engendered by the realisation of risks which are covered by the guarantee documents issued by the Company. The Company shall abide by the conditions and terms as well as by the instructions accompanying the appropriation of these resources and allocations.
2. Loans and credit facilities as obtained by the Company.
3. Grants and donations which the Company's Board of Directors decides to accept.

Article 10 : The Company's financial year shall begin with the State fiscal year and end with it, providing that the first financial year start on the date the Company begins to exercise its activities, and end with the end of the next financial year.

Article 11 : A portion of the net profits of the Company defined annually by the General Assembly shall devolve to the Public Treasury after setting aside the statutory reserve and distributing dividends of not less than 5% of the paid capital to the shareholders and workers,

Article 12: The Board of Directors shall determine a ceiling to the total obligations the company shall bear according to guarantee documents as shall be issued thereby, without prejudicing the soundness of the Company's financial situation.

Article 13: The auditing of the Company's accounts shall be assigned annually to two auditors to be appointed by the Central Audit Office and whose remunerations it shall determine. The Company shall place at the disposal of the auditors all documents, books and data as shall be deemed necessary for the auditing process.

Article 14: Subject to the provisions of the Penal Law, the properties and funds of the Company shall be considered private funds.

PART III

ADMINISTRATION OF THE COMPANY

1) BOARD OF DIRECTORS

Article 15 : The Board of Directors of the Company shall be composed of an odd number of members, as follows;

1. The Chairman of the Board of Directors, to be appointed by a resolution of the General Assembly of the Company, upon the proposal of the Minister of Economy and Foreign Trade. In exception to that, the Chairman of the Board of the Export Development Bank of Egypt shall be the Chairman of the first Board of Directors of the Company.
2. One of the directors working in the Company, to be appointed by a decree of the Minister of Economy and Foreign Trade upon his nomination by the Chairman of the Board.

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3. Two key specialists in legal or economic affairs, to be appointed by the General Assembly, upon a nomination by the Minister of Economy and Foreign Trade.
 4. A number of not less than five and not exceeding seven members representing the Capital, to be elected by the General Assembly of the Company.

The term of the Board of Directors shall be for three renewable years. However, the term of the first Board of Directors shall be for five years. The Company's Articles of Association shall define the way of determining the remunerations of the Board members, while the General Assembly shall determine the salaries and the attendance allowances as well as the other privileges prescribed for the Board members.

Article 16: The Company's Board of Directors is the authority entitled with the management of its affairs and the issuing of all decisions considered adequate to the Company's purposes, as well as the following up of their implementation. In order to fulfill this assignment, the Board of Directors shall be concerned in particular with the following:

1. Setting the general policy for the Company's activities.
2. Preparing the Company's balance sheet statement and profit and loss account, the method of distributing the dividends, and the Board of Directors' report on the Company's activities.
3. Proposing the Company's Planning Budget.
4. Approving the organizational structure of the Company upon a proposal of the Chairman of the Board.
5. Issuing the regulations and decisions connected with the Company's operations, its financial and technical affairs, the methods of management, and programs of work.
6. Looking into the periodical follow-up reports on the Company's activities.
7. Preparing studies and proposals as necessary with regard to issues that require approval by the General Assembly as per the present law or the Company's Articles of Association.
8. Examining all issues connected with the Company's activities which the Chairman views necessary to submit to the Board for consideration.

The Board shall have the right to delegate some of its powers to one or more of its members, and may also form, among its members or others, committees to study a subject that lies within its jurisdiction.

Article 17 : The Board of Directors shall hold at least six meetings each year, at the convocation of the Chairman. The Board, in case of necessity, may convene upon the request of one third of its members. The Board meetings shall not be valid except with the presence of the majority of its members, including the Chairman of the Board. The Board decisions shall be issued subject to the votes of the majority of its members. In case of equal voting, the Chairman shall have the casting vote.

Article 18 : The Chairman of the Board shall represent the Company in its relations with third parties and before the Court. He shall be responsible for

implementing the general policy as set for achieving the purposes of the Company, and also for carrying out the decisions of the Board of Directors, in addition to proposing the regulations of the Company .and submitting them for approval by the Board of Directors.

Article 19 : The Company shall apply the management methods as prescribed in the regulations to be determined by the Board of Directors.

2) GENERAL ASSEMBLY

Article 20 : The General Assembly of the Company shall be formed of representatives of the entities contributing to the Company's Capital, and of shareholders among the individuals, whether personally attending or represented.

