

## **Decision no. 127**

In view of discussions conducted, the Board of Directors has decided to amend the said articles as follows:

### **CMA BOD Decision no. 127 of 2007** **Issued on 26/12/2007**

#### **CMA BOD**

After considering Law no. 95 of 1992 promulgating Capital Market Law and its Executive Regulations; and  
CMA BOD Decision no. 30 of 2002 on rules for Listing and Delisting Securities and Amendments thereof,

#### **HAS DECIDED**

The following provisions shall replace provisions of Capital Adequacy, Item 2(b) and (c) of Article 9; Capital Adequacy, Item 2 (b) and (c) of Article 10 (Special Requirements for the Unofficial Table no. 2); and Articles 19 and 29 of the Rules of Listing and Delisting of Securities:

#### **Article (9)**

##### **Financial Criteria**

##### **Item (b)**

Issued capital shall be paid in full and shall not be less than L.E 20 million (twenty million Egyptian pounds), or its equivalent, based on annual or interim financial statements, which must be prepared in accordance with the Egyptian Accounting Standards, comprehensively reviewed, supported with the auditor's report, and approved by the general assembly of the company.

##### **Item (c)**

Net profits of the company prior to tax deductions for the last financial year that precedes the date of the listing application must be generated by actual activities it performs and for which purpose it was established. Such net profits must not be less than 5% of the paid capital to be listed, and the net profit prior to tax deductions entered in the interim financial statements which shows the capital to be listed, as well as the interim financial statements that follow (if they are completed), must not be less than the net profit prior to taxation in the annual statements.

## **Article (10)**

### **Capital Adequacy Criteria**

#### **Item (b)**

Issued capital shall be paid in full and shall not be less than L.E 10 million (ten million Egyptian pounds) based on annual or interim financial statements, which must be prepared in accordance with the Egyptian Accounting Standards, comprehensively reviewed, supported with the auditor's report, and approved by the general assembly of the company.

#### **Item (c)**

Net profits of the company prior to tax deductions for the last financial year that precedes the date of the listing application must be generated by actual activities it performs and for which purpose it was established.

Such net profits must not be less than 5% of the paid capital to be listed, and the net profit prior to tax deductions entered in the interim financial statements which shows the capital to be listed, as well as the interim financial statements that follow (if they are completed), must not be less than the net profit prior to taxation in the annual statements.

#### **Item (b), Special Requirements for the unofficial table no. (2)**

Net profits of the company prior to tax deductions for the last financial year that precedes the date of the listing application must be generated by actual activities it performs and for which purpose it was established.

Such net profits must not be less than 1% of the paid capital to be listed, and the net profit prior to tax deductions entered in the interim financial statements which shows the capital to be listed, as well as the interim financial statements that follow (if they are completed), must not be less than the net profit prior to taxation in the annual statements.

#### **Item (C), Special Requirements for the unofficial table no. (2)**

Issued capital shall be paid in full and shall not be less than L.E 5 million (five million Egyptian pounds).

This shall be based on the annual or interim financial statements which must be prepared in accordance with the Egyptian Accounting Standards, comprehensively reviewed, supported with the auditor's report, and approved by the general assembly of the company.

### **Article (19)**

The company shall notify the Stock Exchange of the internal procedures adopted therein which guarantee that no member of its board of directors, directors, staff, or associated groups shall deal in any securities issued by the company within 15 days before, and 3 days after issuing or publishing any material data or information that may have a significant impact on the market price of the company securities.

Without prejudice to the provisions of the previous paragraph, and in case anyone of the above persons wishes to deal at times other than those stated in the previous paragraph, the company, as well as those persons, must notify the CMA and the Stock Exchange of that in accordance with the Stock Exchange-approved form. The notification must include sufficient data about the securities to be dealt in. The Stock Exchange shall publish such data directly after execution even if it is a partial one. The publication shall be made via the trade screens and periodical bulletin.

### **Article (29)**

A company wishing to purchase part of its shares (treasury shares), whether in the form of local shares or deposit certificates in accordance with provisions of Law on Joint Stock Companies, Companies Limited by Shares, and Companies with Limited Liability promulgated by Law no. 159 of 1981 and its Executive Regulations shall inform the CMA and the Stock Exchange of that via the CMA-prepared form three days at least prior to execution of the transaction. The notification must include reasons for which the company would purchase its shares, source of financing for the purchase, and expected impact of the purchase operations on the company performance indicators. It shall also show whether the purchase shall be executed in one transaction or through a definite program, and the company plan for disposing of the purchased shares together with the minutes of meeting of the company board of directors [approving] the purchase. The following shall be observed:

1. The period the company keeps the shares shall not be less than three months and shall not exceed one calendar year. The company board of directors shall present the matter to the extraordinary general assembly of the company to take a decision if the period of holding the shares exceeds six months.
2. If the company wishes to exceed the quantity of treasury shares to be purchased or kept over and above 5% of its shares, the purchase must be made from all shareholders wishing to sell their shares. If the shares offered by shareholders exceed the number of shares to be purchased, the company must purchase from all shareholders wishing to sell at a ratio of total shares to be purchased to total offered shares, with numbers with fractions to be rounded up to the next whole number in favor of small shareholders.

Dealings in the treasury shares shall be executed in the manner determined by the Stock Exchange without prejudice to legislative controls that govern trading thereat.

In case of non-compliance with the purchase program attached to the notification, the company must inform the CMA and the Stock Exchange of the reasons for that and its remedy plan. It shall also notify both of the transactions executed regarding the treasury shares, average price, and reasons for not disposing of those shares that have not been disposed of.

In accordance with provisions of Article (24) of these Rules, the Stock Exchange shall publish data of the said notification via the trade screens and the periodic bulletin.

Transactions made by the company to purchase its shares via purchase offers shall not have any impact on volume of trading or closing prices, or any other results generated by trading of securities.

#### **Decision no. (128)**

Regarding non-approval of the application filed for suspending decisions of the ordinary general assembly of Al-Fath Co. for Securities on the basis of lack of substantial grounds or requirements of Law no. 95 of 1992.

“4. Fees of a consulting office or expert with an engineering, accounting, financial, medical experience or any other background that the CMA needs for execution of its operations shall be determined to be 2% of the value of the subject of the study with a maximum of L.E 25,000 (twenty-five thousand Egyptian pounds). If the subject of the study has no value, the fees shall be determined by the CMA BOD.”

#### **Decision no. (130)**

Regarding approval of the draft proposal submitted by Misr for Clearing, Depository and Central Registry concerning fees for services that company delivers to those dealing with it, the draft shall be submitted to the Minister of Investment to take related ministerial decision.

#### **Decision no. (131)**

Regarding approval of the license for issuing securitized bonds of the Egyptian Company for Securitization at a sum of L.E 360 million (three hundred and sixty million Egyptian pounds) with a nominal value of L.E 100 per bond, a maturity term of five years, and a fixed annual return of 9.75% to be issued monthly.