The General Assembly shall be chaired by the Minister of Economy and Foreign Trade or his assignee. Its meetings shall be attended by the Company's Board members whose presence shall form no less than the quorum required for validity in the Board meetings. The Assembly shall also be attended by the Company's two auditors, and an official representing each of the Ministries of Economy and Foreign Trade, Finance. and Planning, to be elected for that purpose by the authorities they represent, providing that their grade be not below that of the upper grade. They shall all have the right to participate in the deliberations of the Assembly and comment on the issues submitted for discussion, but they shall not be entitled to cast their votes.

Article 21: The Ordinary General Assembly of the Company shall be concerned with the following:

1. Approving the balance sheet statement, the profit and loss account, and the distribution of dividends.
2. Approving the Board of Directors' report on the results of the Company's activities.
3. Approving the Planning Budget of the Company.
4. Authorizing the use of appropriations for purposes other than those for which they were allocated.

The Extraordinary General Assembly of the Company shall be concerned with the following:

1. Amending the statutes of the Company within the context of the provisions of this law.
2. Determining the increase of the Issued Capital upon the proposal of the Board of Directors.
3. Reducing the Issued Capital upon the proposal of the Company's Board of Directors.
4. Extending or reducing the duration determined for the Company.

The Ordinary or Extraordinary General Assemblies, depending on the situation, shall be concerned with all other issues prescribed to fall within their jurisdiction according to the provisions of the present law or the Company's Articles of Association. The Articles of Association shall determine the method of calling the General Assembly to convene, the quorum necessary for the valid-

ity of its meetings, the majority whereby the resolutions are to be issued in the Ordinary and Extraordinary meetings, the allowances granted for attending the General Assembly meetings, and all other issues connected with the General Assembly.

Article 22 : The guarantee policies as issued by the Company as well as the premiums collected thereby shall be exempted from the stamp duty and other taxes and duties.

Article 23 : The Export Development Bank of Egypt shall cooperate with the Company in working for the promotion and encouragement of national exports. The Company may use and benefit from the services and expertise to be provided by the Information and Data Center of the bank and its specialized departments.

Article 24 : The Minister of Economy and Foreign Trade shall call the Company's Constituent Assembly to convene within three months from the date the present law comes into force. The Constituent Assembly shall set the Articles of Association for the Company within the context and without contradiction of the present law. The Assembly shall also elect the Board members who represent the Capital, and determine the method and dates of payment of Export Guarantee Bonds by the National Investment Bank as subscribed to and referred to in Article 8 of the present law.

The Constituent Assembly shall also issue resolutions in the other issues connected with incorporating and founding the Company, as shall be defined by the Minister of Economy and Foreign Trade in the convocation to the meeting.

Article 25 : The Company shall be subject to the provisions of law no. 159 of the year 1981 promulgating the law on joint stock companies, commandite companies with shares, and limited liability companies, where no special provision is prescribed in the present law and without contradicting its provisions.

Article 26 : The present law shall be published in the Official Gazette and come into force the day immediately following the date of its publication.

The present law shall receive the seal of the State and come into force and be implemented as a law of the State.

Promulgated at the Presidency of the Republic on 8 Zul Qaada year 1412
(Hejira Year), corresponding to 11 May, 1992.

HOSNY MOBARAK

Part IV
GENERAL RULES

The Company's Articles of Association *



المصريخ لضمان الصادرات
EXPORT CREDIT GUARANTEE OF EGYPT

Export Credit Guarantee Co. of Egypt

* Published in the Companies Gazette no. 547 in October 1992

Ministry of Economy and Foreign Trade Companies Administration Department

Name of Company	Export Credit Guarantee Company of Egypt (EGE)
Type of Company	Egyptian joint stock company
The Company has been registered in the Commercial Register Office	
Record Number in the Register	South of Cairo 19476 dated 16/9/1992

Part I

Establishment of the Company

Article 1: In accordance with the law number 21 of the year 1992, the Export Credit Guarantee Company of Egypt was established as an Egyptian joint stock company. It is subject to the provisions of the articles of association as well as to the law number 159 of the year 1981 promulgating the law on joint stock companies, commandite companies with shares, and limited liability companies, where no special provision is prescribed in the laws of its establishment and without contradicting its rulings.

Article 2: The main purpose of the Company shall be to encourage and promote Egyptian exports and contribute toward strengthening the Agricultural, Industrial, Commercial, and Services export sectors, through the credit guarantee of export national commodities and service operations against commercial and non-commercial risks as defined in the provisions of the guarantee and insurance policies approved by the Company's Board of Directors. The Company shall have the right to undertake all aspects of activities regarded as complementing or connected with the main purpose of its establishment.

The Company- toward achieving its purposes - may contribute to or participate, in any form, in national or foreign organizations, establishments, or companies exercising activities similar to, connected with, or complementing the Company's activities, or which are bound to result in its realizing its purposes whether locally or abroad. The Company may also purchase them or participate in their establishment.

The Company may also resort to a re-insurance covering its operations. It may also accept to re-insure operations undertaken by other institutions having similar activities and that aim at encouraging and promoting Egyptian exports.

Article 3: The Company's Head Office and its legal domicile shall be in the city of Cairo. The Board of Directors may establish branches for the Company inside the country or abroad as well as designate agents and correspondents internally or externally according to work needs and demands.

Article 4 : The duration prescribed for the Company shall be fifty years starting on May 22, 1992 which is the date the law number 21 for the year 1992 issued to establish the company came into force.

Article 5: The Company's authorized capital was set at fifty million Egyptian pounds.

The Company's issued capital was set at ten million Egyptian pounds distributed over one hundred thousand shares of equal value, the value of each share thereof being one hundred Egyptian pounds.

The founders have subscribed to the Company's issued capital in full, as follows:

Name	Percentage of Participation	Value in Egyptian Pounds	Number of Shares
Export Development Bank of Egypt	70.55%	176 million	1,763,828
National Investment Bank	21.6%	54 million	540,160
Misr Insurance Company	6%	15million	150,222
Al Ahly Capital Holdings	1.2%	3 million	30.000
Others	0.6%	1.5 million	15,790

The founders have paid one fourth of the nominal value of the shares that they had subscribed to. The founders shall pay the remainder of the value of shares within three years, at the most, from the date the Company was established, at the time and in the form to be determined by the Board of Directors with a minimum of a thirty - day notice.

Banks and other entities as well as individuals may, within one year from the date law number 21 of the year 1992 came into force, subscribe to the Company's shares for up to 20% of the Company's issued capital, deducted from the share of the Export Development Bank of Egypt. Subscription in this case shall take place on the basis of the nominal value of the share plus 1% to be charged by the said bank, to cover its expenses. The shares subscribed to shall be appropriated in order of precedence of subscription applications. In case of oversubscription, the shares shall be distributed among the overlapping subscribers in the proportion of their respective subscriptions.

Article 6 : The Company's shares are nominal and indivisible. They shall be owned wholly by Egyptians, whether natural persons or public or private entities wholly owned by Egyptians.

Article 7 : Shares and share certificates shall be issued from a coupon book with counterfoils, given serial numbers, signed by two members of the Board of Directors, and sealed with the Company's seal.

Part II

Financial Structure of the Company

The share must bear the name of the Company, the number of the law incorporating it, the date and number of its registration in the Commercial Register, the amount of the authorized and issued capital, the total number of shares, and a brief account of the Company's objectives, its Head Office, its duration, and the date on which the Ordinary General Assembly of shareholders shall convene. It must also be indicated on the share that it may not be held by other than Egyptian natural persons, or public or private entities fully owned by Egyptians.

The share shall have coupons with serial numbers bearing the number of the share.

Article 8: The payments for the value of each share shall be registered on the share certificate. Any share on which the proper registration of payment has not been made shall not be negotiable. All amounts due and concerning the remaining value of the shares that are not paid on their due dates shall bear interest in favor Of the Company at the rate of 7% annually from the date they were due, in addition to the compensations resulting from that delay.

The Company's Board of Directors is entitled to sell these shares on behalf, for the account, and at the risk of the defaulting shareholder without need for notices or legal procedures, provided the following steps are taken:

- a) Legal notification of the defaulting shareholder through a registered letter sent to his address, as contained in the Company's registers. after 60 days from the date payment was due.
- b) Announcement in one of the daily newspapers or the Companies Gazette of the distinctive numbers of the shares, the due value of which has not been paid,
- c) Notification of the shareholder by a registered letter bearing a copy of the announcement and the number of the newspaper or gazette in which it was published after fifteen days have elapsed.

Such certificates are cancelled and new certificates substituting the cancelled ones and bearing the same numbers as the cancelled certificates are then issued.

The Board of Directors shall deduct from the proceeds of the sale of the shares all amounts of principal, interest, and expenses due to the Company, and shall then settle the account of the shareholder whose shares have been sold, and pay to him any surplus, or claim from him any deficit due to the Company. The foregoing procedure shall in no way prevent the Company from exercising, at the same time or thereafter, all rights to which it may be entitled by virtue of the provisions of the law.

Article 9 : Transfer of ownership of the shares shall be made by recording the transaction in writing in a special register named: "Register of Transfer of Share Ownership" to be held by the Company. Ownership is transferred after submission of a consent signed by both the transferor and the transferee in accordance with the legal rulings applicable to the circulation of bank notes. The Company is entitled to request authentication of the two parties' signature and proof of their legal capacity.

Even after the transfer of ownership has been obtained and registered in the Company Register, the original subscribers and subsequent transferors shall remain liable jointly and with the transferees for all amounts due until the Value of the shares has been paid. This joint responsibility shall terminate two years after the date of transfer as recorded in the Company Register.

In the event of transfer of ownership of the shares by reason of inheritance, the heir or transferee must request a transfer of ownership to be recorded in the said register. Should the transfer of ownership be carried out as a result of a final court ruling, the registration in the Company register will take place as dictated by that ruling, but only after all supporting documents have been produced.

In all events, two members of the company's Board of Directors shall sign the certificates confirming the recording of the shares in the Register of Transfer of Ownership, as well as indicate on the share the name of the transferee benefiting from that transfer of ownership .

Article 10 : A shareholder shall be liable only for the value of each of his shares and his obligations may not be increased. All shares of that type shall be subject to these obligations.

Article 11 : Ownership of a share shall inevitably entail the acceptance of the Company's Articles of Association and the resolutions of the General Assembly.

Article 12 : Upon the proposal of the Board of Directors, and with a decision from the Company's Extraordinary General Assembly, the Company's authorized capital may be increased.

The Board of Directors may also increase the issued capital within the limits of the authorized capital, in which case the Board of Directors would set the means of remitting the value of the shares of the increase, and the currencies to be used in the remittance.

In any event, the value of the shares of the increase should be remitted in full within three years from the date of subscription thereto, and the Board of Directors must announce the dates of payment of the installments at least thirty days beforehand .

Article 13: In the event of the increase of the issued capital in cash, the increase shall be offered, all or in part, for public subscription, without preference rights to the existing shareholders.

Article 14 : Heirs, whether public or private, or creditors of a shareholder, may not for any reason, request the sealing of the Company's books or assets, nor may they request the division or sale in whole of a share by reason of its indivisibility, nor may they intervene in any way whatsoever in the management of the Company. Shareholders shall, in the exercise of their rights, depend on the Company's inventory lists and final accounts as well as on the General Assemblies of shareholders.

Article 15 : All shares of the same kind entitle their owners to equal portions without discrimination in dividend allotment or in ownership of the Company's assets upon liquidation.

Article 16 : The dividends due on each share shall be paid to the last owner registered in the Ownership of Shares Register at the Company as defined in Article 9 of the Articles of Association. He shall have the sole right to receive all sums due on the shares whether such sums be a part of the profits or a part of the Company's assets.

Part III

On Bonds

Article 17: Export Guarantee Bonds shall be issued by a resolution of the General Assembly based on a suggestion by the Board of Directors.

These bonds shall be subscribed to in full by the National Investment Bank. They shall be amortized at the expiry of the Company's duration after fulfilling its obligations. These bonds shall be issued in slices whose value, date of issue, and rate of payable yield shall be determined by agreement between the Company and the Bank.

The National Investment Bank has subscribed to the first issue of Export Guarantee Bonds in the amount of fifty million Egyptian pounds, with an annual yield of 5%. These bonds shall be amortized at the expiry of the Company's duration after fulfilling its obligations. The Company's Constituent Assembly shall determine the mode and date of payment.

Article 18 : The Company's General Assembly may, at the proposal of the Board of Directors, issue bonds of all types, either in the national or in free currencies. In the latter case, issuance of the bonds may take place on the foreign money markets.

Part IV

Management of the
Company
Board of Directors

Article 19 : The management of the Company is undertaken by a Board of Directors composed of an odd number of members, with a minimum of nine and a maximum of eleven members. It shall be set up in the following manner:

1. The Chairman of the Board of Directors, to be appointed by a resolution of the General Assembly of the Company, upon the proposal of the Minister of Economy and Foreign Trade. In exception to that, the Chairman of the Export Development Bank shall be the Chairman of the first Board of Directors of the Company.
2. One of the directors working in the Company, to be appointed by a decree of the Minister of Economy and Foreign Trade upon his nomination by the Chairman of the Board.
3. Two recognized specialists in legal or economic affairs, to be appointed by the General Assembly upon a recommendation by the Minister of Economy and Foreign Trade.
4. A number of not less than five and not exceeding seven members representing the Capital, to be elected by the General Assembly of the Company.

Article 20 : The members of the Board of Directors representing the Capital must each own a number of the Company's shares of a nominal value of no less than five thousand Egyptian pounds as a guarantee for their membership. The value of the Guarantee Bonds is determined upon consultation of the prices

dealt with in the stock exchange or upon the nominal value of the shares in case the Company's shares have not been registered in the stock exchange.

Article 21: The term of the Board of Directors shall be for three renewable years. However, the term of the first Board of Directors shall be for five years.

The provisions of this article shall in no way prejudice the right of an entity who is a member of the Board to substitute his representative on the Board according to Article 238 of the executive regulations of Law No. 159 for the year 1981.

Article 22 : If there are no members able to replace an original member vacating his post within the year, then another member shall be appointed by the same instrument used for the appointment of the original member, as per Article 19 of the Articles of Association. The Board of Directors shall select replacements for members representing the Capital until the first meeting of the General Assembly is held.

If the vacant position is that of the Chairman of the Board, then the Minister of Economy and Foreign Trade shall delegate the post to one of the members of the Board until a replacement is appointed.

Article 23 : The Chairman of the Board of Directors shall enjoy all powers of the managing director.

The Board may appoint from among its members one or more managing directors to perform assignments specified by the Board. The Board may also form from among its members one or more committees to whom it would delegate some of its powers or assign the task of following up work progress in the Company and the execution of the Board 's decisions.

Article 24 : The Board of Directors shall hold at least six meetings each year at the convocation of the Chairman. The Board, in case of necessity, may convene upon the request of one third of its members.

The meetings of the Board of Directors shall convene at the Head Office of the Company. The meetings may also take place outside of the Head Office provided that all members or representatives be present and that the meetings take place in Egypt.

Article 25 : A member of the Board may, when necessary, be represented by another member who then has two votes. However, votes by proxy may not exceed one third of the votes of those present.

Article 26: The Board meetings are valid if attended by the majority of its members. The Board selects a member to head the meeting in case of the Chairman's absence. The Board resolutions are adopted if they obtain the majority of the votes of the members present. In case of a tie, the Chairman has the casting vote.

Article 27 : The Board of Directors is the highest authority entitled with managing the Company's affairs except for those aspects restricted to law or to the General Assembly organization. Without further definition to this authority, the Board may undertake all decisions and actions needed to accomplish the Company's purposes and specifically the following:

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- a) Setting the general policy for the Company's activities.
 - b) Preparing the Company's balance sheet, the profit and loss accounts, the means of distribution of profits, and preparing the Board's report on the Company's activities.
 - c) Proposing the Company's Planning Budget.
 - d) Issuing decisions and regulations related to the Company's transactions, financial and technical matters, management methods, and work programs.
 - e) Approving the Company's organizational structure upon the recommendation of the Chairman of the Board of Directors.
 - f) Borrowing from banks and financial institutions and presenting the necessary guarantees including making arrangements for mortgages of all kinds.
 - g) Determining the maximum load of obligations to be borne by the Company, based on the insurance policies it issues.
 - h) Authorizing guarantee policy forms issued by the Company.
 - i) Appraising the periodical follow-up reports on the Company's activities.
 - j) Examining all issues related to the management of the Company's activities, and which the Chairman views appropriate to submit to the Board for consideration.

Article 28: The Chairman of the Company's Board of Directors shall represent the Company in its relations with other parties and before courts of law. He is responsible for the implementation of the general policy laid for the accomplishment of the Company's objectives, as well as the implementation of the Board's decisions, in addition to proposing the Company's regulations and submitting them to the Board for approval.

The Chairman is entitled to assign some of his functions to one of the Board members or one of the Bank employees.

Article 29 : The Chairman of the Board and the managing directors, as well as any other member assigned by the Board for that purpose shall all have the right to sign separately for the Company.

The Board of Directors has the right to appoint managers or authorized agents, and authorize them to sign for the Company, whether separately or jointly.

Article 30 : Members of the Board of Directors, in carrying out the functions of their posts within the scope of their mandates, shall incur no personal responsibility in connection with the Company's obligations.

Article 31 : The remunerations of the members of the Board, as well as their established annual attendance allowances and other benefits shall be determined by a resolution of the Ordinary General Assembly. The salaries, benefits, and attendance fees of the managing directors shall be determined by the Board of Directors.

Part V
On the General
Assembly

Article 32 : The General Assembly shall be formed of representatives of the entities contributing to the Company and of shareholders among the individuals, whether personally attending or represented .

The General Assembly shall be chaired by the Minister of Economy and

Foreign Trade or his assignee. Its meetings shall be presided by the Company's Board members whose presence shall form no less than the quorum required for validity in the Board meetings. The Assembly shall also be attended by the Company's two auditors, and an official representing each of the Ministries of Economy and Foreign Trade, Finance, and Planning, to be nominated by the quarters they represent, provided that their grade be not below that of the upper grade. They shall all have the right to participate in the deliberations of the Assembly and to make their observations about the issues under discussion, but they shall not be entitled to cast their votes.

Article 33 : Shareholders are entitled to be represented in the General Assembly. Those wishing to attend the Assembly meetings should be owners of at least 50 shares, whether in person or by proxy. However, a shareholder who is not a member of the Board is not entitled to be represented by a member of the Board in the General Assembly meetings. Moreover, for a representation to be valid, it must be recorded in a written procuration and the representative must be a shareholder himself.

Article 34 : Shareholders wishing to attend the General Assembly shall be required to present proof of their having deposited their shares at the Head Office of the Company or at a registered bank at least three full days before the Assembly convenes.

No transfer of ownership of shares shall be recorded in the Company's Register during the period between the date of publication of the invitation to attend and the closing of the General Assembly.

Article 35 : The set allowance for attending the General Assembly meetings shall be L.E. 100 provided that the shareholder attending, whether in person or by proxy, owns no less than 500 shares.

Article 36: The Ordinary General Assembly of Shareholders shall convene at the invitation of the Chairman of the Board of Directors within the six months following the end of the Company's financial year at the time and place fixed by the invitation, provided that the meeting be held at the Company's Head Office.

The Board of Directors may call a meeting of the General Assembly whenever it deems necessary.

The Board shall call a meeting of the Ordinary General Assembly whenever requested to do so by the auditors or by shareholder representing at least 5% of the Company's Capital provided that they clarify the reasons for their request and that they deposit their shares at the Head Office of the Company or at a registered bank. In that case, these shares may not be drawn until after the closing of the General Assembly.

Article 37 : The Ordinary General Assembly shall convene to examine specifically the following points:

- a) Deciding on the number of the members of the Board of Directors representing the shareholder, electing them, and dismissing them.
- b) Supervising the tasks of the Board of Directors and relieving it of its duties.
- c) Approval of the balance sheet, the profit and loss accounts, and the Company's Planning Budget.

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- d) Approval of the Board report on the outcome of the Company's activities.
 - e) Approval of the distribution of profits.
 - f) Determining the salaries, attendance allowances, and other benefits of the Board of Directors.
 - g) Authorizing the use of appropriations for purposes other than those for which they were allocated.
 - h) Anything which the Board or the shareholders owning at least 5% of the Capital deem should be deliberated by the General Assembly.
 - i) All other affairs falling under the Assembly's jurisdiction according to the provisions of the law or the Company's statutes.

Article 38 : The Board of Directors shall prepare for each fiscal year, by a date that allows the convocation of the General Assembly within a maximum of six months after the end of that fiscal year, the balance sheet and a statement of the profit and loss of the Company. The Board shall also prepare a report on the Company's activities during the fiscal year end its financial position at the end of that year, as well as suggest the method of distributing the net profits of the Company.

The Board shall publish the balance sheet, the profit and loss statement, a summary of its report, and the auditors' full report in two daily newspapers, at least twenty days prior to the General Assembly meeting.

It may suffice to send a copy of the above to each shareholder by registered mail at least twenty days before the date the General Assembly is to convene.

Article 39 : The invitation to the General Assembly meeting shall be published twice in two daily newspapers, the second announcement following the first by at least five days. It may suffice to send the invitation notice by registered mail to the shareholders' addresses as registered in the Company's Register, or it may be given to them by hand against their signature,

A copy of the published announcement or of the notification to the shareholders, as described in Articles 38 and 39 above, is sent to the Companies General Administration, the General Organization of the Money Market, and the representative of the Shareholders' Association, at the same time that it is published or sent to the shareholders.

Article 40 : The General Assembly shall not be deemed valid unless attended by shareholders representing at least half the Capital. If the quorum is not formed at the first meeting, the Assembly must be invited to convene a second time within the thirty days following the first meeting. The invitation to the first meeting may suffice provided that the date of the second meeting be specified in it. The second Assembly shall be considered valid regardless of the number of shares represented therein.

Resolutions of the General Assembly shall be issued according to the absolute majority of shares represented in the Assembly.

Article 41 : The Extraordinary General Assembly shall have the function of amending the Company's statutes, in particular,

- a) Increasing or decreasing the authorized capital upon the proposal of the Company's Board of Directors.

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- b) Extending or reducing the Company's duration, or changing the proportion of loss which will result from the Company's compulsory dissolution.
 - c) Adding objectives that are similar to, complementing, or connected with the Company's initial purpose.
 - d) Adopting resolutions concerning all matters falling within its competence according to the rulings of the law' or these statutes.

However, the shareholders' obligations may not be increased. Therefore, any resolution issued by the Extraordinary General Assembly that would affect the shareholders' basic rights in their capacity as partners will be void.

Article 42 : Taking into account the statutes governing the Ordinary General Assembly, the Extraordinary General Assembly shall abide by the following regulations:

- a) The Extraordinary General Assembly shall convene at the invitation of the Board of Directors. The latter must extend the invitation if requested to do so by a number of shareholders representing at least 10% of the Capital, and for sound reasons, providing that they deposit their shares at the Company's Head Office or at a registered bank. Such shares may not be withdrawn until after the closing of the Assembly. If the Board does not invite the Assembly to convene within a month after the request is made, the petitioners may apply at the Companies General Administration which will undertake issuing the invitation.
- b) The Extraordinary General Assembly shall not be valid unless attended by shareholders representing at least half the Capital. If the quorum is not formed at the first meeting, the Assembly shall be invited to convene a second time within the thirty days following the first meeting. The second Assembly shall be valid only if attended by shareholders representing at least one quarter of the Capital.
- c) The resolutions of the Extraordinary General Assembly shall be issued by a majority of two thirds of the shares represented in the meeting unless the resolution pertains to increasing or decreasing the capital, or to the dissolution of the Company before the expiry of its duration, in which cases the resolutions shall be valid only if issued by three quarters of the shares represented in the meeting.

Article 43 : The General Assembly may not deliberate items other than those stated in the Agenda, but it may deliberate serious issues arising during the meeting.

The decisions issued by the General Assembly, if made during a valid meeting, are binding to all shareholders alike, whether present at the meeting, absent, or opposed to these resolutions. The Board of Directors is responsible for executing the resolutions of the General Assembly.

Article 44: The names of the shareholders attending the Assembly shall be entered in a special register specifying whether attendance is in person or by representation. The register is signed by the auditors and vote tellers before the commencement of the session.

Each shareholder attending the General Assembly meeting shall be entitled to discuss the items on the Agenda and to question the members of the Board and the auditors about them, provided that these questions be presented in writing at the Company's Head Office, whether by registered letter or by hand against a receipt, and at least three days before the General Assembly is convened.

The Board of Directors shall answer the shareholders' questions and inquiries insofar as not to prejudice either the Company's interest or the general interest. If the shareholder deems the answer inadequate, the General Assembly is the arbiter and its resolutions must be executed.

Voting in the General Assembly is public except for resolutions concerning the election of Board members, or their dismissal, or a claim against them, or if such is requested by the Chairman of the Board or by at least 50% of the shareholders attending the meeting.

The Board of Directors may not cast votes on resolutions of the General Assembly concerning their salaries, remuneration, exoneration from charges, or release from administrative or other duties.

Article 45: The minutes of the General Assembly meeting shall include a record of attendance and of the quorum reached, as well as a confirmation of the attendance of the representatives of administrative agencies and of the legal representative of the Shareholders' Association. The minutes shall also include an adequate summary of all discussions of the General Assembly, of all that occurs during the meeting, of the resolutions taken in the Assembly and the number of votes for and against them, as well as all matters that the shareholders request be recorded in the minutes.

The minutes of the General Assembly shall be recorded regularly after each session in a special register to be signed by the president of the session, the permanent secretary, the vote tellers, and the auditors.

A copy of the minutes shall be sent to the concerned administrative authorities within a month, at most, from the date of the General Assembly meeting.

Article 46 : Without forsaking the rights of well-meaning individuals, any resolution of the General Assembly that violates the provisions of the law or of the Company's statutes shall be void.

Similarly, any resolution adopted for the benefit of a certain group of shareholders or to their disadvantage, or to procure special benefits to the members of the Board or others regardless of the Company's best interests, may be nullified.

The request for nullification in such a case may be made only by those shareholders who opposed the resolution in the minutes of the session or by those who were absent for valid reasons. Upon presentation of sound reasons, these shareholders may be represented by the concerned administrative authorities in their request for nullification.

As a result of the adjudication of nullification, the shareholders shall consider the resolution not to have been taken. The Board of Directors shall publish a

summary of the nullification verdict in one of the daily newspapers and in the Companies Gazette.

The claim for nullification shall lapse at the end of a period of one year from the date of the General Assembly decision. Lodging of the complaint does not entail blocking the resolution unless the Court so orders.

Article 47: The annual auditing of the Company's accounts shall be entrusted to two auditors appointed by the Central Audit Office which shall also determine their remunerations. The Company shall place at the disposal of these auditors all documents, books and data which they deem necessary for the auditing process.

In their capacity as agents for the shareholders, the auditors shall be responsible for the accuracy of the statements contained in their report. Each shareholder may question the Auditors' report and request clarification of its contents during the General Assembly meeting.

Article 48: The Company's financial year shall commence with the State's fiscal year and end with its end. However, the Company's first fiscal year shall cover the period between its commencement of activities and the end of the following fiscal year.

Article 49: The Company's net profits, after deduction of all general expenses, technical allocations, and other costs, shall be distributed annually as follows:

1. An amount equal to 10% of the profits shall be deducted to form the legal reserve. The General Assembly may halt this deduction once the reserve reaches 50% of the Company's issued capital. In the event that the reserve falls below the above figures, the deduction shall be resumed.
A percentage of the profits shall be distributed in cash among the Company's employees. That amount shall fall within the limits of 10% and shall be no more than the total annual wage of the Company's employees.
2. The amount of money necessary for the distribution of a first dividend to the shareholders and workers equal to 5% of the value of the shares already paid shall be deducted. However, in the event that the profits of one year are not sufficient to cover the payment of these dividends, the latter may not be claimed from the profit of subsequent years.
3. After the foregoing deductions, an amount not exceeding 10% shall be allocated as remuneration for the Board of Directors.
4. The General Assembly may then allocate a percentage of the profits to the Company's treasury. This percentage will be determined annually according to the profits made and the relative importance of the funds allocated to the Company by the State.
5. The remaining profits shall then be distributed as an additional share among the shareholders and employees when necessary and within the limits defined in (1) above of this article, or shall be carried forward, on the proposal of

PART VI
On the Auditors

PART VII
The Company's Fiscal Year, Final
Accounts, Reserves, Distribution of
Dividends

the Board of Directors, to the following year, or allocated to the formation of special or extraordinary reserves.

Article 50 : Reserves shall be used in the best interest of the Company according to a General Assembly resolution based on a proposal of the Board.

Article 51 : Dividends shall be paid to shareholders at the place and time fixed by the Board of Directors, and this within one month from the date of the General Assembly resolution of distribution.

PART VIII

On Conflicts

Article 52 : Any resolution adopted by the General Assembly shall in no way entail the lapse of claims of civil liabilities against any member of the Board of Directors by reason of faults committed by them in the performance of their functions. Should the act entailing liability be submitted to the General Assembly by a report of the Board of Directors or by one of the two auditors, then such a claim shall lapse at the end of a period of one year from the date of the decision of the General Assembly approving the Board of Directors' report.

However, should the act attributed to the member of the Board constitute a felony or misdemeanor, then the claim shall not lapse till the lapse of the public case.

Article 53 : Without prejudicing the legal rights of the shareholders, no dispute affecting the general and joint benefit of the Company may be raised against the Board of Directors or one or more of the directors unless it be in the name of all the shareholders and be based on a resolution of the General Assembly.

Any shareholder wishing to raise such a dispute must notify the Board of Directors before the convening of the next General Assembly by at least one month, and the Board must enter it into the Assembly's Agenda.

PART IX

On the dissolution and Liquidation of the Company

Article 54 : In the event of loss of one half of the Company's capital, the Board of Directors shall invite the Extraordinary General Assembly to consider dissolving the Company before the expiry of its duration unless the Assembly decides otherwise.

Article 55: In accordance with the regulations of joint stock companies, commandite companies with shares, and limited liability companies mentioned above, and with their executive regulations, the General Assembly shall appoint one or more liquidators from among the shareholders or others and shall decide their fees.

The liquidator's duties shall not end with the death of a shareholder, his announcement of bankruptcy or insolvency, or his detention, even if the liquidator had been appointed by that shareholder.

The authority of the Board of Directors shall cease upon the appointment of the liquidators.

However, the powers of the General Assembly shall remain in effect during the whole period of dissolution and till the liquidators are relieved of their responsibilities.

Part X

General Provisions

Article 56 : The Board of Directors must contract a lawyer who practices in Courts of Appeal at the very least, to be the Company's legal Counselor. with the conditions and for the duration agreed upon by the contracting parties.

On expiry of the legal counselor's contract, the Board of Directors must either renew it or draw up another one at once.

Article 57 : All costs and fees paid for the establishment of the Company shall be charged to the general expense account.

Article 58 : These statutes shall be published at the Commercial Registry for the City of Cairo.

The Secretary of the
Constituent Assembly

The President of the
Constituent Assembly

THE FOUNDERS

Export Develop-
ment Bank of
Epypt

National
Investment
Bank

Misr Insurance
Company

Al Chark
Insurance
Company

Egyptian
National
Insurance
Company

